



JANASHAKTHI
Life

JANASHAKTHI INSURANCE PLC
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2021



JANASHAKTHI INSURANCE PLC
STATEMENT OF FINANCIAL POSITION



As at	Note	Unaudited 30 June 2021 LKR '000	Audited 31 December 2020 LKR '000
Assets			
Financial Investments		20,832,661	19,374,743
Investment Property		1,984,574	1,984,574
Intangible Assets		56,591	64,074
Property, Plant and Equipment		329,676	354,971
Right of Use Lease Assets	5	198,329	224,524
Loans to Life Policyholders & Others		323,291	339,072
Reinsurance Receivable		21,666	38,762
Premium Receivables		84,476	102,152
Other Assets		285,073	471,927
Deferred Tax Asset	7	849,928	959,255
Cash in Hand and Balance at Bank		458,200	282,891
Total Assets		25,424,465	24,196,946
Liabilities and Shareholders' Equity			
Equity			
Stated Capital		4,853,752	4,853,752
Revenue Reserves		3,841,694	3,417,569
Restricted Regulatory Reserve	8	1,795,829	1,795,829
Total Equity		10,491,275	10,067,150
Liabilities			
Insurance Liability - Life		13,370,938	12,681,780
Retirement Benefit Obligation		100,449	98,692
Reinsurance Creditors		51,210	45,939
Lease Creditors	10	233,610	254,652
Other Liabilities		1,079,061	918,541
Short term non interest bearing liabilities		97,922	130,192
Total Liabilities		14,933,190	14,129,796
Total Equity and Liabilities		25,424,465	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.

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

Chairman

Colombo

11 August 2021

Signed

Ravi Liyanage

Chief Executive Officer

JANASHAKTHI INSURANCE PLC
INCOME STATEMENT



For the Period ended 30 June	Note	Unaudited 2021 LKR '000	Unaudited 2020 LKR '000
Gross Written Premium	11	2,400,982	1,657,864
Premium Ceded to Reinsurers		(102,406)	(58,202)
		2,298,576	1,599,662
Other Revenue			
Fee and Commission Income		68,030	22,060
Investment Income		970,929	951,854
Realised Gains		24,661	217,951
Fair Value Gains/ (Losses)		(137,298)	329,848
Other Operating Revenue		155,036	156,459
Total Other Revenue		1,081,358	1,678,172
Total Net Income		3,379,934	3,277,834
Benefits and Claims			
Net Benefits & Claims		(984,479)	(728,617)
Increase in Life Insurance Fund		(689,158)	(1,206,518)
Underwriting & Net Acquisition Cost		(786,146)	(384,214)
Total Benefits, Claims & Net Acquisition Cost		(2,459,783)	(2,319,349)
Finance Cost		(18,376)	(24,415)
Other Operating and Administrative Expenses		(614,630)	(506,692)
Other Expenses		(633,006)	(531,107)
Profit before Taxation		287,145	427,378
Income Tax Expense		(109,328)	(30,000)
Profit for the Period		177,817	397,378
Profit attributable to:			
Equity holders of the Company		177,817	397,378
Basic Earning per Share (Rs.)		0.78	1.75

JANASHAKTHI INSURANCE PLC
STATEMENT OF COMPREHENSIVE INCOME



For the Period ended 30 June	Unaudited 2021 LKR'000	Unaudited 2020 LKR'000
Profit for the Period	177,817	397,378
Other Comprehensive Income		
Net Change in fair value of Available For Sale financial assets	246,308	(397,442)
Other Comprehensive Income	246,308	(397,442)
Total Comprehensive Income/ (Loss) for the Period	424,125	(64)
Total Comprehensive Income/ (Loss) attributable to: Equity holders of the Company	424,125	(64)

