



Consolidated Interim Financial Statements
31st March 2018
(Condensed)

Review of Operations – Three Months ended 31st March 2018

Janashakthi Insurance PLC witnessed significant change in its journey with its exit from the General Insurance business. Having commenced business in 1994 as a specialised life insurance company this quarter saw Janashakthi exiting its General Insurance business and return to being a specialist life insurance company through a 100% sale of its fully owned subsidiary Janashakthi General Insurance Limited (JGIL) to Allianz S E, an entity based in Germany.

This sale generated a substantial profit for the period amounting to LKR 7.08 billion and LKR 9.19 billion at Group and Company level respectively. LKR 11.7 billion was distributed to shareholders in the form of a share buyback.

The company witnessed a growth in Gross Written Premium of 8% from LKR 705 million to LKR 764 million for the first quarter of 2018. Although this is a seemingly modest growth, the Company has over the last year been restructuring its life distribution and is poised for growth. The exit from the general insurance business allows the Company to review its branch network and to re-align its presence in the marketplace.

Investment income showed a 26% year on year growth from LKR 325 million to LKR 408 million largely helped by the sales proceeds of JGIL being invested in short term securities until the share buyback was completed.

Overhead expenses increased from LKR 142 million to LKR 482 million. The main reasons for the year on year escalation in costs were a one off provisions resulting from the sale of JGIL. Net Benefits & Claims paid out to customers grew by 5.6% to reach LKR 294 million from LKR 278 million recorded for the same period last year.

The total assets of the Company reduced from LKR 20 billion in December 2017 to LKR 18.5 billion due to the share buyback in March 2018 wherein substantial revenue reserves of the company were returned to shareholders.

The Net Asset Value (NAV) per share stands at LKR 30.68 as at 31st March compared to LKR 20.78 in December 2017.

The year 2018 will be a year of change and reorganising of the business to become a leader in the life insurance business in the future. The first half will be a period of transition and we are optimistic that new foundations laid during the previous year together with the singular focus on life insurance business will strengthen the Company, as well as rebuilding an efficient distribution system which will yield results in the future.

Acknowledgement

During the quarter which saw the Company exit its general insurance business, a business that included two acquisitions in its dynamic history, firstly National Insurance Corporation in 2001 and more recently AIA General (Lanka) Ltd, we bid adieu to a significant part of the Janashakthi family. We express our gratitude to them for being a part of the Janashakthi journey and for their contribution towards the progress of the Company.

Prakash Schaffter
Managing Director

JANASHAKTHI INSURANCE PLC
STATEMENT OF FINANCIAL POSITION



AS AT	Notes	Consolidated		Company	
		Unaudited 31 March 2018 LKR '000	Unaudited 31 December 2017 LKR '000	Unaudited 31 March 2018 LKR '000	Unaudited 31 December 2017 LKR '000
Assets					
Financial Investments		15,440,071	25,522,701	15,440,071	12,375,224
Investment Property		2,100,554	386,221	2,100,554	22,600
Intangible Assets		-	26,878	-	-
Goodwill on Acquisition		-	815,448	-	-
Property, Plant and Equipment		-	2,091,983	-	-
Loans to Life Policyholders & Others		235,077	285,761	235,077	229,988
Reinsurance Receivable		15,091	1,533,509	15,091	15,093
Premium Receivables		33,446	3,031,139	33,446	33,005
Investment in Subsidiaries		-	-	-	6,840,000
Other Assets		524,978	2,202,662	524,978	312,923
Other Fund Assets		-	3,252	-	-
Deferred Tax Asset		-	-	-	-
Deferred Expenses		-	589,044	-	-
Cash in Hand and Balance at Bank		189,112	354,047	189,112	192,120
Total Assets		18,538,329	36,842,645	18,538,329	20,020,953
Liabilities and Shareholders' Equity					
Equity					
Stated Capital		4,853,752	4,853,752	4,853,752	4,853,752
Revaluation Reserve		-	373,147	-	-
Revenue Reserves		300,895	4,291,951	300,895	2,811,297
Available for Sale Reserve Fund of Life Policyholders		-	-	-	-
Restricted Regulatory Reserve	8	1,795,829	1,795,829	1,795,829	1,795,829
Total Equity		6,950,476	11,314,679	6,950,476	9,460,878
Liabilities					
Insurance Liability - Life		9,986,404	9,651,593	9,986,404	9,651,593
Insurance Liability - Non Life		-	8,846,775	-	-
Retirement Benefit Obligation		154,957	347,776	154,957	151,996
Deferred Tax Liability		-	90,388	-	-
Other Fund Liabilities		-	3,252	-	-
Deferred Revenue		-	214,035	-	-
Interest Bearing Borrowings		88,523	496,907	88,523	82,932
Reinsurance Creditors		55,262	529,305	55,262	57,364
Other Liabilities		1,302,707	5,347,936	1,302,707	616,190
Total Liabilities		11,587,853	25,527,967	11,587,853	10,560,075
Total Equity and Liabilities		18,538,329	36,842,645	18,538,329	20,020,953

