

JANASHAKTHI INSURANCE PLC

THIRD INTEGRATED ANNUAL REPORT 2023

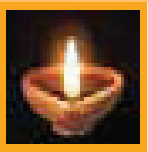
Illuminating



JANASHAKTHI
Life

JXG
JANASHAKTHI GROUP

Plumier



JANASHAKTHI
Life

A large, stylized cursive word, likely 'ating', is written in black ink. The letter 'a' is partially cut off on the left side of the frame. The 't' has a long horizontal crossbar that extends to the right. The 'i' and 'n' are connected, and the 'g' has a large, looping tail that extends downwards and to the right.

In the vast expanse of our corporate journey, the radiance of illumination has consistently guided our path. With successful, forward-thinking investment strategies that showcase our strength and a robust bottom line, we have been a steady presence in the market, guiding our clients and stakeholders towards success.

We have skilfully harnessed a collective brilliance within our organisation that fosters a culture of collaboration, and illuminates all our endeavours. Our journey has not only been about financial growth, but also about enlightening the paths of progress for our partners.

As we look back on the year that has passed, we embrace the challenge of tomorrow, knowing that the luminous impact we create lights the way forward for ourselves and the industries we serve.

“Example is not the main thing influencing others. It is the only thing”

Albert Schweitzer

Mr. Schaffter spearheaded the pioneering insurance scheme, “Janasevaya Social Security Plan”, which offered basic coverage for just Rs. 30 per month. This initiative aimed to support the working population unable to afford conventional policies, with a particular focus on the marginalized, including the plantation sector.

The gender-sensitive protection plan, “Shanthi”, provided life cover, critical illness benefits, double accident coverage, and hospitalization benefits. It ensured lifelong coverage for both the insured and their spouse, even

after policy maturity, without additional premiums. This lifetime provision is possibly the world’s first of its kind, undoubtedly unique in South Asia.



Mr. C.T. A. Schaffter, Founder and Chairman Emeritus of Janashakthi Group, was recently honoured as one of the Top 10 Diversity Champions of 2023 by Women in Management – Sri Lanka, in commemoration of International Men’s Day.

Leading the Way in Insurance Services, Setting the Path for a Prosperous Future

Janashakthi Insurance PLC is more than just an insurance company; we're a trusted partner in building a brighter future for Sri Lankans. Since 1994, we've been providing innovative and dependable insurance solutions that empower individuals, families, and businesses to chase their dreams with confidence and peace of mind.

OUR STORY

Our journey began in 1994 with a simple yet powerful vision: to make insurance accessible and understandable for all Sri Lankans. We started with life insurance, driven by a deep commitment to protecting families and their loved ones. Over the years, we've grown steadily, expanding our portfolio to include a diverse range of products like critical illness insurance, health insurance, motor insurance, home insurance, and more.

OUR CURRENT POSITION

For 29 years, Janashakthi Insurance has served as a cornerstone of protection and progress in Sri Lanka. Our steadfast commitment to innovation and customer service has garnered the trust of individuals and families, enabling them to pursue their aspirations with assurance. Offering a diverse portfolio of 16 life insurance solutions, we empower people across the entire island to safeguard their valuable assets and well-being confidently.

Continuously pushing boundaries, we create new and accessible solutions to address the evolving insurance needs of the nation. With a focus on personalised service and a widespread network of 75 branches throughout Sri Lanka, we are always nearby, prepared to assist our customers wherever they may be.

Our Purpose

"UPLIFTING LIVES AND EMPOWERING YOUR DREAMS"

Our corporate purpose is a true reflection of the creative vision and pioneering spirit that brought to life the Janashakthi story, and has today become the fuel that drives the entire Janashakthi Life family to success. In our journey of uplifting lives and empowering dreams of millions across the nation, our goal is to illuminate their lives and pave the path to a better tomorrow and a life full of purpose. Our commitment to our customers is served by the members of our Janashakthi family who have, for years, been pacesetters in service excellence and developed benefits that deliver a service that goes that extra mile, beyond the norms of Insurance. In line with our purpose, we will continue to journey forward, rooted in local entrepreneurship and fuelled by a pioneering spirit that continues to believe in the protective light of Insurance.



