



Life Force



JANASHAKTHI

Life

Consolidated Interim Financial Statements
31st March 2021
(Condensed)



As at	Note	Unaudited 31 March 2021 LKR '000	Unaudited 31 December 2020 LKR '000
Assets			
Financial Investments		19,927,335	19,525,103
Investment Property		1,984,574	1,984,574
Intangible Assets		62,082	64,074
Property, Plant and Equipment		336,761	354,970
Right of Use Lease Assets	5	210,754	224,524
Loans to Life Policyholders & Others		321,000	339,072
Reinsurance Receivable		22,567	38,762
Premium Receivables		167,517	102,152
Other Assets		367,763	321,567
Deferred Tax Asset	7	947,255	959,255
Cash in Hand and Balance at Bank		320,107	282,891
Total Assets		24,667,715	24,196,946
Liabilities and Shareholders' Equity			
Equity			
Stated Capital		4,853,752	4,853,752
Revenue Reserves		3,537,502	3,417,569
Restricted Regulatory Reserve	8	1,795,829	1,795,829
Total Equity		10,187,083	10,067,150
Liabilities			
Insurance Liability - Life		13,005,053	12,681,780
Retirement Benefit Obligation		99,111	98,692
Reinsurance Creditors		53,160	45,939
Lease Creditors	10	243,924	254,652
Other Liabilities		997,083	918,541
Short term non interest bearing liabilities		82,301	130,192
Total Liabilities		14,480,632	14,129,796
Total Equity and Liabilities		24,667,715	24,196,946

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

Thanushka Jayasundera

Chief Financial Officer

The Board of Directors is responsible for these Interim Financial Statements.

Signed on behalf of the Board

Prakash Schaffter
Chairman
Colombo
12 May 2021

Ravi Liyanage
Chief Executive Officer

JANASHAKTHI INSURANCE PLC
INCOME STATEMENT



For the Period ended 31 March	Note	Unaudited 2021 LKR '000	Unaudited 2020 LKR '000
Gross Written Premium	11	1,236,900	845,542
Premium Ceded to Reinsurers		(46,769)	(29,114)
		1,190,131	816,428
Other Revenue			
Fee and Commission Income		32,348	5,632
Investment Income		527,492	434,454
Realised Gains		19,457	7,821
Fair Value Gains/ (Losses)		(208,344)	71,844
Other Operating Revenue		82,172	74,961
Total Other Revenue		453,125	594,712
Total Net Income		1,643,256	1,411,140
Benefits and Claims			
Net Benefits & Claims		(526,202)	(401,688)
Increase in Life Insurance Fund		(323,272)	(336,291)
Underwriting & Net Acquisition Cost		(364,166)	(208,358)
Total Benefits, Claims & Net Acquisition Cost		(1,213,640)	(946,337)
Finance Cost		(9,203)	(9,705)
Other Operating and Administrative Expenses		(322,724)	(259,145)
Other Expenses		(331,927)	(268,850)
Profit before Taxation		97,689	195,953
Income Tax Expense		(12,000)	(15,000)
Profit for the Period		85,689	180,953
Profit attributable to:			
Equity holders of the Company		85,689	180,953
Basic Earning per Share (Rs.)		0.38	0.80

JANASHAKTHI INSURANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

For the Period ended 31 March	Unaudited 2021 LKR'000	Unaudited 2020 LKR'000
Profit for the Period	85,689	180,953
Other Comprehensive Income		
Net Change in fair value of Available For Sale financial assets	34,244	-
Net Realised Gains Transferred to Income Statement	-	-
Impairment of Available for Sale Financial Assets transferred to Statement of Profit or Loss	-	-
Other Comprehensive Income	34,244	-
Total Comprehensive Income/ (Loss) for the Period	119,933	180,953
Total Comprehensive Income/ (Loss) attributable to: Equity holders of the Company	119,933	180,953

STATEMENT OF CHANGES IN EQUITY

	Stated Capital LKR '000	Restricted Regulatory LKR '000	Revenue Reserves			Total LKR '000
			Retained Earnings LKR '000	Available-for- sale Financial LKR '000	Total LKR '000	
Audited Balance as at 31 December 2019	4,853,752	1,795,829	2,855,197	61,855	2,917,052	9,566,633
Profit for the Period	-	-	180,953	-	180,953	180,953
Other Comprehensive (Loss) / Income						
Net Change in fair value of AFS assets	-	-	-	-	-	-
Net Realised Gain Transferred to Income Statement	-	-	-	-	-	-
Other Comprehensive Loss	-	-	-	-	-	-
Unaudited Balance as at 31 March 2020	4,853,752	1,795,829	3,036,150	61,855	3,098,005	9,747,585
Profit for the Period	-	-	578,372	-	578,372	578,372
Other Comprehensive (Loss) / Income						
Net Change in fair value of AFS assets	-	-	-	(353,482)	(353,482)	(353,482)
Impairment of Available for Sale Financial Assets transferred to Statement of Profit or Loss	-	-	-	94,674	94,674	94,674
Actuarial Losses on Defined Benefit Plans			(3,279)	-	(3,279)	(3,279)
Transferred to Life Insurance Fund			3,279	-	3,279	3,279
Other Comprehensive Income	-	-	-	(258,808)	(258,808)	(258,808)
Unaudited Balance as at 31 December 2020	4,853,752	1,795,829	3,614,522	(196,953)	3,417,569	10,067,150
Profit for the Period	-	-	85,689	-	85,689	85,689
Other Comprehensive Income						
Net Change in fair value of AFS assets	-	-	-	34,244	34,244	34,244
Other Comprehensive Loss	-	-	-	34,244	34,244	34,244
Unaudited Balance as at 31 March 2021	4,853,752	1,795,829	3,700,211	(162,709)	3,537,502	10,187,083

