

A Force *of* Light:

Leading With A Purpose

Janashakthi Insurance PLC
Interim Condensed Financial Statements
Three Months Ended 31 March 2022



STATEMENT OF FINANCIAL POSITION

As at	Note	Un Audited 31.03.2022 LKR '000	Audited 31.12.2021 LKR '000
Assets			
Property, Plant and Equipment		244,924	257,550
Right of Use Lease Assets	6.	163,517	173,532
Investment Property		1,785,293	1,783,919
Intangible Assets		52,590	53,187
Deferred Tax Asset	8.	635,834	656,093
Financial Investments	13.	21,483,167	21,545,101
Loans to Life Policyholders & Others		325,105	332,870
Reinsurance Receivable		51,129	52,051
Premium Receivables		142,166	152,377
Other Assets		289,012	271,783
Cash and cash equivalents		416,496	404,634
Total Assets		25,589,233	25,683,097
Equity and Liabilities			
Equity			
Stated Capital		4,853,752	4,853,752
Restricted Regulatory Reserve		1,795,829	1,795,829
Available For Sale Reserve		(92,132)	(101,809)
Available For Sale Reserve - Life Policy Holders		(114,979)	(40,483)
Revenue Reserves		4,042,976	4,037,644
Total Equity		10,485,446	10,544,933
Liabilities			
Insurance Liability - Life	12.1.	13,633,469	13,473,701
Retirement Benefit Obligation		93,847	89,379
Reinsurance Creditors		121,390	99,683
Lease Creditors	14.	198,210	211,519
Other Liabilities		974,859	1,167,930
Bank Overdraft		82,012	95,952
Total Liabilities		15,103,787	15,138,164
Total Equity and Liabilities		25,589,233	25,683,097

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

Signed
Thanushka Jayasundera
Chief Financial Officer

The Board Directors are responsible for these Interim Financial Statements.
Signed for and on behalf of the Board by.

Signed
Prakash Schaffter
Deputy Chairman
Colombo
May 12, 2022

Signed
R.N. Liyanage
Director/Chief Executive Officer



INCOME STATEMENT

For the Period Ended 31 March	Note	Un Audited 2022 LKR '000	Un Audited 2021 LKR '000
Gross Written Premium	15.	1,375,307	1,236,900
Premium Ceded to Reinsurers		(59,149)	(46,769)
		<u>1,316,158</u>	<u>1,190,131</u>
Other Revenue			
Fee and Commission Income		16,522	32,348
Investment Income		575,577	527,492
Realised Gains		6,272	19,457
Fair Value Gains/ (Losses)		(501,715)	(208,344)
Other Operating Revenue		30,850	82,172
Total Other Revenue		<u>127,506</u>	<u>453,125</u>
Net Income		<u>1,443,664</u>	<u>1,643,256</u>
Benefits and Claims			
Net Benefits and Claims		(570,170)	(526,202)
Increase in Life Insurance Fund		(159,768)	(323,272)
Underwriting & Net Acquisition Cost		(389,119)	(364,166)
Total Benefits, Claims and Net Acquisition Cost		<u>(1,119,057)</u>	<u>(1,213,640)</u>
Other Expenses			
Operating and Administrative Expenses		(291,396)	(322,724)
Finance Cost		(7,621)	(9,203)
Total Other Expenses		<u>(299,017)</u>	<u>(331,927)</u>
Profit before Taxation		<u>25,590</u>	<u>97,689</u>
Income Tax Expense		(20,258)	(12,000)
Profit for the Period		<u>5,332</u>	<u>85,689</u>
Profit attributable to:			
Equity holders of the Company		<u>5,332</u>	<u>85,689</u>
Basic Earning per Share (LKR)		<u>0.02</u>	<u>0.38</u>



STATEMENT OF COMPREHENSIVE INCOME

<i>For the Period Ended 31 March</i>	<i>Note</i>	<i>Un Audited 2022 LKR '000</i>	<i>Un Audited 2021 LKR '000</i>
<i>Profit for the Period</i>		<u>5,332</u>	<u>85,689</u>
<i>Other Comprehensive Income</i>			
<i>Net Change in fair value of Available For Sale financial assets</i>		<u>(64,819)</u>	<u>34,244</u>
<i>Total Other Comprehensive Income</i>		<u>(64,819)</u>	<u>34,244</u>
<i>Total comprehensive Income for the Period, Net of Tax</i>		<u>(59,487)</u>	<u>119,933</u>
<i>Total Comprehensive Income attributable to: Equity holders of the Company</i>		<u>(59,487)</u>	<u>119,933</u>