WHAT SETS US APART



SRI LANKAN ROOTS, GLOBAL OUTLOOK

We're deeply rooted in Sri Lanka's rich heritage, but we also embrace a forward-thinking approach, constantly innovating and adapting to meet the evolving needs of our customers.



CUSTOMER-CENTRIC FOCUS

At Janashakthi, our customers are not just a policy number; they are a valued partner. We believe in building strong relationships with our customers, understanding their unique needs, and providing them with personalised life-long solutions.



EXTENSIVE REACH

With a wide network of branches across Sri Lanka, Janashakthi ensures accessibility and convenience for our customers.



FINANCIAL STRENGTH AND STABILITY

We're a financially sound company with a proven track record of success. This stability gives our stakeholders the confidence to know that they can rely on us when they need us the most.



COMMITMENT TO COMMUNITY

We believe in giving back to the communities we serve. Through various corporate social responsibility initiatives, we're actively involved in making Sri Lanka a better place for everyone.

Unfolding a Sustainable Future

Our Integrated Report Summarised

In a year marked by continued challenges, Janashakthi Insurance PLC remained unwavering in our commitment to transparent reporting and sustainable value creation. This third integrated report of Janashakthi Insurance PLC serves as a testament to the Company's steadfast commitment to transparent reporting and sustainable value creation. This integrated report not only recounts our financial performance but also illustrates the holistic impact we have on society and the environment.

Guided by our unwavering purpose of "Uplifting Lives and Empowering Your Dreams", we believe in fostering strong relationships with all stakeholders. With the support of our Board of Directors and management, we have built a culture of transparency, consistently striving to disclose relevant, timely, and meaningful information through our financial reporting framework which considers critical non-financial information and data as a foundation for a sustainable business enterprise. We diligently adhere to all mandatory Sri Lankan Insurance Industry regulations, best practices in corporate governance, and other regulations as applicable to a listed entity. Additionally, we voluntarily embrace internationally acclaimed frameworks such as the IIRC's Integrated Reporting Framework under the purview of the IFRS Foundation as of August 2022, and strive to align with the GRI Universal Standards 2021 to offer a transparent view of our impact across all stakeholders and the environment.



This report takes a comprehensive view, delving into all six capitals identified by the Integrated Reporting Framework: financial, manufactured, human, social and relationship, intellectual, and natural. By understanding how these capitals interact and influence our value-creation process, we can make informed decisions that benefit not only our business but also our customers, employees, the environment, and the broader community.

Financial Capital

- Investors
- Shareholders

The foundation for developing and sustainably advancing the value creation process is facilitated by our financial resources, which are fundamental to the process.

Refer Page: 98

Manufactured Capital

- Customers
- Employees

Investments in manufactured assets, such as premises, modernised branches, and the latest tools in digitalisation and information technology, as well as investments in other fixed assets, are made strategically to support the creation of value for all stakeholders.

Refer Page: 104

Human Capital

- Employees
- Contractors

Sustained strategic investment in nurturing employees' professional development and cultivating a people-oriented culture has created exponential value for the people behind the success of our business.

Refer Page: 118

The Third Integrated Annual Report has been prepared for the period starting 1st January 2023 to 31st December 2023