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

Sgd
Deepta Ekanayake
General Manager - Finance

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

Sgd
Husein Esufally
Chairman

Sgd
Prakash Schaffter
Managing Director

JANASHAKTHI INSURANCE PLC

INCOME STATEMENT



For the Period ended 31 March	Notes	Consolidated		Company	
		Unaudited 2018 LKR '000	Unaudited 2017 LKR '000	Unaudited 2018 LKR '000	Unaudited 2017 LKR '000
Gross Written Premium	10	764,593	705,106	764,593	705,106
Premium Ceded to Reinsurers		(31,338)	(23,563)	(31,338)	(23,563)
Net Written Premium		733,255	681,543	733,255	681,543
Net Change in Reserve for Unearned Premium		-	-	-	-
Net Earned Premium		733,255	681,543	733,255	681,543
Other Revenue					
Fee and Commission Income		8,863	8,936	8,863	8,936
Investment Income		408,401	325,005	408,401	325,005
Realised Gains/ (Losses)		69	-	69	-
Fair Value Gains/ (Losses)		(2,134)	(4,434)	(2,134)	(4,434)
Other Operating Revenue		8,894	12,751	8,894	12,751
Gain on Disposal of Subsidiary	6	7,080,951	-	9,198,912	-
Total Other Revenue		7,505,044	342,258	9,623,005	342,258
Total Net Income		8,238,299	1,023,801	10,356,260	1,023,801
Benefits and Claims					
Net Benefits & Claims		(294,270)	(278,669)	(294,270)	(278,669)
Increase in Life Insurance Fund		(334,815)	(407,155)	(334,815)	(407,155)
Underwriting & Net Acquisition Cost		(211,507)	(158,823)	(211,507)	(158,823)
Total Benefits, Claims & Net Acquisition Cost		(840,592)	(844,647)	(840,592)	(844,647)
Finance Cost		(2,085)	(140)	(2,085)	(140)
Other Operating and Administrative Expenses		(475,697)	(142,350)	(482,281)	(142,350)
Other Expenses		(477,782)	(142,490)	(484,366)	(142,490)
Profit before Taxation		6,919,925	36,664	9,031,302	36,664
Income Tax Expense	11	-	-	-	-
Profit for the Period from Continuing Operations		6,919,925	36,664	9,031,302	36,664
Discontinued Operations					
Profit/ (Loss) for the Period from Discontinued Operations	7	258,317	180,345	-	-
Profit for the Period		7,178,242	217,009	9,031,302	36,664
Profit from Continuing Operations attributable to:					
Equity holders of the Company		6,919,925	36,664	9,031,302	36,664
Profit/ (Loss) from Discontinued Operations attributable to:					
Equity holders of the Company		258,317	180,345	-	-
		7,178,242	217,009	9,031,302	36,664
Basic Earnings/ (Loss) per Share (Rs.)					
Continuing Operations		13.87	0.07	18.10	0.07
Discontinued Operation		0.52	0.33	-	-

JANASHAKTHI INSURANCE PLC
STATEMENT OF COMPREHENSIVE INCOME



For the Period ended 31 March	Consolidated		Company	
	Unaudited 2018 LKR'000	Unaudited 2017 LKR'000	Unaudited 2018 LKR'000	Unaudited 2017 LKR'000
Profit for the Year	7,178,242	217,009	9,031,302	36,664
Other Comprehensive Income/ (Loss)				
Net Change in fair value of Available For Sale financial assets from Continued Operations	132,258	(29,251)	132,258	(29,251)
Net Change in fair value of Available For Sale financial assets from Discontinued Operations	(742)	(125,598)	-	-
Other Comprehensive Income/ Loss	131,516	(154,849)	132,258	(29,251)
Total Comprehensive Income for the Year	7,309,758	62,160	9,163,560	7,413
Total Comprehensive Income attributable to:				
Equity holders of the Company	7,309,758	62,160	9,163,560	7,413
	7,309,758	62,160	9,163,560	7,413

