



**Company Reg. No. PB 307 / PQ**

**Consolidated Interim Financial Statements  
30th September 2016  
(Condensed)**

### ***Review of Operations – Nine Months ended 30th September 2016***

Janashakthi Insurance PLC reported a consolidated Profit After Tax of LKR 789 Mn for the nine months ended 30th September 2016, compared to LKR 353 Mn in the corresponding period of the previous year. This is a 124% growth over the previous year same period.

Gross written premium increased to LKR 9.8 Bn compared to LKR 7.3 Bn. The Non-Life segment of the business grew by 40% while the Life segment recorded a growth of 16%.

At company level a loss of Rs 11 Mn was recorded (2015- loss of 10 Mn). The loss reported excluded the annual surplus from life business which will be determined after the year-end actuarial valuation and will be included in the financial results for the full year ending December 2016.

The Group has maintained healthy Capital Adequacy Ratios (CAR) for both Life and Non-Life businesses, following the introduction of the Risk Based Capital (RBC) model.

The total assets of the Group as at 30 September, 2016 stand at LKR 35.3 Bn compared to LKR 22.6 Bn as at 30 September, 2015.

Net Assets Value per share of Janashakthi Insurance PLC as at 30th September 2016 was LKR 15.41 and the Earning per Share as at 30th September 2016 was LKR 1.45.

Following the successful amalgamation of AIA General with Janashakthi General, reporting structures and branches have been rationalised to reflect the merged entity. The acquisition has strengthened the company and combined synergies better positions us as a principal player in the increasingly competitive General Insurance industry.

The Company (JIPLC) entered into an agreement with M/S Sanken Construction (Private) Limited (Sanken) in October 2015 to assign the leasehold rights of the property at No. 24, Staples Street, Colombo 02. Approval for this transaction has been received from the Urban Development Authority (UDA) and the Cabinet of Ministers. The transfer of leasing rights will now be subject to additional fees levied by the UDA and as a result profit on conclusion of this transaction is now estimated at Rs. 361 Million. In September 2016 the parties, JIPLC & Sanken agreed to further extend the period of the agreement upto 31st December 2016 to finalize the formalities.

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



	<b>Consolidated</b>		<b>Company</b>	
	<b>Unaudited</b> <b>30 September 2016</b>	<b>Audited</b> <b>31 December 2015</b>	<b>Unaudited</b> <b>30 September 2016</b>	<b>Audited</b> <b>31 December 2015</b>
	<b>LKR '000</b>	<b>LKR '000</b>	<b>LKR '000</b>	<b>LKR '000</b>
<b>Assets</b>				
Financial Investments	20,744,017	21,846,024	10,937,958	10,827,289
Investment Property	22,600	22,600	22,600	22,600
Intangible Assets	34,964	37,568	-	-
Goodwill on Acquisition	1,402,448	1,402,448	-	-
Property, Plant and Equipment	2,585,346	2,003,177	990,715	990,715
Policyholder & Other Loans	272,912	274,668	187,512	191,074
Reinsurance Receivable	4,032,811	895,619	23,985	12,527
Premium Receivables	2,203,147	2,380,957	44,154	40,968
Investment in Subsidiaries	-	-	6,840,000	6,840,000
Other Assets	1,132,086	620,637	171,142	147,345
Other Fund Assets	51,471	47,815	-	-
Deferred Tax Asset	130,171	122,404	-	-
Deferred Expenses	1,318,005	1,328,397	-	-
Cash in Hand and Balance at Bank	1,379,878	685,433	427,196	250,803
<b>Total Assets</b>	<b>35,309,855</b>	<b>31,667,747</b>	<b>19,645,263</b>	<b>19,323,321</b>
<b>Liabilities and Shareholders' Equity</b>				
<b>Equity</b>				
Stated Capital	4,853,752	4,853,752	4,853,752	4,853,752
Revaluation Reserve	130,046	162,160	-	-
Reserve for Future Appropriation	100,000	-	100,000	-
Revenue Reserves	3,304,817	3,218,986	2,366,192	2,903,236
<b>Total Equity</b>	<b>8,388,615</b>	<b>8,234,898</b>	<b>7,319,943</b>	<b>7,756,988</b>
<b>Liabilities</b>				
Insurance Liability - Life	9,887,405	8,865,740	9,887,405	8,865,740
Insurance Liability - Non Life	10,809,611	9,036,635	-	-
Retirement Benefit Obligation	302,465	312,226	144,113	137,130
Other Fund Liabilities	51,471	47,815	-	-
Deferred Revenue	215,733	211,728	-	-
Interest Bearing Borrowings	1,427,097	1,525,767	275,780	916,237
Other Liabilities	4,227,458	3,432,938	2,018,021	1,647,226
<b>Total Liabilities</b>	<b>26,921,240</b>	<b>23,432,849</b>	<b>12,325,319</b>	<b>11,566,333</b>
<b>Total Equity and Liabilities</b>	<b>35,309,855</b>	<b>31,667,747</b>	<b>19,645,263</b>	<b>19,323,321</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*