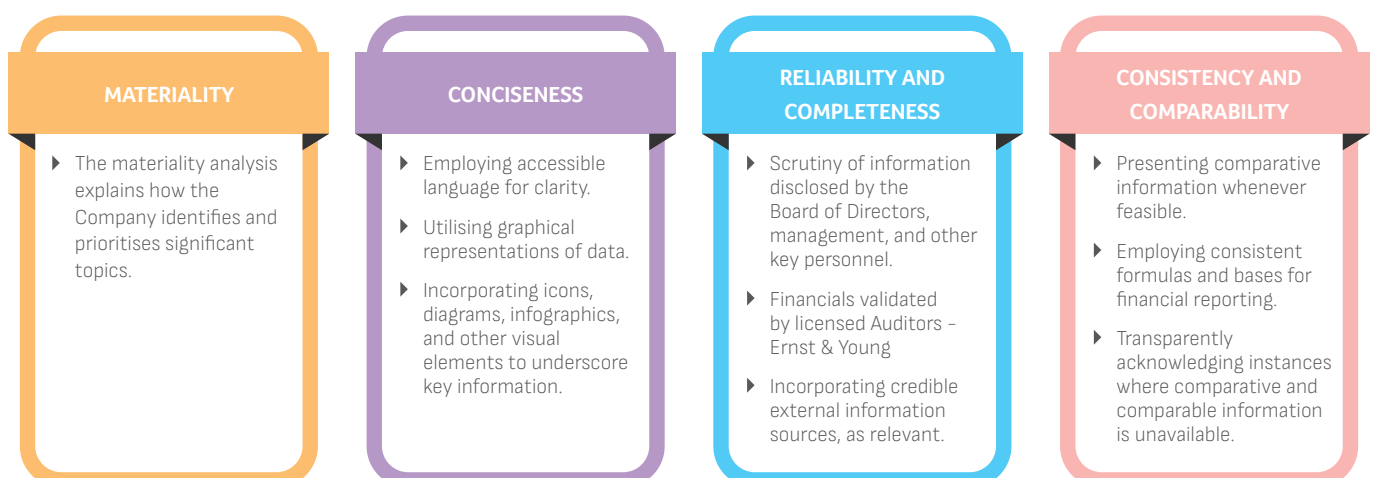


Through these pages, we strive to provide insights into our stakeholder engagement efforts, the identification of material topics, and the intricate steps we take to deliver sustainable value. We disclose information with clarity and detail, allowing you to see the tangible impact of our actions across all six capitals.

This is not simply a report of the past year but a window into Janashakthi Life's future. We believe in continuous improvement, and this integrated report is a testament to our ongoing evolution towards a more sustainable and impactful future.

BUILDING VALUE FROM EVERY ANGLE: ALIGNING WITH THE SEVEN PRINCIPLES OF THE INTEGRATED REPORTING FRAMEWORK

Strategic Focus and Future Orientation	Connectivity of Information	Stakeholder Relationships
▶ Identifying and revealing upcoming priorities. ▶ Chairman and CEO sharing their forthcoming plans in their respective messages. ▶ Specific plans for the upcoming year explained for individual capitals.	▶ The integration of the reporting format illustrates connectivity by linking business activities to corporate goals and delivering returns to stakeholders.	▶ Evident in the stakeholder engagement process. ▶ Demonstrated through the Company's activities and actions in addressing stakeholder needs.

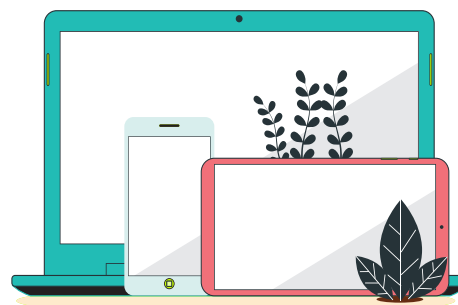


Unfolding a Sustainable Future

Our Integrated Report Summarised



Scan QR code to view this report online



Mandatory Financial Reporting	Mandatory Governance Reporting	Voluntary Reporting
▶ Sri Lanka Accounting Standards comprising SLFRSs and LKASs ▶ Regulations and Directions issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) ▶ The Insurance Industry Act No. 43 of 2000 on 01 January 2002 ▶ Companies Act No. 07 of 2007	▶ Listing Rules of the Colombo Stock Exchange ▶ Companies Act No. 7 of 2007 ▶ Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended) ▶ Corporate Governance framework for insurers issued under section 96A of the Regulation of Insurance Industry Act, No. 43 of 2000 by IRCSL	▶ The integrated reporting framework developed by the International Integrated Reporting Council (IIRC) ▶ Code of Best Practices on Corporate Governance 2017 issued by The Institute of Chartered Accountants of Sri Lanka (ICASL) ▶ Reporting with reference to the GRI Universal Standards 2021 where possible.

CONTENT IMPROVEMENTS

This year, the Company has dedicated significant efforts to enhance the user-friendliness of our annual report through the incorporation of interactive features. By implementing user-friendly design elements, such as intuitive navigation and engaging multimedia elements, the Company aims to provide stakeholders with a more accessible and interactive experience when reading the report.

