



# *Life Force*



JANASHAKTHI  
*Life*

Consolidated Interim Financial Statements  
30th June 2020  
(Condensed )

**JANASHAKTHI INSURANCE PLC**  
**STATEMENT OF FINANCIAL POSITION**



As at	Note	Company	
		Unaudited 30 June 2020 LKR '000	Audited 31 December 2019 LKR '000
<b>Assets</b>			
Financial Investments		18,102,625	16,961,520
Investment Property		2,051,498	2,093,323
Intangible Assets		68,789	78,365
Property, Plant and Equipment		416,183	442,502
Right of Use Lease Assets	<b>5</b>	233,734	261,811
Loans to Life Policyholders & Others		327,085	304,785
Reinsurance Receivable		29,702	23,534
Premium Receivables		19,861	33,609
Other Assets		453,125	351,015
Deferred Tax Asset	<b>7</b>	1,185,540	1,215,540
Cash in Hand and Balance at Bank		583,276	268,280
<b>Total Assets</b>		<b>23,471,418</b>	<b>22,034,284</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Equity</b>			
Stated Capital		4,853,752	4,853,752
Revenue Reserves		2,916,991	2,917,054
Restricted Regulatory Reserve	<b>8</b>	1,795,829	1,795,829
<b>Total Equity</b>		<b>9,566,572</b>	<b>9,566,635</b>
<b>Liabilities</b>			
Insurance Liability - Life		12,303,329	11,096,474
Retirement Benefit Obligation		100,253	106,431
Reinsurance Creditors		33,053	34,145
Lease Creditors	<b>10</b>	253,490	261,427
Other Liabilities		929,148	821,556
Bank Overdrafts		285,573	147,616
<b>Total Liabilities</b>		<b>13,904,846</b>	<b>12,467,649</b>
<b>Total Equity and Liabilities</b>		<b>23,471,418</b>	<b>22,034,284</b>

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 these Interim Financial Statements.  
Signed on behalf of the Board

*Sgd*

**Prakash Schaffter**  
Chairman  
Colombo  
13 August 2020

*Sgd*

**Jude Fernando**  
Director/Chief Executive Officer

**JANASHAKTHI INSURANCE PLC**  
**INCOME STATEMENT**



For the Period ended 30 June	Note	Company	
		Unaudited 2020 LKR '000	Audited 2019 LKR '000
<b>Gross Written Premium</b>	<b>11</b>	<b>1,657,864</b>	<b>1,740,927</b>
Premium Ceded to Reinsurers		(58,202)	(60,679)
		<b>1,599,662</b>	<b>1,680,248</b>
<b>Other Revenue</b>			
Fee and Commission Income		22,060	24,304
Investment Income		951,854	795,968
Realised Gains		217,951	197,578
Fair Value Gains		329,848	10,849
Other Operating Revenue		156,459	136,223
<b>Total Other Revenue</b>		<b>1,678,172</b>	<b>1,164,922</b>
<b>Total Net Income</b>		<b>3,277,834</b>	<b>2,845,170</b>
<b>Benefits and Claims</b>			
Net Benefits & Claims		(728,617)	(899,348)
Increase in Life Insurance Fund		(1,206,518)	(554,272)
Underwriting & Net Acquisition Cost		(384,214)	(476,181)
<b>Total Benefits, Claims &amp; Net Acquisition Cost</b>		<b>(2,319,349)</b>	<b>(1,929,801)</b>
Finance Cost		(24,415)	(37,947)
Other Operating and Administrative Expenses		(506,692)	(580,530)
<b>Other Expenses</b>		<b>(531,107)</b>	<b>(618,477)</b>
<b>Profit before Taxation</b>		<b>427,378</b>	<b>296,892</b>
Income Tax Expense		(30,000)	(60,970)
<b>Profit for the Period</b>		<b>397,378</b>	<b>235,922</b>
Profit attributable to:			
<b>Equity holders of the Company</b>		<b>397,378</b>	<b>235,922</b>
Basic Earning per Share (Rs.)		1.75	1.04