**Mangala Gamage**  
General Manager - Finance & Planning

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

Signed on behalf of the Board

*Sgd*

**P. A. Schaffter**  
Managing Director

*Sgd*

**Jude Fernando**  
Director / Chief Executive Officer

Colombo  
15 November, 2016

JANASHAKTHI INSURANCE PLC  
INCOME STATEMENT



	Notes	Consolidated		Company	
		Unaudited 2016 LKR'000	Unaudited 2015 LKR'000	Unaudited 2016 LKR'000	Unaudited 2015 LKR'000
<b>For the Nine months ended 30 September</b>					
<b>Gross Written Premium</b>	<b>8</b>	<b>9,832,043</b>	<b>7,351,014</b>	<b>2,127,698</b>	<b>1,834,632</b>
Premium Ceded to Reinsurers		(1,575,337)	(844,689)	(63,170)	(63,166)
<b>Net Written Premium</b>		<b>8,256,706</b>	<b>6,506,325</b>	<b>2,064,529</b>	<b>1,771,467</b>
Net Change in Reserve for Unearned Premium		372,138	(255,932)	-	-
<b>Net Earned Premium</b>		<b>8,628,844</b>	<b>6,250,393</b>	<b>2,064,529</b>	<b>1,771,467</b>
<b>Other Revenue</b>					
Fee and Commission Income		254,638	209,546	32,462	34,328
Investment Income		1,398,085	1,056,942	714,617	552,049
Realised Gains/ (Losses)		11,846	8,046	2,473	(11,124)
Fair Value Gains/ (Losses)		(34,016)	90,987	(2,542)	75,667
Other Operating Revenue		96,220	73,439	38,361	9,467
<b>Total Other Revenue</b>		<b>1,726,774</b>	<b>1,438,960</b>	<b>785,371</b>	<b>660,387</b>
<b>Total Net Income</b>		<b>10,355,619</b>	<b>7,689,354</b>	<b>2,849,900</b>	<b>2,431,854</b>
<b>Benefits and Claims</b>					
Net Benefits & Claims		(4,954,697)	(3,624,886)	(793,097)	(623,236)
Increase in Life Insurance Fund		(1,125,616)	(803,196)	(1,125,616)	(803,196)
Underwriting & Net Acquisition Cost		(1,464,610)	(1,239,024)	(515,060)	(537,170)
<b>Total Benefits, Claims &amp; Net Acquisition Cost</b>		<b>(7,544,922)</b>	<b>(5,667,106)</b>	<b>(2,433,773)</b>	<b>(1,963,602)</b>
Finance Cost		(26,677)	(19,977)	(1,876)	(2,504)
Other Operating and Administrative Expenses		(1,889,253)	(1,615,144)	(425,159)	(475,546)
<b>Other Expenses</b>		<b>(1,915,930)</b>	<b>(1,635,121)</b>	<b>(427,035)</b>	<b>(478,050)</b>
<b>Profit / (Loss) before Taxation</b>		<b>894,766</b>	<b>387,126</b>	<b>(10,908)</b>	<b>(9,798)</b>
Income Tax Expense		(105,508)	(34,512)	-	-
<b>Profit/(Loss) for the Period</b>		<b>789,258</b>	<b>352,614</b>	<b>(10,908)</b>	<b>(9,798)</b>
Profit / (Loss) attributable to:					
<b>Equity holders of the Company</b>		<b>789,258</b>	<b>352,614</b>	<b>(10,908)</b>	<b>(9,798)</b>
		<b>789,258</b>	<b>352,614</b>	<b>(10,908)</b>	<b>(9,798)</b>
Basic earnings per share (LKR)		<b>1.45</b>	<b>0.97</b>	<b>(0.02)</b>	<b>(0.03)</b>

JANASHAKTHI INSURANCE PLC  
STATEMENT OF COMPREHENSIVE INCOME



For the Nine months ended 30 September	Consolidated		Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	2016 LKR'000	2015 LKR'000	2016 LKR'000	2015 LKR'000
<b>Profit/(Loss) for the Period</b>	<b>789,258</b>	<b>352,614</b>	<b>(10,908)</b>	<b>(9,798)</b>
<b>Other Comprehensive Income</b>				
Change in Revaluation Surplus	(32,112)	-	-	-
Investments classified as Available for Sale				
Changes in fair value	(295,049)	(201,001)	(117,760)	(61,469)
<b>Other Comprehensive Income</b>	<b>(327,161)</b>	<b>(201,001)</b>	<b>(117,760)</b>	<b>(61,469)</b>
<b>Total Comprehensive Income for the Period</b>	<b>462,097</b>	<b>151,612</b>	<b>(128,668)</b>	<b>(71,268)</b>
Total Comprehensive Income attributable to:				
<b>Equity holders of the Company</b>	<b>462,097</b>	<b>151,612</b>	<b>(128,668)</b>	<b>(71,268)</b>
	<b>462,097</b>	<b>151,612</b>	<b>(128,668)</b>	<b>(71,268)</b>