STATEMENT OF CHANGES IN EQUITY

	Stated Capital LKR '000	Restricted Regulatory Reserve LKR '000	Revenue Reserves		Total LKR '000	Total LKR '000
			Retained Earnings LKR '000	Available-for- sale Financial Assets LKR '000		
<i>Audited Balance as at 31 December 2020</i>	4,853,752	1,795,829	3,614,522	(196,953)	3,417,569	10,067,150
<i>Profit for the Period</i>	-	-	85,689	-	85,689	85,689
<i>Other Comprehensive Income / (Loss)</i>						
<i>Net Change in Fair Value of Available For Sale Financial Assets</i>			-	34,244	34,244	34,244
<i>Total Comprehensive Income for the Period, Net of Tax</i>			-	34,244	34,244	10,187,083
<i>Unaudited Balance as at 31 March 2021</i>	4,853,752	1,795,829	3,700,211	(162,709)	3,537,503	10,187,083
<i>Profit for the Period</i>	-	-	790,485	-	790,485	790,485
<i>Other Comprehensive Income / (Loss)</i>						
<i>Net Change in Fair Value of Available For Sale Financial Assets</i>	-	-	-	191,718	191,718	191,718
<i>Net Realised Gains Transferred to Income Statement</i>	-	-	-	(171,301)	(171,301)	(171,301)
<i>Actuarial Gain on Defined Benefit Plans Transferred to Life Insurance Fund</i>	-	-	(17,007)	-	(17,007)	(17,007)
	-	-	17,007	-	17,007	17,007
<i>Total Comprehensive Income for the Period, Net of Tax</i>	-	-	-	20,417	20,417	20,417
<i>Transactions with Owners Recorded Directly in Equity</i>						
<i>Dividend Paid to Equity holders for 2020</i>	-	-	(453,052)	-	(453,052)	(453,052)
<i>Audited Balance as at 31 December 2021</i>	4,853,752	1,795,829	4,037,644	(142,292)	3,895,352	10,544,933
<i>Profit for the Period</i>	-	-	5,332	-	5,332	5,332
<i>Other Comprehensive Income / (Loss)</i>						
<i>Net Change in Fair Value of Available For Sale Financial Assets</i>			-	(64,819)	(64,819)	(64,819)
<i>Total Comprehensive Income for the Period, Net of Tax</i>			-	(64,819)	(64,819)	(64,819)
<i>Unaudited Balance as at 31 March 2022</i>	4,853,752	1,795,829	4,042,975	(207,111)	3,835,865	10,485,446



STATEMENT OF CASH FLOWS

<i>For the Period Ended 31 March</i>	<i>Note</i>	<i>Un Audited 2022 LKR '000</i>	<i>Un Audited 2021 LKR '000</i>
<i>Cash Flows From Operating Activities</i>			
<i>Premium Received from Customers</i>		1,374,872	1,142,692
<i>Reinsurance Premium Paid</i>		(14,790)	-
<i>Claims Paid</i>		(695,296)	(522,037)
<i>Interest Received</i>		531,922	464,356
<i>Dividends Received</i>		6,231	16,719
<i>Other Operating Cash Receipts / (Payments)</i>		(650,247)	(429,380)
<i>Cash Flows from Operating Activities</i>	A	552,692	672,350
<i>Gratuity Paid</i>		(386)	(3,652)
<i>Net Cash Generated From Operating Activities</i>		552,306	668,698
<i>Cash Flows Used in Investing Activities</i>			
<i>Net Purchase of Investments</i>		(504,597)	(576,332)
<i>Purchase of Property, Plant and Equipment</i>		(11,680)	(3,312)
<i>Purchase of Intangible Assets</i>		(5,368)	(3,617)
<i>Net Cash Used in Investing Activities</i>		(521,645)	(583,261)
<i>Net Cash Flows Before Financing Activities</i>		30,661	85,437
<i>Cash Flows Used in Financing Activities</i>			
<i>Rent Advance paid for Right of Use Assets</i>		(4,860)	(325)
<i>Interest Paid on Borrowings</i>		-	(5)
<i>Net Cash Used in Financing Activities</i>		(4,860)	(330)
<i>Net Increase / (Decrease) in Cash and Cash Equivalents</i>	B	25,801	85,107

The Notes form an integral part of these Condensed Consolidated Interim Financial Statements.