**JANASHAKTHI INSURANCE PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**

For the Period ended 30 June	Company	
	Unaudited	Unaudited
	2020 LKR'000	2019 LKR'000
<b>Profit for the Period</b>	<b>397,378</b>	<b>235,922</b>
<b>Other Comprehensive Loss</b>		
Net Change in fair value of Available For Sale financial assets	(397,442)	(181,529)
Net Realised Gains Transferred to Income Statement	-	(2,384)
<b>Other Comprehensive Loss</b>	<b>(397,442)</b>	<b>(183,913)</b>
<b>Total Comprehensive Income/ (Loss) for the Period</b>	<b>(64)</b>	<b>52,009</b>
Total Comprehensive Income/ (Loss) attributable to: <b>Equity holders of the Company</b>	<b>(64)</b>	<b>52,009</b>

**STATEMENT OF CHANGES IN EQUITY**

	Stated Capital LKR '000	Revaluation Reserve 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	LKR '000	LKR '000	
<b>Audited Balance as at 31 December 2018</b>	<b>4,853,752</b>	-	<b>1,795,829</b>	<b>2,458,868</b>	<b>212,593</b>	<b>2,671,461</b>	<b>9,321,041</b>
Profit for the Period	-	-	-	235,922	-	235,922	235,922
<b>Other Comprehensive (Loss) / Income</b>							
Net Change in fair value of AFS assets	-	-	-	-	(181,529)	(181,529)	(181,529)
Net Realised Gain Transferred to Income Statement	-	-	-	-	(2,384)	(2,384)	(2,384)
<b>Other Comprehensive Loss</b>	-	-	-	-	<b>(183,913)</b>	<b>(183,913)</b>	<b>(183,913)</b>
<b>Unaudited Balance as at 30 June 2019</b>	<b>4,853,752</b>	-	<b>1,795,829</b>	<b>2,694,790</b>	<b>28,680</b>	<b>2,723,470</b>	<b>9,373,050</b>
Profit for the Period	-	-	-	160,408	-	160,408	160,408
<b>Other Comprehensive (Loss) / Income</b>							
Net Change in fair value of AFS assets	-	-	-	-	33,449	33,449	33,449
Net Realised Gain Transferred to Income Statement	-	-	-	-	(274)	(274)	(274)
<b>Other Comprehensive Income</b>	-	-	-	-	<b>33,175</b>	<b>33,175</b>	<b>33,175</b>
<b>Audited Balance as at 31 December 2019</b>	<b>4,853,752</b>	-	<b>1,795,829</b>	<b>2,855,198</b>	<b>61,855</b>	<b>2,917,053</b>	<b>9,566,635</b>
Profit for the Period	-	-	-	397,378	-	397,378	397,378
<b>Other Comprehensive Income</b>							
Net Change in fair value of AFS assets	-	-	-	-	(397,442)	(397,442)	(397,442)
<b>Other Comprehensive Loss</b>	-	-	-	-	<b>(397,442)</b>	<b>(397,442)</b>	<b>(397,442)</b>
<b>Unaudited Balance as at 30 June 2020</b>	<b>4,853,752</b>	-	<b>1,795,829</b>	<b>3,252,576</b>	<b>(335,587)</b>	<b>2,916,989</b>	<b>9,566,572</b>