# JANASHAKTHI INSURANCE PLC

## INCOME STATEMENT



	Notes	Consolidated		Company	
		Unaudited 2016 LKR'000	Unaudited 2015 LKR'000	Unaudited 2016 LKR'000	Unaudited 2015 LKR'000
<b>For the Three months ended 30 September</b>					
<b>Gross Written Premium</b>	<b>8</b>	<b>3,324,614</b>	<b>2,480,126</b>	<b>762,171</b>	<b>606,227</b>
Premium Ceded to Reinsurers		(522,417)	(229,901)	(17,298)	(16,107)
<b>Net Written Premium</b>		<b>2,802,197</b>	<b>2,250,225</b>	<b>744,873</b>	<b>590,120</b>
Net Change in Reserve for Unearned Premium		46,806	(111,725)	-	-
<b>Net Earned Premium</b>		<b>2,849,003</b>	<b>2,138,500</b>	<b>744,873</b>	<b>590,120</b>
<b>Other Revenue</b>					
Fee and Commission Income		84,902	71,859	8,090	10,181
Investment Income		465,602	361,613	250,351	194,395
Realised Gains/ (Losses)		12,215	17,716	2,473	-
Fair Value Gains/ (Losses)		20,972	126,535	606	23,569
Other Operating Revenue		59,195	27,087	37,394	492
<b>Total Other Revenue</b>		<b>642,885</b>	<b>604,810</b>	<b>298,914</b>	<b>228,637</b>
<b>Total Net Income</b>		<b>3,491,887</b>	<b>2,743,310</b>	<b>1,043,787</b>	<b>818,757</b>
<b>Benefits and Claims</b>					
Net Benefits & Claims		(1,730,826)	(1,334,217)	(295,883)	(235,000)
Increase in Life Insurance Fund		(434,909)	(255,620)	(434,909)	(255,620)
Underwriting & Net Acquisition Cost		(502,145)	(426,707)	(175,627)	(184,287)
<b>Total Benefits, Claims &amp; Net Acquisition Cost</b>		<b>(2,667,879)</b>	<b>(2,016,544)</b>	<b>(906,419)</b>	<b>(674,908)</b>
Finance Cost		(10,004)	(4,644)	(992)	(869)
Other Operating and Administrative Expenses		(631,454)	(575,694)	(140,123)	(141,655)
<b>Other Expenses</b>		<b>(641,457)</b>	<b>(580,338)</b>	<b>(141,113)</b>	<b>(142,524)</b>
<b>Profit / (Loss) before Taxation</b>		<b>182,550</b>	<b>146,428</b>	<b>(3,745)</b>	<b>1,326</b>
Income Tax Expense		(23,358)	(5,356)	-	-
<b>Profit/(Loss) for the Period</b>		<b>159,193</b>	<b>141,072</b>	<b>(3,745)</b>	<b>1,326</b>
Profit / (Loss) attributable to:					
<b>Equity holders of the Company</b>		<b>159,193</b>	<b>141,072</b>	<b>(3,745)</b>	<b>1,326</b>
		<b>159,193</b>	<b>141,072</b>	<b>(3,745)</b>	<b>1,326</b>
Basic earnings per share (LKR)		<b>0.29</b>	<b>0.39</b>	<b>(0.01)</b>	<b>0.00</b>

JANASHAKTHI INSURANCE PLC  
STATEMENT OF COMPREHENSIVE INCOME



For the Three months ended 30 September	Consolidated		Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	2016 LKR'000	2015 LKR'000	2016 LKR'000	2015 LKR'000
<b>Profit/(Loss) for the Period</b>	<b>159,193</b>	<b>141,072</b>	<b>(3,745)</b>	<b>1,326</b>
<b>Other Comprehensive Income</b>				
Change in Revaluation Surplus	(32,112)	-	-	-
Investments classified as Available for Sale				
Changes in fair value	253,081	(201,001)	71,907	(61,469)
<b>Other Comprehensive Income</b>	<b>220,969</b>	<b>(201,001)</b>	<b>71,907</b>	<b>(61,469)</b>
<b>Total Comprehensive Income for the Period</b>	<b>380,161</b>	<b>(59,929)</b>	<b>68,157</b>	<b>(60,144)</b>
Total Comprehensive Income attributable to:				
<b>Equity holders of the Company</b>	<b>380,161</b>	<b>(59,929)</b>	<b>68,157</b>	<b>(60,144)</b>
	<b>380,161</b>	<b>(59,929)</b>	<b>68,157</b>	<b>(60,144)</b>