In addition, the Company has focused on enhancing the quality of content within the annual report. This entails presenting information in a clear, concise, and engaging manner, ensuring that stakeholders can easily comprehend and derive value from the provided content. Through comprehensive research, thoughtful analysis, and effective communication, the Company endeavours to deliver a high-calibre annual report that meets the diverse informational needs of our stakeholders.

Furthermore, the commitment to transparency has been strengthened by increasing the level of disclosures within the annual report, by recognising the importance of providing stakeholders with a comprehensive understanding of our operations, financial performance, and strategic initiatives. By expanding on disclosures, the Company aims to foster a greater sense of trust and transparency, enabling stakeholders to make well-informed decisions and better comprehend the Company's activities and direction.

Your comments on our Annual Report 2023 are welcome. Please direct your feedback, queries and clarifications to:

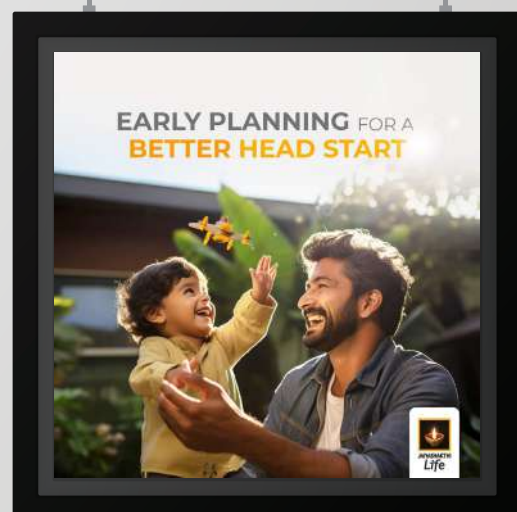
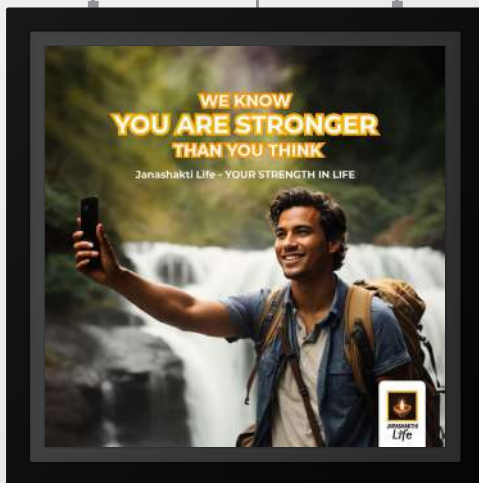
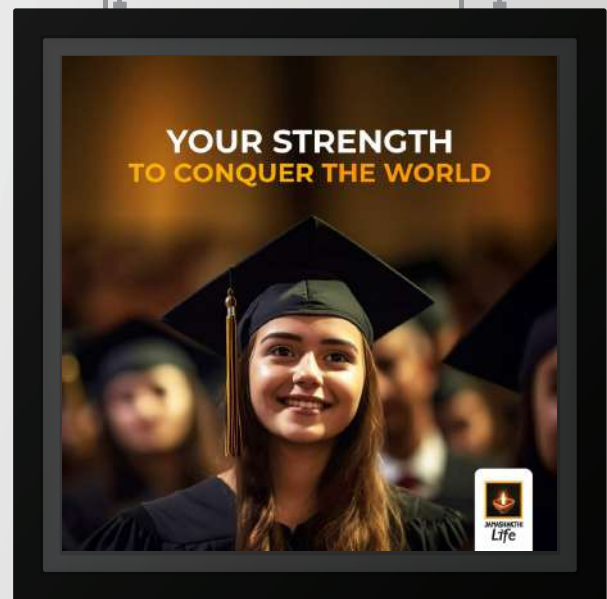
Ashan Nonis

Manager Finance

📍 75, Kumaran Rathnam Road, Colombo 02.