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 2016	4,853,752	162,158	-	4,909,134	(877,802)	4,031,332	(5,590)	9,041,652
Profit for the Period	-	-	-	217,009	-	217,009	-	217,009
<u>Other Comprehensive (Loss) / Income</u>								
Net Change in fair value of AFS assets	-	-	-	-	(154,849)	(154,849)	-	-
Net Change in fair value of AFS assets - transfers to Available for Sale Reserve Fund of Life Policyholders	-	-	-	-	-	-	761	761
Other Comprehensive Loss	-	-	-	-	(154,849)	(154,849)	761	(154,849)
Unaudited Balance as at 31 March 2017	4,853,752	162,158		5,126,143	(1,032,650)	4,093,492	(4,067,122.07)	9,104,574
Profit for the Period	-	-	1,795,829	527,137	-	527,137	-	2,322,965
<u>Other Comprehensive (Loss) / Income</u>								
Net Change in fair value of AFS assets	-	-	-	-	194,487	194,487	-	-
Impairment of Available for Sale Financial Assets transferred to Income Statement	-	-	-	-	90,474	90,474	-	-
Actuarial Losses on Defined Benefit Plans	-	-	-	(27,881)	-	(27,881)	-	-
Revaluation of Land & Buildings	-	210,988	-	-	-	-	-	210,988
Aggregate tax effect of items recognized in Other Comprehensive (Income) / Loss	-	-	-	(40,550)	-	(40,550)	-	-
Other Comprehensive Income	-	-	-	(68,432)	284,961	216,529	-	216,529
Net Change in Fair Value of Life Policyholders' Available for Sale Financial Assets, transferred to Income Statement	-	-	-	-	-	-	4,829	4,829
Transferred to Life Insurance Fund	-	-	-	(708)	-	(708)	-	(708)
Transactions with owners recorded directly in equity								
Dividends paid	-	-	-	(544,500)	-	(544,500)	-	(544,500)
Unaudited Balance as at 31 December 2017	4,853,752	373,146	1,795,829	5,039,640	(747,689)	4,291,950	-	11,314,679
Profit for the Period	-	-	-	7,178,242	-	7,178,242	-	7,178,242
<u>Other Comprehensive (Loss) / Income</u>								
Net Change in fair value of AFS assets	-	-	-	-	131,516	131,516	-	-
Total Other Comprehensive Loss	-	-	-	-	131,516	131,516	-	131,516
Transfer of Revaluation Surplus to Retained Earnings, at Disposal	-	(373,146)	-	373,146	-	373,146	-	-
Transactions with owners recorded directly in equity								
Repurchase of Shares	-	-	-	(11,669,647)	-	(11,669,647)	-	(11,669,647)
Expenses on Repurchase of Shares	-	-	-	(4,316)	-	(4,316)	-	(4,316)
Unaudited Balance as at 31 March 2018	4,853,752	-	1,795,829	917,065	(616,174)	300,895	-	6,950,476