JANASHAKTHI INSURANCE PLC  
STATEMENT OF CHANGES IN EQUITY



Group

	Stated Capital LKR '000	Revaluation Reserve LKR '000	Fund for Future Appropriation	Revenue Reserves			Total LKR '000
				Retained Earnings LKR '000	Available-for- sale Financial Assets LKR '000	Total LKR '000	
<b>Balance as at 1 January 2015 (Restated)</b>	<b>1,496,000</b>	-	-	<b>3,075,642</b>	-	<b>3,075,643</b>	<b>4,571,643</b>
Profit for the Period		-	-	352,614	-	352,614	<b>352,614</b>
Net Change in fair value of AFS assets					(201,001)	(201,001)	<b>(201,001)</b>
Dividends paid		-	-	(363,000)	-	(363,000)	<b>(363,000)</b>
<b>Unaudited Balance as at 30 September 2015</b>	<b>1,496,000</b>		-	<b>3,065,256</b>	<b>(201,001)</b>	<b>2,864,256</b>	<b>4,360,256</b>
Issue of shares - Rights Issue	3,357,752	-	-	-	-	-	<b>3,357,752</b>
Stamp Duty on Rights Issue	-	-	-	(16,789)	-	(16,789)	<b>(16,789)</b>
Profit/(Loss) for the period	-	-	-	597,895	-	597,895	-
Net Change in fair value of AFS assets	-	-	-	-	(246,857)	(246,857)	-
Actuarial Losses on Defined Benefit Plans	-	-	-	41,023	-	41,023	-
Aggregate tax effect of items recognized in Other Comprehensive (Income) / Loss	-	-	-	(14,710)	-	(14,710)	-
Revaluation changes	-	162,158	-	-	-	-	<b>162,158</b>
Other Comprehensive Income for the Period	-	-	-	-	-	(220,544)	-
<b>Total Comprehensive Income for the period</b>	-	-	-	-	-	<b>377,351</b>	<b>377,351</b>
Transfer to Life Insurance Fund	-	-	-	(5,831)	-	(5,831)	<b>(5,831)</b>
<b>Audited Balance as at 31 December 2015</b>	<b>4,853,752</b>	<b>162,158</b>	-	<b>3,666,845</b>	<b>(447,859)</b>	<b>3,218,986</b>	<b>8,234,898</b>
Profit for the period	-	-	-	789,258	-	789,258	-
Changes in Fair Value of AFS assets	-	-	-	-	(295,049)	(295,049)	-
Other Comprehensive Income for the Period	-	-	-	-	-	(295,049)	-
<b>Total Comprehensive Income for the Period</b>	-	-	-	-	-	<b>494,209</b>	<b>494,209</b>
Reserve for Future Appropriation	-	-	100,000	-	-	-	<b>100,000</b>
Revaluation changes	-	(32,112)	-	-	-	-	<b>(32,112)</b>
Dividends paid	-	-	-	(408,375)	-	(408,375)	<b>(408,375)</b>
<b>Unaudited Balance as at 30 September 2016</b>	<b>4,853,752</b>	<b>130,046</b>	<b>100,000</b>	<b>4,047,726</b>	<b>(742,909)</b>	<b>3,304,817</b>	<b>8,388,615</b>



JANASHAKTHI INSURANCE PLC  
STATEMENT OF CHANGES IN EQUITY



Company

	Stated Capital LKR '000	Fund for Future Appropriation	Revenue Reserves			Total LKR '000
			Retained Earnings LKR '000	Available-for- sale Financial Assets LKR '000	Total LKR '000	
<b>Balance as at 1 January 2015 (Restated)</b>	<b>1,496,000</b>	-	<b>3,077,942</b>	-	<b>3,077,942</b>	<b>4,573,942</b>
Loss for the Period	-	-	(9,798)	-	(9,798)	<b>(9,798)</b>
Net Change in fair value of AFS assets	-	-	-	(61,469)	(61,469)	<b>(61,469)</b>
Dividends paid	-	-	(363,000)	-	(363,000)	<b>(363,000)</b>
<b>Unaudited Balance as at 30 September 2015</b>	<b>1,496,000</b>	-	<b>2,705,143</b>	<b>(61,469)</b>	<b>2,643,674</b>	<b>4,139,674</b>
Issue of shares - Rights Issue	3,357,751	-	-	-	-	<b>3,357,751</b>
Profit for the Period	-	-	325,854	-	325,854	-
Stamp Duty on Rights Issue	-	-	(16,789)	-	(16,789)	<b>(16,789)</b>
Changes in Fair Value of AFS assets	-	-	-	(49,500)	(49,500)	-
Other Comprehensive Income for the Period	-	-	-	-	(49,500)	-
<b>Total Comprehensive Income for the Period</b>	-	-	-	-	<b>276,355</b>	<b>276,355</b>
<b>Audited Balance as at 31 December 2015</b>	<b>4,853,752</b>	-	<b>3,014,207</b>	<b>(110,969)</b>	<b>2,903,240</b>	<b>7,756,988</b>
Profit/(Loss) for the period	-	-	(10,908)	-	(10,908)	-
Changes in Fair Value of AFS assets	-	-	-	(117,760)	(117,760)	-
Other Comprehensive Income for the Period	-	-	-	-	(117,760)	-
<b>Total Comprehensive Income for the Period</b>	-	-	-	-	<b>(128,668)</b>	<b>(128,668)</b>
Reserve for Future Appropriation	-	100,000	-	-	-	<b>100,000</b>
Dividends paid	-	-	(408,375)	-	(408,375)	<b>(408,375)</b>
<b>Unaudited Balance as at 30 September 2016</b>	<b>4,853,752</b>	<b>100,000</b>	<b>2,594,924</b>	<b>(228,729)</b>	<b>2,366,195</b>	<b>7,319,943</b>