STATEMENT OF CASH FLOWS

<i>For the Period Ended 31 March</i>	<i>Note</i>	<i>Un Audited 2022 LKR '000</i>	<i>Un Audited 2021 LKR '000</i>
A Cash Flows from Operating Activities			
Profit Before Tax		25,590	97,689
Finance Cost		-	5
(Gain)/ Loss on Financial Investments		501,715	208,344
Provision for Retirement Benefit		4,854	4,072
Depreciation and Amortisation Expenses		30,271	27,130
Interest Expense on Operating Leases		7,621	9,198
Changes in Working Capital			
(Increase)/Decrease in Premium and Other Receivables		16,542	(63,198)
Increase in Life Insurance Fund		159,768	323,273
Increase/(Decrease) in Creditors		(192,295)	65,837
Net Cash Flows from Operating Activities		554,065	672,350
B Increase/(Decrease) in Cash and Cash Equivalents			
Cash in Hand and Balance at Bank		416,496	320,107
Bank Overdrafts		(82,012)	(82,301)
Net Cash and Cash Equivalents at the end of the Period		334,484	237,806
Net Cash and Cash Equivalents as at beginning of the Period		308,683	152,699
Increase in Cash and Cash Equivalents During the Period		25,801	85,107



Notes to the Financial Statements

1. Reporting Entity

Janashakthi Insurance PLC (“the Company”) is a limited liability company incorporated and domiciled in Sri Lanka and is listed on the Diri Savi Board of the Colombo Stock Exchange (CSE). The registered office of the Company is at No. 75, Kumaran Ratnam Road, Colombo 02. The Company is regulated by the Insurance Industry Act, No. 43 of 2000 and amendments thereto.

2. Approval of Financial Statements

The Unaudited Condensed Consolidated Interim Financial Statements for the quarter ended 31 March 2022 were authorised for issue by the Board of Directors on 12 May 2022.

3. Basis of Preparation

The Condensed Consolidated Interim Financial Statements have been prepared in compliance with Sri Lanka Accounting Standard “LKAS 34 – Interim Financial Reporting”. These Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021. Furthermore, provisions of the Companies Act No. 07 of 2007 have been considered in preparing the Condensed Consolidated Interim Financial Statements of the Company. The same accounting policies have been followed in preparation of these Interim Financial Statements as stated in the Audited Financial Statements for the year ended 31 December 2021.

The Condensed Consolidated Interim Financial Statements are presented in Sri Lankan Rupees (LKR) and all values are rounded to the nearest thousand except when otherwise indicated.

4. 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.

5. SLFRS 09 - Financial Instruments and SLFRS 17 - Insurance Contracts

“SLFRS 09 - Financial Instruments” is effective for annual periods beginning on or after 1 January 2018. It replaces “LKAS 39 - Financial Instruments : Recognition and Measurement”.

Based on the proposed amendments to “SLFRS 04 - Insurance contracts” (to be replaced by “SLFRS 17 - Insurance Contracts”), the entities whose predominant activity is issuing insurance contracts are permitted to defer the full application of SLFRS 09 until the adoption of SLFRS 17, which is in 2023. The Company has used the above temporary exemption.



Notes to the Financial Statements

6. Right of Use Assets

As at	Un Audited 31.03.2022 LKR '000	Audited 31.12.2021 LKR '000
<i>Cost of Right of Use Assets</i>		
Right of Use Assets (PV of Future Lease Payment)	152,792	199,597
Opening Balance of Advance Payments for the Right of Use Assets as at 1st January	20,740	24,927
Advances Paid for Right of Use Assets during the period	4,860	4,486
Total Cost of Right of Use Asset	178,392	229,010
<i>Accumulated Depreciation and Amortisation</i>		
Depreciation of Right of Use Assets	(11,422)	(46,805)
Amortisation of Rent Advance for Right of Use Assets	(3,453)	(8,673)
Total Accumulated Depreciation and Amortisation	(14,875)	(55,478)
Net Right of Use Assets	163,517	173,532

7. 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.

8. 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.

As at	Un Audited 31.03.2022 LKR '000	Audited 31.12.2021 LKR '000
Deferred Tax Asset - Beginning Balance	656,093	912,377
Reversal during the Period	(20,259)	(256,285)
Deferred Tax Asset - Closing Balance	635,834	656,093



Notes to the Financial Statements

9. 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 2021	1,795,829
Transfers/Distributions During the Period	-
Balance as at 31 March 2022	<u>1,795,829</u>

10. Profits From Life Insurance

No transfer has been made from the life insurance fund to the Income Statement during the period under review.

