



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

JANASHAKTHI INSURANCE PLC
STATEMENT OF FINANCIAL POSITION



AS AT	Notes	<u>Consolidated</u>		<u>Company</u>	
		Unaudited 30 September 2019	Audited 31 December 2018	Unaudited 30 September 2019	Audited 31 December 2018
Assets		LKR '000	LKR '000	LKR '000	LKR '000
Financial Investments		16,866,397	15,657,029	16,866,397	15,657,029
Investment Property		2,084,208	1,997,803	2,084,208	1,997,803
Intangible Assets		80,882	84,901	80,882	84,901
Property, Plant and Equipment		439,563	257,742	439,563	257,742
Right of Use Lease Assets	12.1	252,216	-	252,216	-
Loans to Life Policyholders & Others		283,128	261,240	283,128	261,240
Reinsurance Receivable		26,206	19,904	26,206	19,904
Premium Receivables		20,845	26,616	20,845	26,616
Other Assets		309,840	412,519	309,840	412,519
Deferred Tax Asset	11.2	1,246,618	1,342,199	1,246,618	1,342,199
Cash in Hand and Balance at Bank		230,501	223,268	230,501	223,268
Total Assets		21,840,404	20,283,221	21,840,404	20,283,221
Liabilities and Shareholders' Equity					
Equity					
Stated Capital		4,853,752	4,853,752	4,853,752	4,853,752
Revenue Reserves		2,887,187	2,671,460	2,887,187	2,671,460
Restricted Regulatory Reserve	8	1,795,829	1,795,829	1,795,829	1,795,829
Total Equity		9,536,768	9,321,041	9,536,768	9,321,041
Liabilities					
Insurance Liability - Life		10,636,440	9,897,807	10,636,440	9,897,807
Retirement Benefit Obligation		90,620	85,705	90,620	85,705
Long Term Borrowings		151,847	-	151,847	-
Reinsurance Creditors		11,585	34,967	11,585	34,967
Lease Creditor	12.2	241,330	-	241,330	-
Other Liabilities		1,053,513	832,133	1,053,513	832,133
Bank Overdrafts		118,301	111,568	118,301	111,568
Total Liabilities		12,303,636	10,962,180	12,303,636	10,962,180
Total Equity and Liabilities		21,840,404	20,283,221	21,840,404	20,283,221

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
14 November 2019

JANASHAKTHI INSURANCE PLC

STATEMENT OF PROFIT OR LOSS



For the nine months ended 30 September	Notes	Consolidated		Company	
		Unaudited 2019 LKR '000	Unaudited 2018 LKR '000	Unaudited 2019 LKR '000	Unaudited 2018 LKR '000
Gross Written Premium	10	2,645,826	2,226,757	2,645,826	2,226,757
Premium Ceded to Reinsurers		(96,938)	(90,194)	(96,938)	(90,194)
Net Written Premium		2,548,888	2,136,563	2,548,888	2,136,563
Net Earned Premium		2,548,888	2,136,563	2,548,888	2,136,563
Other Revenue					
Fee and Commission Income		59,849	51,332	59,849	51,332
Investment Income		1,223,027	1,130,833	1,223,027	1,130,833
Realised Gains/ (Losses)		197,641	-	197,641	-
Fair Value Gains/ (Losses)		(48,773)	(5,864)	(48,773)	(5,864)
Other Operating Revenue		221,417	68,725	221,417	68,725
Gain on Disposal of Subsidiary	6	-	7,080,641	-	9,198,602
Total Other Revenue		1,653,161	8,325,667	1,653,161	10,443,628
Total Net Income		4,202,049	10,462,230	4,202,049	12,580,191
Benefits and Claims					
Net Benefits & Claims		(1,366,791)	(1,065,524)	(1,366,791)	(1,065,524)
Increase in Life Insurance Fund		(739,260)	(605,233)	(739,260)	(605,154)
Underwriting & Net Acquisition Cost		(691,662)	(647,646)	(691,662)	(647,646)
Total Benefits, Claims & Net Acquisition Cost		(2,797,713)	(2,318,403)	(2,797,713)	(2,318,324)
Finance Cost		(59,921)	(2,142)	(59,921)	(2,142)
Other Operating and Administrative Expenses		(881,950)	(983,583)	(881,950)	(990,246)
Other Expenses		(941,871)	(985,725)	(941,871)	(992,388)
Profit/ (Loss) before Taxation		462,465	7,158,102	462,465	9,269,479
Reversal of Deferred Taxation	11	(95,581)	-	(95,581)	-
Profit/ (Loss) for the Period from Continuing Operations		366,884	7,158,102	366,884	9,269,479
Discontinued Operations					
Profit for the Period from Discontinued Operations	7	-	258,318	-	-
Profit for the Period		366,884	7,416,420	366,884	9,269,479
Profit/ (Loss) from Continuing Operations attributable to:					
Equity holders of the Company		366,884	7,158,102	366,884	9,269,479
Profit from Discontinued Operations attributable to:					
Equity holders of the Company		-	258,318	-	-
		366,884	7,416,420	366,884	9,269,479
Basic Earnings/ (Loss) per Share (Rs.)					
Continuing Operations		1.62	22.67	1.62	29.36
Discontinued Operation		-	0.82	-	-