# JANASHAKTHI INSURANCE PLC

## CASH FLOW STATEMENT



For the Nine months ended 30 September

	Notes	Consolidated		Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		2016 LKR '000	2015 LKR '000	2016 LKR '000	2015 LKR '000
<b>Cash Flows From Operating Activities</b>					
Premium Received from Customers		10,013,526	7,490,751	2,149,701	1,849,331
Reinsurance Premium Paid		(2,003,320)	(748,978)	(67,209)	(64,978)
Claims Paid		(6,998,399)	(3,641,748)	(555,095)	(435,805)
Reinsurance Receipt in Respect of Claims		1,746,008	283,354	23,516	21,002
Interest Received		721,173	851,320	397,955	472,682
Dividends Received		65,028	47,994	18,969	17,201
Other Operating Cash Payments		(2,389,939)	(2,058,397)	(502,435)	(65,466)
<b>Cash Flows From Operating Activities</b>	<b>A</b>	<b>1,154,077</b>	<b>2,224,295</b>	<b>1,465,403</b>	<b>1,793,967</b>
Gratuity Paid		(36,827)	(26,985)	(6,877)	(14,877)
<b>Net Cash Generated From Operating Activities</b>		<b>1,117,250</b>	<b>2,197,310</b>	<b>1,458,526</b>	<b>1,779,091</b>
<b>Cash Flows Used in Investing Activities</b>					
Net drawdown/(Purchase) of Investments		782,213	(1,856,054)	(231,425)	(1,226,593)
Disposal of Investment property		-	124,410	-	-
Purchase of Property, Plant and Equipment		(654,207)	(249,793)	-	(118,878)
Disposal of Property, Plant and Equipment		94	14,092	-	-
Purchase of Intangible Assets		(17,182)	(16,438)	-	-
<b>Net Cash Used in Investing Activities</b>		<b>110,918</b>	<b>(1,983,783)</b>	<b>(231,425)</b>	<b>(1,345,471)</b>
<b>Net Cash Flows Before Financing Activities</b>		<b>1,228,167</b>	<b>213,528</b>	<b>1,227,101</b>	<b>433,619</b>
<b>Cash Flows Used in Financing Activities</b>					
Net drawdown of Borrowings		(629,064)	-	(594,002)	-
Interest Paid on Borrowings		(26,677)	(19,977)	(1,876)	(2,504)
Ordinary Dividends Paid		(408,375)	(363,000)	(408,375)	(363,000)
<b>Net Cash Used in Financing Activities</b>		<b>(1,064,117)</b>	<b>(382,977)</b>	<b>(1,004,253)</b>	<b>(365,504)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>B</b>	<b>164,050</b>	<b>(169,449)</b>	<b>222,848</b>	<b>68,115</b>

JANASHAKTHI INSURANCE PLC  
NOTES TO THE CASH FLOW STATEMENT



For the Nine months ended 30 September

	Consolidated		Company	
	2016 LKR '000 Unaudited	2015 LKR '000 Unaudited	2016 LKR '000 Unaudited	2015 LKR '000 Unaudited
<b>A Cash Flows from Operating Activities</b>				
Profit/(Loss) before Tax	894,766	387,126	(10,908)	(9,798)
Finance Cost	26,677	19,977	1,876	2,504
(Profit)/Loss on Sale of:				
Property, Plant & Equipment	(18)	(2,760)	-	-
Investment Property	-	(16,410)	-	-
(Gain)/Loss on Financial Investments	24,898	(230,519)	3,148	(75,667)
Provision for Retirement Benefit	45,097	41,226	13,860	18,465
Depreciation and Amortisation Expenses	91,749	77,645	-	3,435
Provision for Bad Debts	17,783	15,081	-	-
Net Foreign Exchange (Gain) / Loss	1,736	1,001	-	-
<b>Changes in Working Capital</b>				
(Increase)/Decrease in Premium and Other Receivables	(3,677,173)	(253,349)	(34,880)	213,440
Increase in Life Insurance Fund	1,021,666	791,729	1,021,666	791,729
Provision for Future Appropriation	100,000	-	100,000	-
Increase/(Decrease) in Non Life Insurance Provision	1,772,976	755,005	-	-
Increase/(Decrease) in Creditors	833,919	638,544	370,641	849,859
<b>Net Cash Flows from Operating Activities</b>	<b>1,154,077</b>	<b>2,224,295</b>	<b>1,465,403</b>	<b>1,793,967</b>

For the Nine months ended 30 September

	2016	2015	2016	2015
	LKR '000 Unaudited	LKR '000 Unaudited	LKR '000 Unaudited	LKR '000 Unaudited
<b>B Increase / (Decrease) in Cash and Cash Equivalents</b>				
Cash in Hand and Balance at Bank	1,379,878	298,349	427,196	133,112
Bank Overdrafts	(916,772)	(309,283)	(70,391)	(123,512)
Net Cash and Cash Equivalents for the Current Period	463,107	(10,934)	356,805	9,601
Net Cash and Cash Equivalents for the Previous Period	299,057	158,515	133,957	(58,515)
<b>Increase / (Decrease) in Cash and Cash Equivalents During the Period</b>	<b>164,050</b>	<b>(169,449)</b>	<b>222,848</b>	<b>68,115</b>