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	
			Retained Earnings LKR '000	Available-for- sale Financial Assets LKR '000	Total LKR '000	LKR '000	Total LKR '000
Audited Balance as at 31 December 2016	4,853,752	-	3,585,907	(285,436)	3,300,471	(5,590)	8,148,633
Profit for the Period	-	-	36,664	-	36,664	-	36,664
<u>Other Comprehensive (Loss) / Income</u>							
Net Change in fair value of AFS assets				(29,251)	(29,251)	-	
Net Change in fair value of AFS assets - transfers to Available for Sale Reserve Fund of Life Policyholders						761	761
Other Comprehensive Loss				(29,251)	(29,251)	-	(29,251)
Dividends paid	-	-	(544,500)	-	(544,500)	-	(544,500)
Unaudited Balance as at 31 March 2017	4,853,752	-	3,078,071	(314,687)	2,763,385	(4,829)	7,612,308
Profit/ (Loss) for the Period		1,795,829	(140,858)	-	(140,858)	-	1,654,971
<u>Other Comprehensive (Loss) / Income</u>							
Net Change in fair value of AFS assets				98,295	98,295		
Impairment of Available for Sale Financial Assets transferred to Income Statement				90,474	90,474		
Actuarial Losses on Defined Benefit Plans			708	-	708		
Other Comprehensive Income			708	188,770	189,478		189,478
Net Change in Fair Value of Life Policyholders' Available for Sale Financial Assets, transferred to Income						4,829	4,829
Transferred to Life Insurance Fund			(708)	-	(708)		(708)
Unaudited Balance as at 31 December 2017	4,853,752	1,795,829	2,937,212	(125,917)	2,811,296	-	9,460,878
Profit for the Period			9,031,302		9,031,302		9,031,302
<u>Other Comprehensive Income</u>							
Net Change in fair value of AFS assets	-			132,258	132,258		
Other Comprehensive Loss	-			132,258	132,258		132,258
Net Change in fair value of AFS assets - transfers to Available For Sale Reserve Fund of Life Policyholders	-						
<u>Transactions with owners recorded directly in equity</u>							
Repurchase of Shares	-		(11,669,647)		(11,669,647)		(11,669,647)
Expenses on Repurchase of Shares	-		(4,316)		(4,316)		(4,316)
Unaudited Balance as at 31 March 2018	4,853,752	1,795,829	294,551	6,341	300,895		6,950,476

JANASHAKTHI INSURANCE PLC

CASH FLOW STATEMENT



For the Period ended 31 March	Notes	Consolidated		Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		2018 LKR '000	2017 LKR '000	2018 LKR '000	2017 LKR '000
Cash Flows From Operating Activities					
Premium Received from Customers		2,737,713	3,343,945	764,593	680,630
Reinsurance Premium Paid		(359,019)	(743,952)	(19,904)	(10,286)
Claims Paid		(1,592,670)	(4,256,702)	(311,599)	(19,297)
Reinsurance Receipt in Respect of Claims		267,565	3,632,126	-	6,968
Interest Received		466,149	486,867	222,188	237,433
Dividends Received		3,150	44,814	3,150	7,776
Other Operating Cash Payments		(659,101)	(1,233,598)	(16,961)	(171,881)
Cash Flows from Operating Activities	A	863,786	1,273,500	641,466	731,343
Gratuity Paid		(5,334)	(5,056)	(255)	(1,961)
Net Cash Generated From Operating Activities		858,453	1,268,444	641,211	729,382
Cash Flows Used in Investing Activities					
Net drawdown/ (Purchase) of Investments		(1,981,614)	(433,140)	(2,934,718)	(241,645)
Net Proceeds from Disposal of Investment in subsidiary		16,038,912	-	16,038,912	-
Purchase of Investment property		(91,684)	(161,813)	(2,077,954)	-
Proceeds from Disposal of Property, Plant and Equipment		654	5,000	-	-
Purchase of Intangible Assets		(12,798)	(2,139)	-	-
Net Cash Used in Investing Activities		13,953,470	(592,092)	11,026,240	(241,645)
Net Cash Flows Before Financing Activities		14,811,922	676,352	11,667,450	487,737
Cash Flows Used in Financing Activities					
Interest Paid on Borrowings		(6,042)	(5,200)	(2,085)	(140)
Ordinary Dividends Paid		-	(544,500)	-	(544,500)
Re - Purchase of Ordinary Voting Shares		(11,669,647)	-	(11,669,647)	-
Expenses Paid on Re - Purchase of Ordinary Voting Shares		(4,316)	-	(4,316)	-
Net Cash Used in Financing Activities		(11,680,005)	(549,700)	(11,676,048)	(544,640)
Net Increase / (Decrease) in Cash and Cash Equivalents	B	3,131,917	126,652	(8,598)	(56,903)