☎ 011 209 4096 ✉ ashanen@janashakthi.com

Feedback form is on page 263



Contents

OUR PURPOSE

Is Your Protection

- 10 Year at a Glance – Calendar 2023
- 12 Our Journey of Resilience
- 14 Awards

ABOUT US

Mastering Distinction

- 17 Financial Highlights
- 18 Operational Highlights
- 19 Organizational Structure
- 20 Our Products
- 22 Our Branch Network
- 24 Value creation by our Business Units

YEAR IN REVIEW

Essence of Leadership

- 38 Industry Review
- 40 Operational Review
- 44 Deputy Chairman's Message
- 48 Chief Executive Officer's Review
- 52 Board of Directors
- 58 Corporate Management
- 62 Senior Management

RISK AND GOVERNANCE

Your Shield of Assurance

- 64 Risk Management Process
- 68 Corporate Governance
- 84 Stakeholder Analysis
- 90 Materiality Analysis

MANAGEMENT DISCUSSION AND ANALYSIS

Strength and Dependability

- 96 Independent Assurance Report on Integrated Reporting
- 98 Financial Capital Report
- 104 Manufactured Capital Report
- 108 Social and Relationship Capital Report
- 118 Human Capital Report
- 130 Intellectual Capital Report
- 136 Natural Capital Report
- 140 GRI Disclosures

COMMITTEE REPORTS

Empowering your protection

- 142 Report of the Board Audit Committee (BAC)
- 145 Report of the Human Resource and Remuneration Committee
- 147 Report of the Board Nomination Committee
- 149 Report of the Related Party Transaction Review Committee
- 151 Report of the Asset and Liability Management Committee
- 152 Board of Directors' Statement on Internal Controls

FINANCIAL STATEMENTS

Unleashing potential

- 154 Financial Calendar
- 155 Statement of Value Creation
- 156 Annual Report of the Board of Directors on the Affairs of the Company
- 160 Actuarial Report – Janashakthi Insurance PLC
- 161 Actuarial Report – Former National Insurance Corporation Ltd
- 162 Statement of Directors' Responsibility on Financial Reporting
- 163 Chief Executive Officer's and Chief Financial Officer's Responsibility Statement
- 164 Independent Auditors' Report
- 167 Statement of Financial Position
- 168 Income Statement
- 169 Statement of Other Comprehensive Income
- 170 Statement of Changes in Equity
- 171 Statement of Cash Flows
- 172 Notes to the Statement of Cash Flows
- 173 Statement of Financial Position – Supplemental (Life Insurance Fund of The Former National Insurance Corporation Ltd)
- 174 Underwriting Results – Supplemental
- 175 Notes to the Financial Statements
- 221 Risk Management

SUPPLEMENTARY INFORMATION

Safeguarding you

- 238 Statement of Solvency
- 239 Shareholder Information
- 245 Decade at Glance – Income Statement
- 246 Decade at Glance – Statement of Financial Position
- 247 Horizontal Analysis of Profit and Loss Statement
- 248 Horizontal Analysis of Statement of Financial Position
- 249 Vertical Analysis of Profit and Loss Statement
- 250 Vertical Analysis of Statement of Financial Position
- 251 Simplified Financial Statements
- 252 Impact from Implementation of IFRS 17
- 255 Glossary of Insurance Terms
- 257 Corporate Information
- 258 Branches
- 260 Notice of Meeting
- 261 Form of Proxy
- 263 Stakeholder Feedback Form

Is Your Protection



OUR PURPOSE

We are dedicated to safeguarding what matters most to you, whether it's your health, home, or financial well-being. Trust us to be your partner in protection, ensuring you're prepared for whatever life may bring.

A creative year, fostering collaboration and fresh ideas among our team.

Year at a Glance



Friendly Cricket Tournament: Fostering teamwork and camaraderie through playful competition, the tournament brought out the best in our sportsmanship.



Collective Movie Magic: We shared laughs and memories at the '800' film screening, creating a space for relaxation and connection.

JANUARY



Strategy Unveiling for 2023

APRIL



Joyful Avurudu at Janashakthi

FEBRUARY



Sales Management Conference – A special event to launch the theme and energize the sales team was held in Shangri La hotel

MAY



The fun-filled quizzing experience, virtual Quiz Competition

MARCH



Road TO MDRT Inauguration – The MDRT goals for the year 2023 was launched along with felicitation of the MDRT members who achieved the coveted milestone in the year 2022.