JANASHAKTHI INSURANCE PLC
CASH FLOW STATEMENT



For the Period ended 31 March		Unaudited 2021 LKR '000	Unaudited 2020 LKR '000
Cash Flows From Operating Activities	Notes		
Premium Received from Customers		1,142,692	855,550
Reinsurance Premium Paid		-	(6,309)
Claims Paid		(522,037)	(478,545)
Interest Received		464,356	365,109
Dividends Received		16,719	-
Other Operating Cash Receipts / (Payments)		(429,380)	(262,496)
Cash Flows from Operating Activities	A	672,350	473,309
Gratuity Paid		(3,652)	(4,052)
Income Tax Paid		-	-
Net Cash Generated From Operating Activities		668,698	469,256
Cash Flows Used in Investing Activities			
Net Purchase of Investments		(576,332)	(289,243)
Purchase of Property, Plant & Equipments		(3,312)	-
Purchase of Intangible Assets		(3,617)	-
Net Cash Used in Investing Activities		(583,261)	(289,243)
Net Cash Flows Before Financing Activities		85,437	180,013
Cash Flows Used in Financing Activities			
Net Drawdown/(Repayment of Borrowings)		-	191,393
Rent Advance paid for right of use assets		(325)	-
Interest Paid on Borrowings		(5)	(15,706)
Net Cash Used in Financing Activities		(330)	175,687
Net Increase / (Decrease) in Cash and Cash Equivalents	B	85,107	355,700



For the Period ended 31 March	Unaudited 2021 LKR '000	Unaudited 2020 LKR '000
A Cash Flows from Operating Activities		
Profit Before Tax	97,689	195,953
Finance Cost	5	6,491
(Gain)/ Loss on Financial Investments	208,344	(71,844)
Provision for Retirement Benefit	4,072	3,111
Depreciation and Amortisation Expenses	27,130	44,431
Interest Expense On Operating Leases	9,198	3,214
Changes in Working Capital		
(Increase)/Decrease in Premium and Other Receivables	(63,198)	(17,524)
Increase in Life Insurance Fund	323,273	336,291
Increase/(Decrease) in Creditors	65,837	(26,815)
Net Cash Flows from Operating Activities	672,350	473,309
For the Period ended 31 March	Unaudited 2021 LKR '000	Unaudited 2020 LKR '000
B Increase / (Decrease) in Cash and Cash Equivalents		
Cash in Hand and Balance at Bank	320,107	476,364
Bank Overdrafts	(82,301)	-
Net Cash and Cash Equivalents for the Current Year	237,806	476,364
Net Cash and Cash Equivalents for the Previous Year	152,699	120,665
Increase/ (Decrease)	85,107	355,700



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 the Sri Lanka Accounting Standards LKAS 34 "Interim Financial Reporting". Accounting policies applicable to these condensed Interim Financial Statements are same as Annual Report for the Year Ended 2019. The unaudited condensed consolidated Interim Financial Statements for the quarter ended 31 March 2021 were approved by the Board of Directors on 12 May 2021.

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 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 2019.

5 Right of use assets

	Unaudited 31st March 2021 LKR '000	Unaudited 31st December 2020 LKR '000
Cost of Right of Use Assets		
Right of Use Assets (PVFLP) on initial application of SLFRS 16 as at 1st January	199,597	230,446
Opening Balance of Advance Payments for the Right of use Assets as at 1st January	24,927	31,365
Additions of Right of Use Assets during the period	-	17,579
Advances Paid for Right of Use Assets during the period	325	2,277
Total Cost of Right of Use Asset (a)	224,849	281,668
Accumulated Deprecation and Amortisation		
Depreciation of Right of Use Assets	11,905	48,428
Amortisation of Rent Advance for Right of Use Assets	2,190	8,716
Total Accumulated Deprecation and Amortisation (b)	14,095	57,143
Net Right of Use Assets a (a-b)	210,754	224,524

6 Income Tax Expense

The Income Tax for the period was computed on surplus basis method in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017 and the Company has calculated the Income Tax Expense in accordance with this act.

7 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.

	Unaudited 31st March 2021 LKR 000	Unaudited 31st December 2020 LKR 000
Deferred Tax Asset - Beginning Balance	959,255	1,215,540
Deferred Tax Asset - Beginning Balance		
Reversal during the Period	(12,000)	(256,285)
Deferred Tax Asset - Closing Balance	947,255	959,255

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.