JANASHAKTHI INSURANCE PLC
STATEMENT OF COMPREHENSIVE INCOME



	Consolidated		Company	
	Unaudited	Unaudited	Unaudited	Unaudited
For the nine months ended 30 September	2019	2018	2019	2018
	LKR'000	LKR'000	LKR'000	LKR'000
Profit for the Period	366,884	7,416,420	366,884	9,269,479
Other Comprehensive Income/ (Loss)				
Continuing Operations				
Net Change in fair value of Available For Sale financial assets	(148,773)	306,743	(148,773)	306,743
Net Realised Gains Transferred to Income Statement	(2,384)	-	(2,384)	-
Discontinued Operations				
Net Change in fair value of Available For Sale financial assets	-	(742)	-	-
Other Comprehensive Income/ Loss	(151,157)	306,001	(151,157)	306,743
Total Comprehensive Income for the Period	215,727	7,722,421	215,727	9,576,222
Total Comprehensive Income attributable to:				
Equity holders of the Company	215,727	7,722,421	215,727	9,576,222
	215,727	7,722,421	215,727	9,576,222

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	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Audited Balance as at 31 December 2017	4,853,752	327,416	1,795,829	5,085,373	(747,690)	4,337,683	-	11,314,679
Profit for the Period	-	-	-	7,416,420	-	7,416,420	-	7,416,420
<u>Other Comprehensive (Loss) / Income</u>								
Transfer of Revaluation Surplus to Retained Earnings, at Disposal	-	(327,416)	-	327,416	-	327,416	-	-
Net Change in fair value of Available for Sale Financial Assets	-	-	-	-	306,001	306,001	-	-
Other Comprehensive Income	-	(327,416)	-	327,416	306,001	633,417	-	306,001
Transactions with Equity Holders recognised directly in equity								
Repurchase of Shares	-	-	-	(11,669,647)	-	(11,669,647)	-	(11,669,647)
Expenses on Repurchase of Shares	-	-	-	(6,584)	-	(6,584)	-	(6,584)
Unaudited Balance as at 30 September 2018	4,853,752	-	1,795,829	1,152,979	(441,690)	711,288	-	7,360,869
Profit for the Period	-	-	-	1,928,404	-	1,928,404	-	1,928,404
<u>Other Comprehensive Income</u>								
Net Change in fair value of Available for Sale Financial Assets	-	-	-	-	67,435	67,435	(35,668)	31,767
Impact of discontinued operations	-	-	-	(622,515)	622,515	-	-	-
Actuarial Losses on Defined Benefit Plans	-	-	-	4,232	-	4,232	-	4,232
Other Comprehensive Income	-	-	-	(618,283)	689,950	71,668	(35,668)	36,000
Transfers to Life Insurance Fund	-	-	-	(4,232)	-	(4,232)	-	(4,232)
Audited Balance as at 31 December 2018	4,853,752	-	1,795,829	2,458,868	248,261	2,707,128	(35,668)	9,321,041
Profit for the Period	-	-	-	366,884	-	366,884	-	366,884
<u>Other Comprehensive Income</u>								
Net Change in fair value of Available for Sale Financial Assets	-	-	-	-	(151,513)	(151,513)	2,740	(148,773)
Net Realised Gains Transferred to Income Statement	-	-	-	-	(2,384)	(2,384)	-	(2,384)
Other Comprehensive Income	-	-	-	-	(153,897)	(153,897)	2,740	(151,157)
Unaudited Balance as at 30 September 2019	4,853,752	-	1,795,829	2,825,752	94,363	2,920,115	(32,928)	9,536,768