**JANASHAKTHI INSURANCE PLC**  
**INCOME STATEMENT - SEGMENT INFORMATION**



	For the Nine months ended 30 September 2016		For the Nine months ended 30 September 2015	
	Life Insurance LKR'000	Non Life Insurance LKR'000	Life Insurance LKR'000	Non Life Insurance LKR'000
<b>Unaudited</b>				
<b>Gross Written Premium</b>	<b>2,127,698</b>	<b>7,704,345</b>	<b>1,834,632</b>	<b>5,516,382</b>
Net Earned Premium	2,064,528	6,564,316	1,771,467	4,478,926
Total Other Revenue	785,372	941,401	660,387	778,574
<b>Total Net Income</b>	<b>2,849,900</b>	<b>7,505,717</b>	<b>2,431,854</b>	<b>5,257,500</b>
<b>Benefits and Claims</b>				
Net Benefits & Claims	(793,097)	(4,161,600)	(623,236)	(3,001,650)
Increase in Life Insurance Fund	(1,125,616)	-	(803,196)	-
Underwriting & Net Acquisition Cost	(515,060)	(949,550)	(537,170)	(701,854)
<b>Total Benefits, Claims &amp; Net Acquisition Cost</b>	<b>(2,433,773)</b>	<b>(5,111,150)</b>	<b>(1,963,602)</b>	<b>(3,703,505)</b>
Other Operating and Administrative Expenses	(427,035)	(1,488,895)	(478,050)	(1,157,071)
<b>Profit / (Loss) before Taxation</b>	<b>(10,908)</b>	<b>905,672</b>	<b>(9,798)</b>	<b>396,924</b>
Income Tax Expense	-	(105,508)	-	(34,512)
<b>Profit/(Loss) for the period</b>	<b>(10,908)</b>	<b>800,164</b>	<b>(9,798)</b>	<b>362,412</b>

**JANASHAKTHI INSURANCE PLC**  
**INCOME STATEMENT - SEGMENT INFORMATION**



	For the Three months ended 30 September 2016		For the Three months ended 30 September 2015	
	Life Insurance LKR'000	Non Life Insurance LKR'000	Life Insurance LKR'000	Non Life Insurance LKR'000
<b>Unaudited</b>				
<b>Gross Written Premium</b>	<b>762,171</b>	<b>2,562,443</b>	<b>606,227</b>	<b>1,873,898</b>
Net Earned Premium	744,873	2,104,129	590,120	1,548,380
Total Other Revenue	298,914	343,971	228,637	376,173
<b>Total Net Income</b>	<b>1,043,787</b>	<b>2,448,100</b>	<b>818,757</b>	<b>1,924,553</b>
<b>Benefits and Claims</b>				
Net Benefits & Claims	(295,883)	(1,434,943)	(235,000)	(1,099,217)
Increase in Life Insurance Fund	(434,909)	-	(255,620)	-
Underwriting & Net Acquisition Cost	(175,627)	(326,517)	(184,287)	(242,420)
<b>Total Benefits, Claims &amp; Net Acquisition Cost</b>	<b>(906,419)</b>	<b>(1,761,460)</b>	<b>(674,908)</b>	<b>(1,341,637)</b>
Other Operating and Administrative Expenses	(141,113)	(500,343)	(142,524)	(437,814)
<b>Profit / (Loss) before Taxation</b>	<b>(3,745)</b>	<b>186,298</b>	<b>1,326</b>	<b>145,102</b>
Income Tax Expense	-	(23,358)	-	(5,356)
<b>Profit/(Loss) for the period</b>	<b>(3,745)</b>	<b>162,940</b>	<b>1,326</b>	<b>139,746</b>

# JANASHAKTHI INSURANCE PLC

## OPERATING SEGMENT INFORMATION

### BUSINESS SEGMENTS



	Unaudited As at 30 September 2016		Audited As at 31 December 2015	
	Life Insurance LKR'000	Non Life Insurance LKR'000	Life Insurance LKR'000	Non Life Insurance LKR'000
<b>Segment Assets</b>				
Financial Investments	10,937,958	9,806,059	10,827,289	11,518,735
Investment Property	22,600	-	22,600	-
Intangible Assets	-	34,964	-	37,568
Purchased Goodwill		1,402,448		
Property, Plant and Equipment	990,715	1,594,630	990,715	1,012,462
Policyholder & Other Loans	187,512	85,400	191,074	83,593
Reinsurance Receivable	23,985	4,008,825	12,527	883,092
Premium Receivables	44,154	2,158,994	40,968	2,339,989
Investment in Subsidiaries	6,840,000	-	6,840,000	-
Other Assets	171,142	1,056,017	147,345	509,593
Other fund assets	-	51,471	-	47,815
Deferred Tax Asset	-	130,171	-	122,404
Deferred Expenses	-	1,318,005	-	1,328,397
Cash in Hand and Balance at Bank	427,196	952,682	250,803	434,630
<b>Total Segment Assets</b>	<b>19,645,263</b>	<b>22,599,665</b>	<b>19,323,324</b>	<b>18,318,278</b>
<b>Segment Liabilities</b>				
Insurance Provision - Life	9,887,405	-	8,865,740	-
Insurance Provision - Non Life	-	10,809,611	-	9,036,635
Retirement Benefit Obligation	144,113	158,352	137,130	175,096
Other fund liabilities	-	51,471	-	47,815
Deferred Revenue	-	215,733	-	211,728
Interest Bearing Borrowings	275,780	1,151,317	916,237	989,366
Other Liabilities	2,018,021	2,304,510	1,647,226	1,442,177
<b>Total Segment Liabilities</b>	<b>12,325,319</b>	<b>14,690,996</b>	<b>11,566,332</b>	<b>11,902,817</b>