JANASHAKTHI INSURANCE PLC
NOTES TO THE CASH FLOW STATEMENT



For the Period ended 31 March	Notes	Consolidated		Company	
		2018 LKR '000 Unaudited	2017 LKR '000 Unaudited	2018 LKR '000 Unaudited	2017 LKR '000 Unaudited
A Cash Flows from Operating Activities					
Profit Before Tax		7,178,242	217,009	9,031,302	36,664
Finance Cost		6,042	5,200	2,085	140
Profit on Sale of Property, Plant & Equipment		-	(4,433)	-	
(Gain)/Loss on Financial Investments		(15,030)	13,857	2,134	5,004
Provision for Retirement Benefit		8,295	13,426	3,216	2,335
Gain on Disposal of Subsidiary	6	(7,080,951)	-	(9,198,912)	-
Depreciation and Amortisation Expenses		25,578	27,621	-	-
Provision for Bad Debts		2,998	21,029	-	-
Provision for Staff Related Expenses		200,000	-	200,000	-
Changes in Working Capital					
(Increase)/Decrease in Premium and Other Receivables		331,236	(454,512)	(217,583)	203,343
Increase in Life Insurance Fund		334,811	407,155	334,815	407,155
Increase/(Decrease) in Non Life Insurance Provision		(649,413)	81,628	-	-
Increase/(Decrease) in Creditors		521,979	945,520	484,410	76,702
Net Cash Flows from Operating Activities		863,786	1,273,500	641,466	731,343
For the Period ended 31 March					
		2018	2017	2018	2017
		LKR '000	LKR '000	LKR '000	LKR '000
		Unaudited	Unaudited	Unaudited	Unaudited
B Increase / (Decrease) in Cash and Cash Equivalents					
Cash in Hand and Balance at Bank		189,112	133,819	189,112	133,819
Bank Overdrafts		(88,523)	(27,422)	(88,523)	(25,272)
Net Cash and Cash Equivalents for the Current Year - Continued Operations		100,589	106,396	100,589	108,547
Net Cash and Cash Equivalents for the Current Year - Discontinued Operations	7.2	2,888,467	48,165	-	-
Net Cash and Cash Equivalents for the Previous Year - Continued Operations		109,187	165,450	109,187	165,450
Net Cash and Cash Equivalents for the Previous Year - Discontinued Operations		(252,048)	(137,542)	-	-
Increase / (Decrease) in Cash and Cash Equivalents During the Year		3,131,917	126,652	(8,598)	(56,903)

JANASHAKTHI INSURANCE PLC
INCOME STATEMENT - SEGMENT INFORMATION



For the Period ended	Unaudited		Unaudited	
	31/3/2018	26/2/2018	31/3/2017	
	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	764,593	1,442,384	705,106	3,083,710
Net Earned Premium	733,255	1,669,029	681,543	2,202,306
Investment Income and Other Income	9,623,005	(275,766)	342,258	375,229
Total Net Income	10,356,260	1,393,262	1,023,802	2,577,535
Benefits and Claims				
Net Benefits & Claims	(294,270)	(1,068,787)	(278,669)	(1,500,780)
Increase in Life Insurance Fund	(334,815)	-	(407,155)	-
Underwriting & Net Acquisition Cost	(211,507)	(276,124)	(158,823)	(329,421)
Total Benefits, Claims & Net Acquisition Cost	(840,592)	(1,344,911)	(844,648)	(1,830,201)
Other Operating and Administrative Expenses	(484,366)	(300,723)	(142,490)	(528,266)
Profit/ (Loss) Before Taxation	9,031,302	(252,372)	36,664	219,068
Income Tax Expense	-	(73,551)	-	(38,723)
Profit/ (Loss) for the Year	9,031,302	(325,923)	36,664	180,345

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. 675, Dr. Danister de Silva Mawatha, Colombo 09.

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" and SLFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". These Condensed Consolidated Interim Financial Statements should be read in conjunction with the Interim Financial Statements for the year ended 31 December, 2017. The unaudited Condensed Consolidated Interim Financial Statements for the quarter ended 31 March, 2018 were approved by the Board of Directors on 14 May, 2018.

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, 2016.

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 a Rs. 9.19 Billion gain to the Company and a Rs. 7.08 Billion benefit to the group.

	Group LKR'000	Company LKR'000
Gross Sales Proceeds	16,393,732	16,393,732
Less: Transaction Cost	(354,819)	(354,819)
Net Sales Proceeds	16,038,912	16,038,912
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>7,080,951</u>	<u>9,198,912</u>

As part of the terms of this agreement, all of the Freehold Land and Buildings and 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 operations. 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 from the JIPLC group point of view.