11. Liability Adequacy Test / LAT

The Liability Adequacy Test in respect of Insurance Provisions of Life as required by SLFRS 4 - was performed as at 31 December 2021.

12. Insurance Contract Liability - Life

As at	Un Audited	Audited
	31.03.2022	31.12.2021
	LKR '000	LKR '000
Insurance Fund - Life	13,633,469	13,473,701
Claims Outstanding	268,717	306,851
	<u>13,902,186</u>	<u>13,780,552</u>

12.1. Movement of the Insurance Liability - Life

As at	Un Audited	Audited
	31.03.2022	31.12.2021
	LKR '000	LKR '000
<u>Insurance Fund - Life</u>		
Balance as at 1 January	13,473,701	12,681,780
Increase in Insurance Liability - Life before Surplus distribution to Shareholders	159,768	1,268,928
Actuarial Losses on Defined Benefit Plans	-	(17,007)
Surplus distributed to Shareholders	-	(460,000)
Insurance Fund balance as at period end	<u>13,633,469</u>	<u>13,473,701</u>

Notes to the Financial Statements

13. Financial Investments

As at	Un Audited 31.03.2022 LKR '000	Audited 31.12.2021 LKR '000
Loans and Receivables	7,001,149	8,699,591
Available For Sale Financial Assets (AFS)	4,575,436	4,624,324
Financial Assets at Fair Value Through Profit or Loss (FVTPL)	9,906,582	8,221,186
	<u>21,483,167</u>	<u>21,545,101</u>

14. Lease Creditors

As at	Un Audited 31.03.2022 LKR '000	Audited 31.12.2021 LKR '000
Lease creditor as at 1 January	211,519	254,652
Interest Expense of lease creditor during the period	7,621	34,706
Rental paid for lease creditor during the period	(20,930)	(77,839)
	<u>198,210</u>	<u>211,519</u>

15. Gross Written Premium

For the Period Ended 31 March	Un Audited 2022 LKR '000	Un Audited 2021 LKR '000
<i>Life Insurance</i>		
First Year Premium	832,150	686,847
Renewal Premium	543,156	550,053
Total Life Premium	<u>1,375,307</u>	<u>1,236,900</u>

16. 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 2021.

17. Contingent Liabilities

All pending litigations have been evaluated and adequate provisions have been made in the Audited Financial Statements for the year ended 31 December 2021.

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 the year ended 31 December 2021, did not change significantly during the period.

18. Events Occurring After the Reporting Date

No circumstances have occurred since the reporting date which would require adjustments or disclosure in the Interim Financial Statements.



Notes to the Financial Statements

19. Stated Capital

	Un Audited 2022 LKR '000	Audited 2021 LKR '000
For the quarter ended 31 March		
<u>Stated Capital of the Company</u>		
Number of Fully paid Ordinary shares as at year end ('000)	226,526	226,526

20. Share Information

20.1 Net Assets Per Share

	Un Audited 2022	Audited 2021
For the quarter ended 31 March		
Net Assets Per Share	46.29	44.97

20.2 Market Price Per Share

	2022 LKR	2021 LKR
For the quarter ended 31 March		
Highest Price	36.00	32.50
Lowest Price	20.10	26.30
Closing Price	22.50	29.90
Market Capitalization	5,096,838,443	6,773,131,975
Float Adjusted Market capitalization	1,017,649,688	1,337,094,363