JANASHAKTHI INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY



Company

	Stated Capital LKR '000	Restricted Regulatory Reserve LKR '000	Revenue Reserves			Available for Sale Reserve Fund of Life Policyholders LKR '000	Total LKR '000
			Retained Earnings LKR '000	Available-for- sale Financial Assets LKR '000	Total LKR '000		
Audited Balance as at 31 December 2017	4,853,752	1,795,829	2,937,214	(125,917)	2,811,297	-	9,460,878
Profit for the Period	-	-	9,269,479	-	9,269,479	-	9,269,479
<u>Other Comprehensive (Loss) / Income</u>							
Net Change in fair value of Available for Sale Financial Assets	-	-	-	306,743	306,743	-	306,743
Other Comprehensive Income	-	-	-	306,743	306,743	-	306,743
Transactions with Equity Holders recognised directly in equity							
Repurchase of Shares	-	-	(11,669,647)	-	(11,669,647)	-	(11,669,647)
Expenses on Repurchase of Shares	-	-	(6,584)	-	(6,584)	-	(6,584)
Unaudited Balance as at 30 September 2018	4,853,752	1,795,829	530,462	180,826	711,288	-	7,360,869
Profit for the Period	-	-	1,928,405	-	1,928,405	-	1,928,405
<u>Other Comprehensive Income</u>							
Net Change in fair value of Available for Sale Financial Assets	-	-	-	67,435	67,435	(35,668)	31,767
Actuarial Losses on Defined Benefit Plans	-	-	4,232	-	4,232	-	4,232
Other Comprehensive Income	-	-	4,232	67,435	71,667	(35,668)	35,999
Transfers to Life Insurance Fund	-	-	(4,232)	-	(4,232)	-	(4,232)
Audited Balance as at 31 December 2018	4,853,752	1,795,829	2,458,868	248,261	2,707,128	(35,668)	9,321,041
Profit for the Period	-	-	366,884	-	366,884	-	366,884
<u>Other Comprehensive (Loss) / Income</u>							
Net Change in fair value of Available for Sale Financial Assets	-	-	-	(151,513)	(151,513)	2,740	(148,773)
Net Realised Gains Transferred to Income Statement	-	-	-	(2,384)	(2,384)	-	(2,384)
Other Comprehensive Income	-	-	-	(153,897)	(153,897)	2,740	(151,157)
Unaudited Balance as at 30 September 2019	4,853,752	1,795,829	2,825,752	94,363	2,920,115	(32,928)	9,536,768

JANASHAKTHI INSURANCE PLC
INCOME STATEMENT



For the Three months ended 30 September	Notes	Consolidated		Company	
		Unaudited 2019 LKR'000	Unaudited 2018 LKR'000	Unaudited 2019 LKR'000	Unaudited 2018 LKR'000
Gross Written Premium	10	904,900	781,297	904,900	781,297
Premium Ceded to Reinsurers		(36,259)	(28,560)	(36,259)	(28,560)
Net Written Premium		868,641	752,737	868,641	752,737
Net Change in Reserve for Unearned Premium		-	-	-	-
Net Earned Premium		868,641	752,737	868,641	752,737
Other Revenue					
Fee and Commission Income		35,545	34,294	35,545	34,294
Investment Income		427,059	377,240	427,059	377,240
Realised Gains		64	(69)	64	(69)
Fair Value Losses		(59,622)	(2,500)	(59,622)	(2,500)
Other Operating Revenue		85,194	30,176	85,194	30,176
Total Other Revenue		488,240	439,141	488,240	439,141
Total Net Income		1,356,881	1,191,878	1,356,881	1,191,878
Benefits and Claims					
Net Benefits & Claims		(467,443)	(455,884)	(467,443)	(455,884)
Increase in Life Insurance Fund		(184,988)	(149,971)	(184,988)	(149,892)
Underwriting & Net Acquisition Cost		(215,481)	(226,806)	(215,481)	(226,806)
Total Benefits, Claims & Net Acquisition Cost		(867,912)	(832,661)	(867,912)	(832,582)
Finance Cost		(21,974)	(30)	(21,974)	(30)
Other Operating and Administrative Expenses		(301,419)	(254,615)	(301,419)	(254,694)
Other Expenses		(323,393)	(254,645)	(323,393)	(254,724)
Profit before Taxation		165,576	104,572	165,576	104,572
Income Tax Expense	11	(34,612)	-	(34,612)	-
Profit for the Period		130,964	104,572	130,964	104,572
Profit attributable to:					
Equity holders of the Company		130,964	104,572	130,964	104,572
		130,964	104,572	130,964	104,572
Basic earnings per share (LKR)		0.58	0.33	0.58	0.33