7.1 Summarised Income Statement of the Discontinued Operations

For the Period ended	Notes	Consolidated	
		Unaudited 26/2/2018 LKR '000	Unaudited 31/3/2018 LKR '000
Gross Written Premium	10	1,442,384	3,083,710
Net Earned Premium		1,669,029	2,202,306
Investment Income and Other Income *		(275,766)	375,229
Total Net Income		1,393,262	2,577,535
Benefits and Claims			
Net Benefits & Claims		(1,068,787)	(1,500,780)
Underwriting & Net Acquisition Cost		(276,124)	(329,421)
Total Benefits, Claims & Net Acquisition Cost		(1,344,911)	(1,830,201)
Other Operating and Administrative Expenses		(300,723)	(528,266)
Profit/ (Loss) before Taxation		(252,372)	219,068
Income Tax Expense	11	(73,551)	(38,723)
Profit/ (Loss) for the Year		(325,923)	180,345
Profit/ (Loss) attributable to:			
Equity holders of the Company		(325,923)	180,345
		(325,923)	180,345
Inter Company Elimination		584,240	-
Profit from Discontinued Operation at Group level		258,317	-
Other Comprehensive Income/ (Loss)			
Net Change in fair value of Available For Sale financial assets from Discontinued Operations		(742)	(125,598)
Total Comprehensive Income for the Year		257,575	54,747

* 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 26/2/2018	Unaudited 31/3/2017
	LKR '000	LKR '000
Net Cash Flows Used in Operating Activities	(373,622)	540,138
Net Cash Flows Generated from Investment Activities	3,518,092	(349,371)
Net Cash Flows Generated from Financing Activities	(3,956)	(5,059)
Net Increase in Cash & Cash Equivalents	3,140,515	185,707
Net Cash and Cash Equivalents for the Previous Year	(252,048)	(137,542)
Net Cash and Cash Equivalents for the Current Year	2,888,467	48,165

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 and held as at 31 December 2017.

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 LKR'000	Company LKR'000
Transfer from Long Term Life Insurance Fund	1,795,829	1,795,829
Balance as at 31 December 2017	1,795,829	1,795,829
Transfers/ Distributions During the Period	-	-
Balance as at 31 March 2018	1,795,829	1,795,829

9 Liability Adequacy Test

9.1 Insurance Liability - Non-Life

The Liability Adequacy Test in respect of Insurance Provisions of Non Life as required by SLFRS 4 - was not performed as at 26 February 2018 (the Date of Disposal of JGIL). The liability test is performed as at year end.

9.2 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 31 March 2018. The liability test is performed as at year end.

JANASHAKTHI INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS



10 Gross Written Premium

For the Period ended 31 March

	Unaudited 2018	Unaudited 2017
	LKR '000	LKR '000
Life Insurance (Continuing Operations)		
First Year Premium	318,853	275,533
Renewal Premium	445,740	429,573
Total Life Premium	764,593	705,106

For the Period ended

	26 February 2018	31 March 2017
Non Life Insurance (Discontinued Operations)		
Fire	167,472	470,598
Motor	1,037,451	1,834,240
Marine	38,153	84,479
Miscellaneous	199,308	694,393
Total Non - Life Premium	1,442,384	3,083,710

11 Income Tax Expense

The Company and the Group are liable to Income Tax at 28% (2017-28%) of Taxable Profits in accordance with the provisions of the Inland Revenue Act, No. 10 of 2006 and subsequent amendments thereto.

12 Related Party Transactions

Other than the transaction disclosed in note 6, 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 2016.

13 Contingent Liabilities

13.1 In the opinion of the Directors in consultation with the Company's Lawyers and Advisors, litigation and claims currently pending against the Company will not have a material impact on the reported financial results or future operations of the Company.

All pending litigations for claims have been evaluated and adequate provisions have been made in the Financial Statements.

13.2 As per Clause 3 of the Share Sale & Purchase Agreement on the sale of JGIL, the Purchaser (Allianz S.E) has the right to adjust the Selling Price based on the Completion Audit Findings for the period ending 26 February 2018. Further, the Company has given warranties as detailed in Schedule 3 Part 2 of the agreement, which include among others warranties relating to Tax, Title & Capacity and Assets. The Directors do not expect that any claims on these warranties given and hence no provisions have been made.

JANASHAKTHI INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS



14 Stated Capital is represented by 226,526,153 ordinary shares as at 31 March 2018. (2017: 544,500,198)

14.1 Re - Purchase of Shares

Following shareholder approval the Board of Directors carried out an analysis of the existing financial position of the Company and its proposed activities and resolved to distribute a portion of the sale proceeds received from the disposal of JGIL by way of a re-purchase of shares.