21. Twenty Largest Shareholders as at 31 March 2022

Name of Shareholder	No of Shares	%
1 Janashakthi Ltd Account No. 1	60,370,697	26.65%
2 National Development Bank Plc/Janashakthi Limited	50,000,000	22.07%
3 Seylan Bank Plc/Janashakthi PLC (Collateral)	29,100,000	12.85%
4 Hatton National Bank PLC/Janashakthi Limited	20,673,800	9.13%
5 First Capital Limited	13,099,471	5.78%
6 Pan Asia Banking Corporation PLC/Janashakthi Limited	8,000,000	3.53%
7 Hatton National Bank PLC/Suktam Holdings (Pvt) Ltd	7,471,313	3.30%
8 Mr. Y.S.H.I. Silva	7,281,572	3.21%
9 J.B. Cocoshell (Pvt) Ltd	2,988,625	1.32%
10 National Savings Bank	881,521	0.39%
11 Mr. C.H. Mendis	740,000	0.33%
12 Mr. D.K.A.K. Weerathunga	580,958	0.26%
13 Merchant Bank of Sri Lanka Ltd/C. Sathkumara	563,118	0.25%
14 Mr. M.B. Herath	540,000	0.24%
15 Mr. K.A.R. Ranasinghe	530,000	0.23%
16 Mrs. M. Mathews	510,000	0.23%
17 Mr. N. Balasingam	492,600	0.22%
18 Seylan Bank PLC/Jaliya Abeysiri Wijeratne	399,324	0.18%
19 Mr. P. Vijendran	350,000	0.15%
20 Estate of Jayatissa Nalin Rodrigo	300,000	0.13%
	204,872,999	90.44%
Others	21,653,154	9.56%
Total	226,526,153	100%



Notes to the Financial Statements

22. Public Shareholding

For the quarter ended 31 March	2022		2021	
	No of Shares	%	No of Shares	%
Public Shareholding	45,228,875	19.97%	44,718,875	19.74%
Number of shareholders representing the public holding	4,531		4,988	

23. Directors' Shareholding

For the quarter ended 31 March	2022	2021
	No of Shares	No of Shares
Mr. P.A. Schaffter (Deputy Chairman)	-	-
Mr. J.A.G. Rodrigo	-	-
Mr. P. Sivagananathan	-	-
Mr. W.D.P. De Mel	-	-
Ms. A.H.W. Senanayake	-	-
Mr. D.P.M.De S. Jayawardena	-	-
Mr. D. Schaffter	-	-
Ms. W.D. De Costa	-	-
Mr. R.N. Liyanage	-	-
Mr. R. Schaffter	-	-

JANASHATHI INSURANCE PLC

Corporate Information

Name of Company

Janashakthi Insurance PLC

Legal Form

Incorporated as a Public Company on 28th August 1992 under the provisions of the Companies Act No.17 of 1982. Subsequently re-registered under the Companies Act No.7 of 2007 on 6th May 2008.

Insurance Company licensed by the Insurance Board of Sri Lanka in terms of Section 113 (2) (a) of the Regulation of Insurance Industry Act No.43 of 2000 on 1st January 2002.

Company Registration No.

PB 307 / PQ

Registered Office of the Company

No. 75, Kumaran Ratnam Road,
Colombo 02,
Sri Lanka.
P.O Box 1672

Contact Details

Telephone Number: +94 11 2636636

Fax Number: +94 11 2094019

E-mail: insurance@janashakthi.com

Corporate Website: <http://www.janashakthi.com>

Board of Directors

Mr. Prakash Schaffter

(Executive Deputy Chairman)

Mr. R. N. Liyanage

(Chief Executive Officer / Non-Independent Executive Director)

Ms. Warini De Costa

Mr. Avindra Rodrigo

Mr. Deshal De Mel

Mr. Piranavan Sivagananathan

Mr. Dinesh Schaffter

Mr. Mahela Jayawardena

Ms. Annika Senanayake

Alternate Director

Mr. Ramesh Schaffter

Chief Executive Officer

Mr. R. N. Liyanage

Corporate Management Team

Mr. R. N. Liyanage

Chief Executive Officer

Mr. Hashra Weerawardena

General Manager - Life Operations

Mr. Harsha Abeywickrema

General Manager - Sales

Mr. K. V. Kuganathan

Chief Information Officer - Janashakthi Group

Ms. Manindri Dias Bandaranayake

Chief Brand Marketing Officer - Janashakthi Group

Mr. Thanushka Jayasundera

Chief Financial Officer

Ms. Wasanthi Stephen

Chief Human Resource Officer - Janashakthi Group

Mr. Nilanga Wickramasinghe

Consultant - Partnership Development

Mr. Harsha De Alwis

Consultant - Business Expansion Channel

Mr. Rehen Gunawardena

Deputy General Manager - Sales Distribution

Stock Exchange Listing

The Shares of the Company are listed on the Colombo Stock Exchange (CSE), Diri Savi Board.

Secretaries

Janashakthi Corporate Services Limited

No.2, Deal Place, Colombo 03,

Sri Lanka.

Tel: +94 11 2145030

Company Registrar

SSP Corporate Services (Private) Limited

No.101, Inner Flower Road,

Colombo 03,

Sri Lanka.

Tel: +94 11 2573894



JANASHAKTHI
Life