**JANASHAKTHI INSURANCE PLC**  
**INCOME STATEMENT**



For the Three months ended 30 June	Note	Company	
		Unaudited 2020 LKR '000	Unaudited 2019 LKR '000
<b>Gross Written Premium</b>	<b>11</b>	<b>812,322</b>	<b>794,314</b>
Premium Ceded to Reinsurers		(29,089)	(31,735)
		<b>783,233</b>	<b>762,580</b>
<b>Other Revenue</b>			
Fee and Commission Income		16,428	16,618
Investment Income		517,400	420,297
Realised Gains/ (Losses)		210,130	201,177
Fair Value Gains/ (Losses)		258,004	12,299
Other Operating Revenue		81,498	69,699
<b>Total Other Revenue</b>		<b>1,083,460</b>	<b>720,090</b>
<b>Total Net Income</b>		<b>1,866,693</b>	<b>1,482,669</b>
<b>Benefits and Claims</b>			
Net Benefits & Claims		(326,929)	(504,668)
Increase in Life Insurance Fund		(870,227)	(265,018)
Underwriting & Net Acquisition Cost		(175,856)	(222,464)
<b>Total Benefits, Claims &amp; Net Acquisition Cost</b>		<b>(1,373,012)</b>	<b>(992,150)</b>
Finance Cost		(14,711)	(35,880)
Other Operating and Administrative Expenses		(247,547)	(294,383)
<b>Other Expenses</b>		<b>(262,258)</b>	<b>(330,262)</b>
<b>Profit before Taxation</b>		<b>231,423</b>	<b>160,257</b>
Income Tax Expense		(15,000)	(33,019)
<b>Profit for the Period</b>		<b>216,423</b>	<b>127,238</b>
Profit attributable to:			
<b>Equity holders of the Company</b>		<b>216,423</b>	<b>127,238</b>
Basic Earnings/ (Loss) per Share (Rs.)		0.95	0.35

**JANASHAKTHI INSURANCE PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**



	<b>Company</b>	
	<b>Unaudited 2020 LKR'000</b>	<b>Unaudited 2019 LKR'000</b>
<b>For the Three months ended 30 June</b>		
<b>Profit for the Period</b>	<b>216,423</b>	<b>235,922</b>
<b>Other Comprehensive Loss</b>		
Revaluation of Land & Buildings	-	-
Actuarial Gain/(Loss) on Defined Benefit Plans		
Net Change in fair value of Available For Sale financial assets	(397,442)	(181,529)
Net Realised Gains Transferred to Income Statement	-	(2,384)
<b>Other Comprehensive Loss</b>	<b>(397,442)</b>	<b>(183,913)</b>
<b>Total Comprehensive Income/ (Loss) for the Period</b>	<b>(181,019)</b>	<b>52,009</b>
Total Comprehensive Income/ (Loss) attributable to:		
<b>Equity holders of the Company</b>	<b>(181,019)</b>	<b>52,009</b>

**JANASHAKTHI INSURANCE PLC**  
**CASH FLOW STATEMENT**



		Company	
		Unaudited 2020	Unaudited 2019
		LKR '000	LKR '000
<b>For the Period ended 30 June</b>			
<b>Cash Flows From Operating Activities</b>	<b>Notes</b>		
Premium Received from Customers		1,593,606	1,740,927
Reinsurance Premium Paid		(9,032)	-
Claims Paid		(860,145)	(935,353)
Reinsurance Receipt in Respect of Claims		4,073	1,174
Interest Received		-	407,414
Dividends Received		-	3,672
Other Operating Cash Receipts / (Payments)		8,671	(449,340)
<b>Cash Flows from Operating Activities</b>	<b>A</b>	<b>1,378,503</b>	<b>768,493</b>
Gratuity Paid		(13,595)	(4,700)
<b>Net Cash Generated From Operating Activities</b>		<b>1,364,907</b>	<b>763,793</b>
<b>Cash Flows Used in Investing Activities</b>			
Net drawdown/ (Purchase) of Investments		(1,208,698)	(957,324)
Loan Obtained during the period		-	500,000
Purchase of Property, Plant & Equipments		(26,482)	(57,349)
Purchase of Intangible Assets		(684)	-
Disposal of Investment property		53,000	-
<b>Net Cash Used in Investing Activities</b>		<b>(1,182,864)</b>	<b>(514,673)</b>
<b>Net Cash Flows Before Financing Activities</b>		<b>182,043</b>	<b>249,120</b>
<b>Cash Flows Used in Financing Activities</b>			
Interest Paid on Borrowings		(5,006)	(12,239)
<b>Net Cash Used in Financing Activities</b>		<b>(5,006)</b>	<b>(12,239)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>B</b>	<b>177,038</b>	<b>236,881</b>