A total of 317,974,045 shares were re-purchased for a total consideration of LKR 11.67 billion. There is no change in the value of stated capital other than the reduction in number of shares resulting from the above said transaction.

15 Information On Ordinary Shares

for the Quarter Ended	31 March	
	2018	2017
Market Price per Ordinary Share (LKR)		
Highest Price	33.50	16.80
Lowest Price	15.70	15.00
Closing Price	26.80	15.10
Net Asset Value per Share (LKR) - Company	30.68	13.98
- Group	30.68	15.72

16 Twenty Largest Shareholders as at 31 March 2018

Name of Shareholder	No.of Shares	%
(1) Janashakthi PLC Account No. 1	165,350,062	72.99%
(2) Yonmerenne Simon Hewage Indrakumara Silva	7,281,572	3.21%
(3) Commercial Bank of Ceylon PLC/ Dunamis Capital PLC	6,900,000	3.05%
(4) Dunamis Capital PLC	4,067,994	1.80%
(5) Commercial Bank of Ceylon PLC / Metrocorp (PVT) LTD	2,828,556	1.25%
(6) Suktam Holdings (Pvt) Ltd	2,228,303	0.98%
(7) First Capital Limited	2,151,477	0.95%
(8) Seylan Bank PLC/W.D.N.H.Perera	1,469,716	0.65%
(9) Seylan Bank PLC/Chamara Nuwan Samarathunga	1,200,000	0.53%
(10) Mr. Amarakoon Mudiyansele Weerasinghe	1,000,000	0.44%
(11) Seylan Bank PLC/Channa Nalin Rajahmonee	984,712	0.43%
(12) Mr. Husein Nuruddin Esufally	901,438	0.40%
(13) Mr. Chitral Hiran Mendis	792,000	0.35%
(14) Mahinda Bandara Herath/Lalani Ramya Kumari	540,000	0.24%
(15) Ayenka Holdings Private Limited	518,398	0.23%
(16) Mrs. Manjula Mathews	510,000	0.23%
(17) Nithiabala Balasingam	492,600	0.22%
(18) J.B Cocoshell (PVT) LTD	421,039	0.19%
(19) Deutsche Bank AG AS trustee to Astrue Alpha Fund	412,351	0.18%
(20) Yonmerenne Simon Hewage Rushanka Sulakshana Silva	384,171	0.17%
Others	200,434,389	88.48%
Total	226,526,153	100.00%

JANASHAKTHI INSURANCE PLC

NOTES TO THE FINANCIAL STATEMENTS



17 Public Shareholding

	31 March 2018		31 March 2017	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Public Shareholding	24,827,266	10.96%	127,381,940	23.39%
Number of shareholders representing the public holding	4,957		5,950	

18 Directors' Shareholding

	31 March 2018	31 March 2017
Mr. Husein Esufally (Chairman)	901,438	2,253,594
Mr. Prakash Schaffter (Managing Director)	-	-
Mr. L. C. R. de C Wijetunga	-	-
Ms. Manjula Mathews	510,000	1,275,000
Mr. Ramesh Schaffter	-	-
Mr. Eardley Perera	-	-
Ms. Anushya Coomaraswamy	45,000	112,500
Mr. S.A. Chapman (Chief Executive Officer - Janashakthi Insurance PLC - Resigned w.e.f. 30 April 2018)	-	-
Mr. Jude Fernando (Chief Executive Officer - Janashakthi Insurance PLC - Appointed w.e.f. 1 May 2018)	-	-

JANASHAKTHI INSURANCE PLC

BOARD OF DIRECTORS

CHAIRMAN

Mr. Husein Esufally

MANAGING DIRECTOR

Mr. Prakash Schaffter

DIRECTOR/CHIEF EXECUTIVE OFFICER

Mr. S.A. Chapman (Resigned w.e.f. 30 April 2018)

Mr. Jude Fernando (Appointed w.e.f. 1 May 2018)

DIRECTORS

Mr. L. C. R. de C Wijetunga

Ms. Manjula Mathews

Mr. Ramesh Schaffter

Mr. Eardley Perera

Ms. Anushya Coomaraswamy

SECRETARY TO THE COMPANY

KHL Corporate Services Ltd.

CORPORATE MANAGEMENT TEAM

Mr. Hashra Weerawardane

Mr. Deepta Ekanayake

REGISTERED OFFICE

No. 675, Dr. Danister de Silva Mawatha,
Colombo 09.