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
For the Three months ended 30 September				
Profit for the Period from Continuing Operations	130,964	104,572	130,964	104,572
Other Comprehensive Income/ (Loss)				
Net Change in fair value of Available For Sale financial assets from Continued Operations	32,755	(70,545)	32,755	(70,545)
Other Comprehensive Income/ (Loss)	32,755	(70,545)	32,755	(70,545)
Total Comprehensive Income for the Period	163,719	34,027	163,719	34,027
Total Comprehensive Income attributable to:				
Equity holders of the Company	163,719	34,027	163,719	34,027
	163,719	34,027	163,719	34,027

JANASHAKTHI INSURANCE PLC

CASH FLOW STATEMENT



	Notes	Consolidated		Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		2019 LKR '000	2018 LKR '000	2019 LKR '000	2018 LKR '000
For the nine months ended 30 September					
Cash Flows From Operating Activities					
Premium Received from Customers		2,645,826	4,204,734	2,645,826	2,231,614
Reinsurance Premium Paid		(10,363)	(362,153)	(10,363)	(23,037)
Claims Paid		(1,459,291)	(2,385,034)	(1,459,291)	(1,103,964)
Reinsurance Receipt in Respect of Claims		10,980	272,833	10,980	5,268
Interest Received		599,063	779,473	599,063	535,512
Dividends Received		11,613	25,822	11,613	25,822
Other Operating Cash Payments		(410,463)	(1,717,921)	(410,463)	(1,075,777)
Cash Flows from Operating Activities	A	1,387,365	817,754	1,387,365	595,438
Gratuity Paid		(6,693)	(6,686)	(6,693)	(1,607)
Net Cash Generated From Operating Activities		1,380,672	811,068	1,380,672	593,831
Cash Flows Used in Investing Activities					
Net Purchase of Investments		(1,409,298)	(1,996,256)	(1,409,298)	(2,949,365)
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		-	(92,311)	-	(2,078,580)
Purchase of Property, Plant and Equipment		(86,118)	-	(86,118)	-
Proceeds from Disposal of Property, Plant and Equipment		-	654	-	-
Purchase of Intangible Assets		(6,004)	(12,798)	(6,004)	-
Net Cash Generated From/ (Used in) Investing Activities		(1,001,420)	13,937,891	(1,001,420)	11,010,657
Net Cash Flows Before Financing Activities		379,252	14,748,959	379,252	11,604,488
Cash Flows Used in Financing Activities					
Interest Paid on Borrowings		(378,752)	(6,098)	(378,752)	(2,142)
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)
Net Cash Used in Financing Activities		(378,752)	(11,682,329)	(378,752)	(11,678,373)
Net Increase / (Decrease) in Cash and Cash Equivalents	B	500	3,066,630	500	(73,885)