**JANASHAKTHI INSURANCE PLC**  
**NOTES TO THE CASH FLOW STATEMENT**



For the Period ended 30 June	Company	
	2020 LKR '000 Unaudited	2019 LKR '000 Unaudited
<b>A Cash Flows from Operating Activities</b>		
Profit Before Tax	427,378	296,892
Finance Cost	5,006	37,947
Gain on Financial Investments	(329,848)	(10,849)
Provision for Retirement Benefit	7,416	7,875
Depreciation and Amortisation Expenses	51,885	66,662
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Premium and Other Receivables	(88,758)	(261,187)
Increase in Life Insurance Fund	1,206,855	554,272
Increase/(Decrease) in Creditors	103,570	76,882
<b>Net Cash Flows from Operating Activities</b>	<b>1,378,503</b>	<b>768,493</b>
<b>For the Period ended 30 June</b>	<b>2020</b>	<b>2019</b>
	<b>LKR '000</b>	<b>LKR '000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>B Increase / (Decrease) in Cash and Cash Equivalents</b>		
Cash in Hand and Balance at Bank	583,276	460,134
Bank Overdrafts	(285,573)	(111,552)
Net Cash and Cash Equivalents for the Current Year	297,702	348,581
Net Cash and Cash Equivalents for the Previous Year	120,664	111,700
<b>Increase</b>	<b>177,038</b>	<b>236,881</b>





## 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 30 June, 2020 were approved by the Board of Directors on 13th August 2020.

## 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, 2019.

## 5 Right of use assets

	<b>Unaudited 30th June 2020 LKR '000</b>	<b>Audited 31st December 2019 LKR '000</b>
<b>Cost of Right of Use Assets</b>		
Right of Use Assets (PVFLP) on initial application of SLFRS 16 as at 1st January	<b>261,318</b>	<b>243,771</b>
Opening Balance of Advance Payments for the Right of use Assets as at 1st January	-	28,857
Additions of Right of Use Assets during the period	-	34,616
Advances Paid for Right of Use Assets during the period	600	9,994
<b>Total Cost of Right of Use Asset (a)</b>	<b>261,918</b>	<b>317,238</b>
<b>Accumulated Deprecation and Amortisation</b>		
Depreciation of Right of Use Assets	24,122	47,941
Amortisation of Rent Advance for Right of Use Assets	4,062	7,486
<b>Total Accumulated Deprecation and Amortisation (b)</b>	<b>28,184</b>	<b>55,427</b>
<b>Net Right of Use Assets a (a-b)</b>	<b>233,734</b>	<b>261,812</b>

## 6 Income Tax Expense

The Income Tax for the first quarter 2020, 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.

	Company	
	Unaudited 30th June 2020 LKR 000	Audited 31st December 2019 LKR 000
Deferred Tax Asset - Beginning Balance	1,215,540	1,342,199
<b>Deferred Tax Asset - Beginning Balance</b>		
Reversal during the Period	(30,000)	(126,659)
<b>Deferred Tax Asset - Closing Balance</b>	<b>1,185,540</b>	<b>1,215,540</b>

## 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.

	Company LKR 000
Balance as at 31 December 2019	1,795,829
Transfers/ Distributions During the Period	-
Balance as at 30 June 2020	1,795,829

## 9 Liability Adequacy Test

The Liability Adequacy Test in respect of Insurance Provisions of Life as required by SLFRS 4 - was not performed as at 30 June 2020. The liability test is performed as at year end.