STATEMENT OF CHANGES IN EQUITY

	Stated Capital LKR '000	Restricted Regulatory Reserve LKR '000	Revenue Reserves			Total LKR '000
			Retained Earnings LKR '000	Available-for- sale Financial Assets 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	-	-	397,378	-	397,378	397,378
Other Comprehensive (Loss) / Income						
Net Change in fair value of AFS assets	-	-	-	(397,442)	(397,442)	(397,442)
Other Comprehensive Loss	-	-	-	(397,442)	(397,442)	(397,442)
Unaudited Balance as at 30 June 2020	4,853,752	1,795,829	3,252,575	(335,587)	2,916,988	9,566,569
Profit for the Period	-	-	361,947	-	361,947	361,947
Other Comprehensive (Loss) / Income						
Net Change in fair value of AFS assets	-	-	-	43,960	43,960	43,960
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	-	-	-	138,634	138,634	138,634
Audited 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	-	-	177,817	-	177,817	177,817
Other Comprehensive Income						
Net Change in fair value of AFS assets	-	-	-	246,308	246,308	246,308
Other Comprehensive Income	-	-	-	246,308	246,308	246,308
Unaudited Balance as at 30 June 2021	4,853,752	1,795,829	3,792,339	49,355	3,841,694	10,491,275

JANASHAKTHI INSURANCE PLC
INCOME STATEMENT



For the 3 months ended 30 June	Note	Unaudited 2021 LKR '000	Unaudited 2020 LKR '000
Gross Written Premium	11	1,164,081	812,322
Premium Ceded to Reinsurers		(55,637)	(29,089)
		1,108,444	783,233
Other Revenue			
Fee and Commission Income		35,681	16,428
Investment Income		443,437	517,400
Realised Gains		5,203	210,130
Fair Value Gains Losses		71,046	258,004
Other Operating Revenue		72,864	81,498
Total Other Revenue		628,231	1,083,460
Total Net Income		1,736,675	1,866,693
Benefits and Claims			
Net Benefits & Claims		(458,278)	(326,929)
Increase in Life Insurance Fund		(365,886)	(870,227)
Underwriting & Net Acquisition Cost		(421,980)	(175,856)
Total Benefits, Claims & Net Acquisition Cost		(1,246,144)	(1,373,012)
Finance Cost		(9,173)	(14,711)
Other Operating and Administrative Expenses		(291,906)	(247,547)
Other Expenses		(301,079)	(262,258)
Profit before Taxation		189,452	231,423
Income Tax Expense		(97,328)	(15,000)
Profit for the Period		92,124	216,423
Profit attributable to:			
Equity holders of the Company		92,124	216,423
Basic Earnings per Share (Rs.)		0.41	0.96

JANASHAKTHI INSURANCE PLC
STATEMENT OF COMPREHENSIVE INCOME



For the 3 months ended 30 June	Unaudited 2021 LKR'000	Unaudited 2020 LKR'000
Profit for the Period	92,124	216,423
Other Comprehensive Income		
Net Change in fair value of Available For Sale financial assets	212,064	(397,442)
Other Comprehensive Income	212,064	(397,442)
Total Comprehensive Income for the Period	304,188	(181,019)
Total Comprehensive Income attributable to:		
Equity holders of the Company	304,188	(181,019)

JANASHAKTHI INSURANCE PLC
CASH FLOW STATEMENT



For the Period ended 30 June		Unaudited 2021 LKR '000	Unaudited 2020 LKR '000
Cash Flows From Operating Activities	Notes		
Premium Received from Customers		2,370,119	1,593,606
Reinsurance Premium Paid		(13,878)	(9,032)
Claims Paid		(1,037,899)	(860,145)
Reinsurance Receipt in Respect of Claims		415	4,073
Interest Received		637,423	631,466
Dividends Received		72,302	9,864
Other Operating Cash Receipts / (Payments)		(441,004)	8,671
Cash Flows from Operating Activities	A	1,587,478	1,378,503
Gratuity Paid		(6,644)	(13,595)
Income Tax Paid		-	-
Net Cash Generated From Operating Activities		1,580,834	1,364,908
Cash Flows Used in Investing Activities			
Net Purchase of Investments		(1,348,908)	(1,208,698)
Purchase of Property, Plant & Equipments		(21,646)	(26,482)
Proceeds from Disposal of Property, Plant and Equipment		3,016	
Purchase of Intangible Assets		(3,617)	(684)
Proceeds from Disposal of Investment property			53,000
Net Cash Used in Investing Activities		(1,371,155)	(1,182,864)
Net Cash Flows Before Financing Activities		209,679	182,044
Cash Flows Used in Financing Activities			
Rent Advance paid for right of use assets		(1,786)	(600)
Interest Paid on Borrowings		(313)	(4,406)
Net Cash Used in Financing Activities		(2,099)	(5,006)
Net Increase / (Decrease) in Cash and Cash Equivalents	B	207,580	177,038