JANASHAKTHI INSURANCE PLC
NOTES TO THE CASH FLOW STATEMENT



For the nine months ended 30 September	Notes	Consolidated		Company	
		2019 LKR '000 Unaudited	2018 LKR '000 Unaudited	2019 LKR '000 Unaudited	2018 LKR '000 Unaudited
A Cash Flows from Operating Activities					
Profit/(Loss) Before Tax - Continued Operations		462,465	7,158,102	462,465	9,269,479
Profit Before Tax - Discontinued Operations		-	331,869	-	-
Finance Cost		59,921	6,098	59,921	2,142
(Gain)/Loss on Financial Investments		48,773	(11,300)	48,773	5,864
Provision for Retirement Benefit		11,608	16,392	11,608	11,312
Gain on Disposal of Subsidiary	6	-	(7,080,641)	-	(9,198,602)
Depreciation and Amortisation Expenses		118,263	29,876	118,263	4,298
Provision for Bad Debts		-	2,998	-	-
Changes in Working Capital					
(Increase)/Decrease in Premium and Other Receivables		(224,106)	206,660	(224,106)	(341,523)
Increase in Life Insurance Fund		739,260	605,154	739,260	605,154
Decrease in Non Life Insurance Provision		-	(649,413)	-	-
Increase/(Decrease) in Creditors		171,181	201,959	171,181	237,314
Net Cash Flows from Operating Activities		1,387,365	817,754	1,387,365	595,438
B Increase / (Decrease) in Cash and Cash Equivalents					
Cash in Hand and Balance at Bank		230,501	167,183	230,501	167,183
Bank Overdrafts		(118,301)	(131,881)	(118,301)	(131,881)
Net Cash and Cash Equivalents as at end of the Period - Continued Operations		112,200	35,302	112,200	35,302
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)	-	-
Increase / (Decrease) in Cash and Cash Equivalents During the Period		500	3,066,630	500	(73,885)

JANASHAKTHI INSURANCE PLC
INCOME STATEMENT - SEGMENT INFORMATION



For the Period ended	Notes	Unaudited 30/9/2019		Unaudited 30/9/2018 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
Gross Written Premium	10	2,645,826	-	2,226,757	1,442,384
Net Earned Premium		2,548,888	-	2,136,563	1,669,029
Investment Income and Other Income		1,653,161	-	10,443,628	(275,766)
Total Net Income		4,202,049	-	12,580,191	1,393,263
Benefits and Claims					
Net Benefits & Claims		(1,366,791)	-	(1,065,524)	(1,068,787)
Increase in Life Insurance Fund		(739,260)	-	(605,154)	-
Underwriting & Net Acquisition Cost		(691,662)	-	(647,646)	(276,124)
Total Benefits, Claims & Net Acquisition Cost		(2,797,713)	-	(2,318,324)	(1,344,911)
Other Operating and Administrative Expenses		(941,871)	-	(992,388)	(300,723)
Profit/ (Loss) Before Taxation		462,465	-	9,269,479	(252,371)
Income Tax Expense		(95,581)	-	-	(73,551)
Profit/ (Loss) for the Period		366,884	-	9,269,479	(325,922)

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 September, 2019 were approved by the Board of Directors on 14 November, 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.

	Group Unaudited LKR '000	Company Unaudited LKR '000
Gross Sales Proceeds	16,393,731	16,393,731
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 coordinated 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 30/9/2019 LKR '000	Audited 26/2/2018 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
Total Net Income		-	8,473,904
Benefits and Claims			
Net Benefits & Claims		-	(1,068,787)
Underwriting & Net Acquisition Cost		-	(276,124)
Total Benefits, Claims & Net Acquisition Cost		-	(1,344,911)
Other Operating and Administrative Expenses		-	(300,723)
Profit/ (Loss) before Taxation		-	6,828,270
Income Tax Expense	11	-	(73,551)
Profit/ (Loss) for the Period		-	6,754,719
Profit/ (Loss) attributable to:			
Equity holders of the Company		-	6,754,719
		-	6,754,719
Inter Company Elimination		-	584,240
Profit from Discontinued Operation at Group level		-	7,338,959
Other Comprehensive Income/ (Loss)			
Net Change in fair value of Available For Sale financial assets from Discontinued Operations		-	(742)
Total Comprehensive Income for the Period		-	7,338,217

* 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.