## 10 Lease Creditors

	Unaudited 30th June 2020 LKR '000	Audited 31st December 2019 LKR '000
Lease creditor on initial application of SLFRS 16 as at 1st January	261,426	243,771
Addition to the lease creditor during the period	-	34,616
Interest Expense of lease creditor during the period	19,321	39,231
Rental paid for lease creditor during the period	(27,256)	(56,191)
<b>Lease creditor</b>	<b>253,490</b>	<b>261,427</b>

## 11 Gross Written Premium

	For the Period ended 30 June	
	Unaudited 2020 LKR '000	Unaudited 2019 LKR '000
<b>Life Insurance (Continuing Operations)</b>		
First Year Premium	770,787	855,406
Renewal Premium	887,077	885,521
<b>Total Life Premium</b>	<b>1,657,864</b>	<b>1,740,927</b>

## 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 and adequate provisions have been made 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.

**JANASHAKTHI INSURANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**



**14** Stated Capital is represented by 226,526,153 ordinary shares as at 30 June 2020. (2019: 226,526,153)

**15 Information On Ordinary Shares**

For the Quarter Ended	30th June	
	2020	2019
<b>Market Price per Ordinary Share (LKR)</b>		
Highest Price	32.00	27.50
Lowest Price	19.10	22.00
Closing Price	30.90	26.30
Market Capitalization (LKR)	6,999,658,128	5,957,637,823
Net Asset Value per Share (LKR)	42.23	42.23
Float Adjusted Market capitalization	1,381,032,549	1,174,846,179

**16 Twenty Largest Shareholders as at 30 June 2020**

Name of Shareholder	No.of Shares	%
(1) Janashakthi PLC	119,983,755	52.97%
(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) Commercial Bank Of Ceylon PLC/ Janashakthi PLC	11,326,307	5.00%
(6) Mr. Y. S. H. I. Silva	7,281,572	3.21%
(7) Suktam Holdings (Pvt) Ltd	5,321,254	2.35%
(8) Dr. T. Senthilverl	1,106,065	0.49%
(9) Mr. C. H. Mendis	792,000	0.35%
(10) Mr. A.M. Weerasinghe	686,621	0.30%
(11) Mr. D. K. A. K. Weerathunga	550,000	0.24%
(12) Mr. M.B. Herath	540,000	0.24%
(13) Mrs. M. Mathews	510,000	0.23%
(14) J.B. Cocoshell (Pvt) Ltd	495,493	0.22%
(15) Mr. N. Balasingam	492,600	0.22%
(16) Mr. K. A. R. Ranasinghe	450,000	0.20%
(17) People's Leasing & Finance PLC/ Mr .N. A. D. B.Jayanath	449,300	0.20%
(18) Seylan Bank PLC/ Jaliya Abesiri Wijeratne	399,324	0.18%
(19) Mr. P. Vijendran	342,000	0.15%
(20) Mr. T. Amirthalingam	317,406	0.14%
	200,977,603	88.72%
Others	25,548,550	11.28%
<b>Total</b>	<b>226,526,153</b>	<b>100.00%</b>



**17 Public Shareholding**

	<b>30 June 2020</b>		<b>30 June 2019</b>	
	<b>No. of Shares</b>	<b>% of Shares</b>	<b>No. of Shares</b>	<b>% of Shares</b>
Public Shareholding	44,698,875	19.73%	44,678,875	19.72%
Number of shareholders representing the public holding	4,864		4,904	

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 2020 was 19.73%. 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 4th September 2020.

**18 Directors' Shareholding**

	<b>30 June 2020</b>	<b>30 June 2019</b>
Mr. Prakash Schaffter (Executive Chairman) - Appointed w.e.f. 15 November 2018	-	-
Mr. Ramesh Schaffter	-	-
Mrs. Manjula Mathews	510,000	510,000
Mr. Eardley Perera	-	-
Mr. M S J Fernando	-	-
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.