JANASHAKTHI INSURANCE PLC
NOTES TO THE CASH FLOW STATEMENT



For the Period ended 30 June	2021	2020
	LKR '000	LKR '000
	Unaudited	Unaudited
A Cash Flows from Operating Activities		
Profit Before Tax	287,145	427,378
Finance Cost	313	5,006
Profit on Disposal of Property, Plant & Equipment		(329,848)
(Gain)/ Loss on Financial Investments	137,298	
Provision for Retirement Benefit	8,401	7,416
Depreciation and Amortisation Expenses	55,025	51,885
Interest Expense On Operating Leases	18,063	
Changes in Working Capital		
(Increase)/Decrease in Premium and Other Receivables	265,389	(88,758)
Increase in Life Insurance Fund	689,158	1,206,855
Increase in Creditors	126,686	98,569
Net Cash Flows from Operating Activities	1,587,478	1,378,503
For the Period ended 30 June		
	2021	2020
	LKR '000	LKR '000
	Unaudited	Unaudited
B Increase / (Decrease) in Cash and Cash Equivalents		
Cash in Hand and Balance at Bank	458,200	583,276
Bank Overdrafts	(97,922)	(285,573)
Net Cash and Cash Equivalents for the Current Year	360,278	297,702
Net Cash and Cash Equivalents for the Previous Year	152,698	120,664
Net Increase in Cash and Cash Equivalents	207,580	177,038



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 2020. The unaudited condensed consolidated Interim Financial Statements for the quarter ended 30 June 2021 were approved by the Board of Directors on 11 August 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 2020.

5 Right of use assets

	Unaudited	Audited
	30th June	31st
	2021	December
	LKR '000	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	1,786	2,277
Total Cost of Right of Use Asset (a)	226,310	281,668
Accumulated Depreciation and Amortisation		
Depreciation of Right of Use Assets	23,623	48,428
Amortisation of Rent Advance for Right of Use Assets	4,358	8,716
Total Accumulated Depreciation and Amortisation (b)	27,981	57,143
Net Right of Use Assets a (a-b)	198,329	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 30th June 2021 LKR 000	Audited 31st December 2020 LKR 000
Deferred Tax Asset - Beginning Balance	959,255	1,215,540
Reversal during the Period	(109,328)	(256,285)
Deferred Tax Asset - Closing Balance	849,928	959,255

8 Restricted Regulatory Reserve

The Insurance Regulatory Commission of Sri Lanka (IRC SL) 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 IRC SL recommendations this surplus was quantified and held within the life fund up to 31 December 2016. In 2017 with the approval of the IRC SL 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 (IRC SL) and can only be released upon receiving approval from the IRC SL. The one-off surplus in the Shareholder Fund (SHF) will remain invested in financial assets as per the direction of IRC SL.

	LKR 000
Balance as at 31 December 2020	1,795,829
Transfers/ Distributions During the Period	-
Balance as at 30 June 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 30th June 2021 LKR '000	Audited 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	18,063	38,169
Rental paid for lease creditor during the period	(39,105)	(62,524)
Lease creditor	233,610	254,651

11 Gross Written Premium

For the Period ended 30th June	Unaudited 2021 LKR '000	Unaudited 2020 LKR '000
Life Insurance		
First Year Premium	1,384,989	770,787
Renewal Premium	1,015,993	887,077
Total Life Premium	2,400,982	1,657,864

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 2020.

13 Contingent Liabilities

All pending litigations have been evaluated and adequate provisions have been made in the Audited Financial Statements of 2020. 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 2020 did not change significantly during the period.