	LKR 000
Balance as at 31 December 2020	1,795,829
Transfers/ Distributions During the Period	-
Balance as at 31 March 2021	1,795,829

9 Liability Adequacy Test

The Liability Adequacy Test in respect of Insurance Provisions of Life as required by SLFRS 4 - was performed as at 31 December 2020.

10 Lease Creditors

	Unaudited 31st March 2021 LKR '000	Unaudited 31st December 2020 LKR '000
Lease creditor on initial application of SLFRS 16 as at 1st January	254,651	261,427
Addition to the lease creditor during the period	-	17,579
Interest Expense of lease creditor during the period	9,198	38,169
Rental paid for lease creditor during the period	(19,925)	(62,524)
Lease creditor	243,924	254,651

11 Gross Written Premium

	Unaudited 2021 LKR '000	Unaudited 2020 LKR '000
For the Period ended 31st March		
Life Insurance (Continuing Operations)		
First Year Premium	686,847	419,201
Renewal Premium	550,053	426,341
Total Life Premium	1,236,900	845,542

12 Related Party Transactions

The nature of related party transactions in the current period is similar to those reported in the audited financial statements for the year ended 31 December 2019.

13 Contingent Liabilities

All pending litigations have been evaluated in the Audited Financial Statements of 2019.

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 2019 did not change significantly during the period.



14 Stated Capital is represented by 226,526,153 ordinary shares as at 31 March 2021. (2020: 226,526,153)

15 Information On Ordinary Shares

For the Quarter Ended	31st March	
	2021	2020
Market Price per Ordinary Share (LKR)		
Highest Price	32.50	33.50
Lowest Price	26.30	21.00
Closing Price	29.90	22.70
Market Capitalization (LKR)	6,773,131,975	5,142,143,673
Net Asset Value per Share (LKR)	44.97	43.03
Float Adjusted Market capitalization (LKR)	1,337,016,252	1,014,664,463

16 Twenty Largest Shareholders as at 31 March 2021

Name of Shareholder	No.of Shares	%
(1) National Development Bank PLC/Janashakthi PLC	50,000,000	22.07%
(2) Janashakthi PLC Account No. 1	49,810,062	21.99%
(3) Seylan Bank PLC/Janashakthi PLC (Collateral)	29,100,000	12.85%
(4) Hatton National Bank PLC/Janashakthi PLC	22,000,000	9.71%
(5) First Capital Limited	13,099,471	5.78%
(6) Pan Asia Banking Corporation PLC/Janashakthi Limited	8,000,000	3.53%
(7) Mr.Y. S. H. I. Silva	7,281,572	3.21%
(8) Seylan Bank PLC./Janashakthi PLC	7,234,435	3.19%
(9) Hatton National Bank Plc/Suktam Holdings (Pvt) Ltd	6,317,782	2.79%
(10) Commercial Bank Of Ceylon PLC/Janashakthi PLC	2,000,000	0.88%
(11) Seylan Bank PLC/W.D.N.H.Perera	1,605,856	0.71%
(12) Mr. C. H. Mendis	740,000	0.33%
(13) National Savings Bank	559,738	0.25%
(14) Mr. M. B. Herath	540,000	0.24%
(15) J.B. Cocoshell (Pvt) Ltd	522,693	0.23%
(16) Mrs. M. Mathews	510,000	0.23%
(17) Mr. K. A. R. Ranasinghe	500,000	0.22%
(18) Mr. N. Balasingam	492,600	0.22%
(19) Mr. D. K. A. K Weerathunga	463,958	0.20%
(20) Life Insurance Corporation (Lanka) Ltd	447,600	0.20%
	201,225,767	88.83%
Others	25,300,386	11.17%
Total	226,526,153	100.00%



17 Public Shareholding

	31 March 2021		31 March 2020	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Public Shareholding	44,718,875	19.74%	44,698,875	19.73%
Number of shareholders representing the public holding	4,988		4,875	

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 31 March 2021 was 19.74%. Accordingly as per 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 4 Mar 2021. Currently the company's securities are in the second board.

18 Directors' Shareholding

	31 March 2021	31 March 2020
Mr. Prakash Schaffter (Executive Chairman)	-	-
Mr. Ramesh Schaffter	-	-
Mrs. Manjula Mathews	510,000	510,000
Mr. Eardley Perera	-	-
Mr. J.A.G. Rodrigo	-	-
Mr. P. Sivagananathan	-	-
Mr. Deshal De Mel - Appointed w.e.f. 15 April 2021	-	-

JANASHAKTHI INSURANCE PLC

BOARD OF DIRECTORS

CHAIRMAN

Mr. Prakash Schaffter

CHIEF EXECUTIVE OFFICER

Mr. R. N. Liyanage

DIRECTORS

Mr. Prakash Schaffter (Executive Chairman)

Mr. Ramesh Schaffter

Ms. Manjula Mathews

Mr. Eardley Perera

Mr. J.A.G. Rodrigo

Mr. P.Sivagananathan

Mr. Deshal De Mel

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

Mr. N. Wickramasinghe

Mr. H. D. Alwis

REGISTERED OFFICE

No. 75, Kumaran Ratnam Road,
Colombo 02.