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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 30/9/2019	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	-	(3,955)
Net Increase in Cash & Cash Equivalents	-	3,140,515
Net Cash and Cash Equivalents as at beginning of the Period	-	(252,048)
Net Cash and Cash Equivalents as at End of the Period	-	2,888,467

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 September 2019	<u>1,795,829</u>	<u>1,795,829</u>

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 September 2019. The liability test is performed as at year end.



10 Gross Written Premium	For the Period ended 30 September	
	Unaudited 2019	Unaudited 2018
	LKR '000	LKR '000
Life Insurance (Continuing Operations)		
First Year Premium	1,286,782	924,649
Renewal Premium	1,359,044	1,302,108
Total Life Premium	2,645,826	2,226,757
Non Life Insurance (Discontinued Operations)		
Fire	-	167,472
Motor	-	1,037,451
Marine	-	38,153
Miscellaneous	-	199,308
Total Non - Life Premium	-	1,442,384

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	
	30/9/2019	2018
Deferred Tax Asset - Beginning Balance	1,342,199	-
Deferred Tax Recognised in Income Statement On Brought Forward tax Losses	-	1,342,199
Reversal during the Period	(95,581)	
Deferred Tax Asset - Closing Balance	1,246,618	1,342,199

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	-
Additions	18,436	
Net Depreciation for the Period	(34,213)	
Amortisation of Advance	(11,791)	
Balance as at 30 September	252,216	-

12.2 Lease Creditor

	Unaudited 2019 LKR'000	Unaudited 2018 LKR'000
Balance as at 1 January	243,771	-
Additions	18,435	
Interest Expense recognised in Profit or Loss	29,322	
Settlement through lease payment	(50,199)	
Balance as at 30 September	241,330	-

JANASHAKTHI INSURANCE PLC

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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 September 2019. (2018: 226,526,153)

16 Information on Ordinary Shares

For the Quarter Ended	30 September 2019	
	2019	2018
Market Price per Ordinary Share (LKR)		
Highest Price	40.00	26.50
Lowest Price	26.40	21.00
Closing Price	34.70	22.00
Net Asset Value per Share (LKR) - Company	42.10	32.34
- Group	-	32.34

17 Twenty Largest Shareholders as at 30 September 2019

Name of Shareholder	No. of Shares	%
1 Janashakthi PLC	124,803,762	55.09%
2 Seylan Bank PLC/Janashakthi PLC	20,234,435	8.93%
3 Seylan Bank PLC/Janashakthi Limited (Collateral)	16,600,000	7.33%
4 First Capital Limited	13,099,471	5.78%
5 Mr. Silva	7,281,572	3.21%
6 Commercial Bank Of Ceylon PLC/Janashakthi Limited	6,506,300	2.87%
7 Suktam Holdings (Pvt) Ltd	4,091,254	1.81%
8 Seylan Bank PLC/Arrc Capital (Pvt) Ltd	1,218,684	0.54%
9 Mr. Weerasinghe	990,000	0.44%
10 Dr. Senthilverl	980,000	0.43%
11 Commercial Bank Of Ceylon PLC/Metrocorp (Pvt) Ltd	900,000	0.40%
12 Mr. Mendis	792,000	0.35%
13 Mr. Herath	540,000	0.24%
14 Mrs. Mathews	510,000	0.23%
15 Mr. Balasingam	492,600	0.22%
16 People's Leasing & Finance PLC/Mr.N.A.D.B.Jayanath	484,300	0.21%
17 Mr. Ranasinghe	405,000	0.18%
18 Seylan Bank PLC/Jaliya Abeysiri Wijeratne	399,324	0.18%
19 J.B. Cocoshell (Pvt) Ltd	354,200	0.16%
20 Mr. Vijendran	335,000	0.15%
Others	201,017,902	
	25,508,251	
Total	226,526,153	

JANASHAKTHI INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS



18 Public Shareholding

	30-Sep-19		30-Sep-18	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Public Shareholding	44,698,875	19.73%	43,898,383	19.38%
Number of shareholders representing the public holding	4,814		4,879	

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 September 2019 was 19.73%. 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 September 2020.

19 Directors' Shareholding

	30-Sep-19	30-Sep-18
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
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
Ms. M. G. S. W. Stephen

REGISTERED OFFICE

No. 75, Kumaran Ratnam Road,
Colombo 02.