14 Stated Capital is represented by 226,526,153 ordinary shares as at 30 June 2021. (2020: 226,526,153)

15 Information On Ordinary Shares

For the Quarter Ended	30th June	
	2021	2020
Market Price per Ordinary Share (LKR)		
Highest Price	29.90	32.00
Lowest Price	25.80	19.10
Closing Price	28.40	30.90
Market Capitalization (LKR)	6,433,342,745	6,999,658,128
Net Asset Value per Share (LKR)	46.31	42.23
Float Adjusted Market capitalization (LKR)	1,285,767,881	1,381,195,238

16 Twenty Largest Shareholders as at 30 June 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	24,345,000	10.75%
(5) First Capital Limited	13,099,471	5.78%
(6) Pan Asia Banking Corporation PLC/Janashakthi Limited	8,000,000	3.53%
(7) Mr. Silva	7,281,572	3.21%
(8) Hatton National Bank PLC/Suktam Holdings (Pvt) Ltd	6,317,782	2.79%
(9) Seylan Bank PLC/Janashakthi PLC	4,889,435	2.16%
(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. Mendis	740,000	0.33%
(13) Mr. Weerathunga	563,958	0.25%
(14) National Savings Bank	559,738	0.25%
(15) Mr. Herath	540,000	0.24%
(16) J.B. Cocoshell (Pvt) Ltd	522,693	0.23%
(17) Mrs.. Mathews	510,000	0.23%
(18) Mr. Ranasinghe	500,000	0.22%
(19) Mr. Balasingam	492,600	0.22%
(20) Seylan Bank PLC/Jaliya Abeysiri Wijeratne	399,324	0.18%
	201,277,491	88.85%
Others	25,248,662	11.15%
Total	226,526,153	100.00%



17 Public Shareholding

	30 June 2021		30 June 2020	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Public Shareholding	45,274,675	19.99%	44,698,875	19.73%
Number of shareholders representing the p	5,030		4,864	

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 2021 was 19.99%. 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

	30 June 2021	30 June 2020
Mr. Prakash Schaffter (Executive Chairman) - Appointed w.e.f. 15th November 2018	-	-
Mr. Ramesh Schaffter	-	-
Ms. Manjula Mathews - Resigned w.e.f 30th June 2021	510,000	510,000
Mr. Eardley Perera - Resigned w.e.f 30th June 2021	-	-
Mr. J.A.G. Rodrigo	-	-
Mr. P. Sivagananathan	-	-
Mr. Deshal De Mel	-	-
Ms. Warini de Costa - Appointed w.e.f 05th July 2021	-	-
Ms. Annika Senanayake - Appointed w.e.f 05th July 2021	-	-
Mr. Dinesh Schaffter - Appointed w.e.f 05th July 2021	-	-
Mr. Mahela Jayawardena - Appointed w.e.f 05th July 2021	-	-
Mr. R.N. Liyanage - Appointed w.e.f 05th July 2021	-	-



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 (Resigned w.e.f 30th June 2021)

Mr. Eardley Perera (Resigned w.e.f 30th June 2021)

Mr. J.A.G. Rodrigo

Mr. P.Sivagananathan

Mr. Deshal De Mel

Ms. Warini de Costa (Appointed w.e.f 05th July 2021)

Ms. Annika Senanayake (Appointed w.e.f 05th July 2021)

Mr. Dinesh Schaffter (Appointed w.e.f 05th July 2021)

Mr. Mahela Jayawardena (Appointed w.e.f 05th July 2021)

Mr. R.N. Liyanage (Appointed w.e.f 05th July 2021)

SECRETARY TO THE COMPANY

KHL Corporate Services Ltd.

CORPORATE MANAGEMENT TEAM

Mr. Hashra Weerawardane

Mr. Harsha Abeywickrema

Mr. Thanushka Jayasundera

Ms. Manindri Bandaranayake

Mr. K.V. Kuganathan

Ms. M. G. S. W. Stephen

Mr. N Wickramasinghe

Mr. H. D. Alwis

REGISTERED OFFICE

No. 75, Kumaran Ratnam Road,
Colombo 02.