# JANASHAKTHI INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS



### 1 General Information

Janashakthi Insurance PLC ("JIPLC") 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. 55/72, Vauxhall Lane, Colombo 02, while principal places of business are located at No. 55/60, Vauxhall Lane, Colombo 02, No. 24 Staples Street, Colombo 02 and No. 46, Muttiah 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. These Condensed Consolidated Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December, 2015. The unaudited Condensed Consolidated Interim Financial Statements for the nine months ended 30 September, 2016 were approved by the Board of Directors on 15 November, 2016.

### 3 Basis of Measurement

The Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis, except for land and building recognized under property, plant & equipment and financial instruments which are measured at fair value. The Condensed Consolidated Interim Financial Statements are presented in Sri Lankan Rupees and all values are rounded to the nearest thousand except when otherwise indicated.

### 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, 2015 (The same accounting policies and methods of computation as stated in the Audited Annual Financial Statements for the year ended 31 December, 2015 have been followed in preparation of these Condensed Consolidated Financial Statements) except for the change in accounting policy as explained in Note 6.

### 5 Liability Adequacy Test

#### 5.1 Insurance Contract Liabilities - Life

The Liability Adequacy Test in respect of recognized insurance liabilities of the Life business as required by SLFRS 4 - Insurance Contracts was performed as at 31st December 2015, with the assistance of the internal Actuaries of the Company and concluded that, the liability value is sufficient to meet future benefits and expenses. The Liability Adequacy Test is performed annually.

#### 5.2 Insurance Contract Liabilities - Non Life

The Liability Adequacy Test in respect of Insurance Provisions of Non Life as required by SLFRS 4 - Insurance Contracts was performed as at 31st December 2015, with the assistance of the appointed external Actuaries of the Company. Accordingly it was confirmed by the Actuaries that the Insurance Provisions recorded by the Company are adequate to meet the Insurance Liabilities as of 31st December 2015. The Liability Adequacy Test is performed annually.

### 6 Merger of AIA General Insurance Lanka Limited with Janashakthi General Insurance Limited

AIA General Insurance Lanka Limited (AIA-GI) has been amalgamated with Janashakthi General Insurance Limited (JGIL) w.e.f. 29 January, 2016 in accordance with the provisions of The Companies Act No. 07 of 2007. The regulatory approval and the approval of the shareholders have been duly obtained.

Accordingly, on 29 January, 2016, the net assets of AIA-GI were absorbed into JGIL and JGIL continues its activities as a licensed General Insurance Company wholly owned by Janashakthi Insurance PLC.



**7 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.

Inter-company transactions, balances and unrealized gains / (losses) on transactions between group companies are eliminated. Amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies when necessary.

**8 Segmental Review**

**Gross Written Premium**

	For the Nine months ended 30 September		For the Three months ended 30 September	
	2016 LKR '000	2015 LKR '000	2016 LKR '000	2015 LKR '000
<b>Life Insurance</b>				
First Year Premium	912,493	713,673	319,235	217,394
Renewal Premium	1,215,206	1,120,959	442,935	388,833
<b>Total Life Premium</b>	<b>2,127,698</b>	<b>1,834,632</b>	<b>762,171</b>	<b>606,227</b>
<b>Non Life Insurance</b>				
Fire	999,261	557,277	331,627	165,154
Motor	5,217,637	3,931,329	1,790,762	1,406,595
Marine	270,630	178,869	101,754	53,923
Miscellaneous	1,216,815	848,907	338,300	248,227
<b>Total Non - Life Premium</b>	<b>7,704,345</b>	<b>5,516,382</b>	<b>2,562,443</b>	<b>1,873,898</b>
<b>Total Gross Written Premium</b>	<b>9,832,043</b>	<b>7,351,014</b>	<b>3,324,614</b>	<b>2,480,126</b>

**9 Income Tax Expense**

The Company and the Group are liable to Income Tax at 28% (2015-28%) of Taxable Profits in accordance with the provisions of the Inland Revenue Act, No. 10 of 2006 and subsequent amendments thereto.

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

All pending litigation for claims have been evaluated and adequate provision has been made in the Interim Financial Statements.





**11 Related Party Transactions**

The nature of related parties in the current period is similar to those reported in the audited financial statements for the year ended 31 December 2015.

**12 Goodwill on Acquisition**

The Company acquired 100% of the shares of AIA General Insurance Lanka Limited on 23 October, 2015 for LKR 3.2 Billion. The resulting preliminary goodwill on the acquisition is computed as follows:

	LKR '000
Costs of the acquisition including related expenses	3,200,000
Less: net assets	<u>(1,797,552)</u>
<b>Goodwill on Acquisition</b>	<b><u>1,402,448</u></b>

The Goodwill is tested for impairment annually based on the given accounting guidance of LKAS 36 – Impairment of assets.

**13 Stated Capital is represented by shares in issue as given below:**

	For the Period ended 30 September	
	2016	2015
No. of Ordinary Shares	544,500,198	363,000,132

**14 Information On Ordinary Shares**

	30 September 2016	30 September 2015
Market Price per Ordinary Share (LKR)		
Highest Price	18.70	23.70
Lowest Price	14.90	19.10
Closing Price	17.80	19.30
Net Asset Value per Share (LKR) - Company	13.44	11.44
- Group	15.41	12.04

**15 Twenty Largest Shareholders as at 30 September 2016**

Name of Shareholder	No. of Shares	%
(1) Janashakthi PLC	413,375,154	75.92%
(2) Commercial Bank of Ceylon Limited / Dunamis Capital PLC	17,250,000	3.17%
(3) Bank of Ceylon-No2 A/C	11,052,216	2.03%
(4) Suktam Holdings (Pvt) Ltd	5,570,757	1.02%
(5) Mr. Amarakoon Mudiyansele Weerasinghe	3,515,000	0.65%
(6) Mr. Dinesh Jamnadas Ambani	2,828,556	0.52%
(7) Mr. Husein Nuruddin Esufally	2,253,594	0.41%
(8) Seylan Bank PLC / Dr.Thirugnanasambandar Senthilverl	2,130,500	0.39%
(9) Mr. Chitral Hiran Mendis	1,980,000	0.36%
(10) Lanka Orix Finance PLC / L.H.M.S.Lansakara	1,801,004	0.33%
(11) First Capital Limited	1,703,446	0.31%
(12) Hatton National Bank PLC / Arunasalam Sithampalam	1,582,500	0.29%
(13) Life Insurance Corporation (Lanka) Ltd	1,525,000	0.28%
(14) Ceylon Investment PLC A/C No. 01	1,350,000	0.25%
(15) Mr. Hans Anton Van Starrex	1,349,101	0.25%
(16) Mrs.Manjula Mathews	1,275,000	0.23%
(17) Mr. Rohitha Ruwan Premathilaka	1,150,000	0.21%
(18) Perera & Sons Bakers Ltd	1,125,000	0.21%
(19) Perera & Sons Caterers (Pvt) Ltd	1,125,000	0.21%
(20) Mr.Vijendran Pathmanathan	1,004,000	0.18%
Others	474,945,828	87.23%
	69,554,370	12.77%
<b>Total</b>	<b>544,500,198</b>	<b>100.00%</b>

# JANASHAKTHI INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS



### 16 Public Shareholding

	30 September 2016		30 September 2015	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Public Shareholding	127,381,940	23.39%	104,265,260	28.72%
Number of shareholders representing the public holding	5,919		5,873	

### 17 Directors' Shareholding

	30 September 2016	30 September 2015	31 December 2015
Mr. Husein Esufally (Chairman)	2,253,594	-	-
Mr. Prakash Schaffter (Managing Director)	-	-	-
Mr. L. C. R. de C Wijetunga	-	-	-
Ms. Manjula Mathews	1,275,000	850,000	1,275,000
Mr. Ramesh Schaffter	-	-	-
Mr. Eardley Perera	-	-	-
Ms. Anushya Coomaraswamy	112,500	75,000	112,500
Mr. Jude Fernando (Chief Executive Officer)	-	-	-

- 18** The Company (JIPLC) entered into an agreement with M/S Sanken Construction (Private) Limited (Sanken) in October 2015 to assign the leasehold rights of the property at No. 24, Staples Street, Colombo 02. Approval for this transaction has been received from the Urban Development Authority (UDA) and the Cabinet of Ministers.

The transfer of leasing rights will now be subject to additional fees levied by the UDA and as a result profit on conclusion of this transaction is now estimated at Rs. 361 Million. In September 2016 the parties, JIPLC & Sanken agreed to further extend the period of the agreement upto 31st December 2016 to finalize the formalities.

### 19 Events after the Reporting Period

There have been no events subsequent to the reporting date, which require disclosure in the financial statements.

# JANASHAKTHI INSURANCE PLC

## **BOARD OF DIRECTORS**

### **CHAIRMAN**

Mr. Husein Esufally

### **MANAGING DIRECTOR**

Mr. Prakash Schaffter

### **DIRECTOR/CHIEF EXECUTIVE OFFICER**

Mr. Jude Fernando

### **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**

Ms. Dayalanie Abeygunawardena

Mr. B. Gamini Peiris

Ms. Shani Ranasinghe

Mr. Hashra Weerawardane

## **REGISTERED OFFICE**

No. 55/72, Vauxhall Lane,  
Colombo 02.