JUNE



Friendly Cricket tournament



Year-End Recognition: Our annual celebration applauded collective milestones, enabling employees to share a collective sense of pride and appreciation.



Monthly Moments of Joy: From Ice Cream days to Kola Kenda mornings, these surprise activities added a spark of anticipation and delight to the workweek.

JULY



Achiever's Golden Night – The highflyers of the 1st Half of 2023 was felicitated with a glamorous event at the iconic Lotus Tower

OCTOBER



Mini MDRT Achiever's Felicitation –MDRT Achievers who were fast starters and achieved the qualification during the 1st half of the year were felicitated

AUGUST



Janashakthi Shilpa Shakti Seminar Series – Landmark event conducted by Janashakthi Life for the 8th consecutive time year held touching the lives of over 6,000 students sitting for the scholarship exam this year

NOVEMBER



800! An evening in the theater –An evening of camaraderie and cinematic tribute as the Janashakthi Life team gathered to watch '800', a film chronicling the journey of Sri Lanka's cricket legend, Muttiah Muralitharan.

SEPTEMBER



Marking 29 incredible years of Janashakthi Life's journey.

DECEMBER



Janashakthi Life Golden Extravaganza Year-End Party

Journey of Resilience

Key Milestones

1992

Started our journey by incorporating Janashakthi Life Insurance Co. Ltd in Sri Lanka.

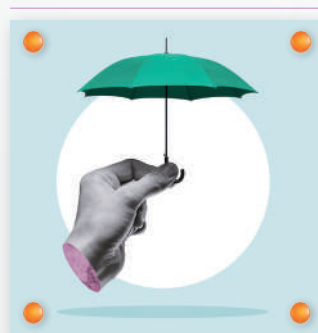


1999



Launched the Janashakthi Book of Sri Lanka Cricket

2001



Acquired 51% of shares with a controlling interest in National Insurance Corporation Ltd. The Life Operations Department received the ISO 9001 International Service Quality Accreditation becoming the first Sri Lankan insurer to obtain this

2002

Became the first private insurer in Sri Lanka to begin offshore operations, by opening an office in Maldives. Opened the first branch in the Northern and Eastern provinces of Sri Lanka

2005

Recognised as the 3rd largest insurer in Sri Lanka, in terms of the overall Gross Written Premium (GWP). Launched the "OneStop-Shop" Full Option Auto Centre for customer convenience



2012



Founder and Deputy Chairman Mr. C. T. A Schaffter celebrated 60 years in insurance and was awarded the 'Lifetime Achievement Award' at the 16th Asia Insurance Industry Awards.

2015



Acquisition of 100% AIA General Insurance Lanka Limited

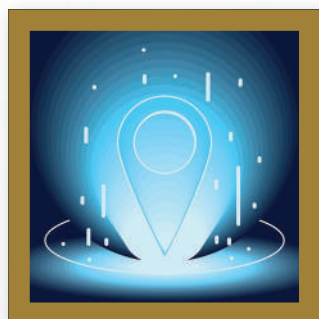
2016

Received dual Gold Awards at the National Business Excellence Awards 2014 under the Insurance and Capacity Building categories amongst all industrial sectors.

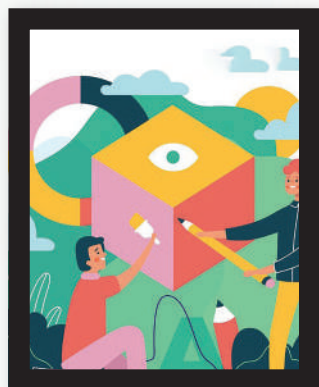


2017

Launched the first phase of the home grown, integrated IT platform to offer seamless connectivity across the Company's branch network. Introduced the 'Full Option Locator' application



2018



Divestment of the General Insurance business. Launched the new Janashakthi Life brand logo and unveiled the Company's new purpose "Uplifting Lives and Empowering Your Dreams"

2020



Launched a new product "Janashakthi COVID Guard" – a COVID-19 insurance cover, to fulfil policyholders' needs of the hour. Janashakthi Life received the Bronze Award in the 'Turnaround Brand of the Year' category at the SLIM Brand Excellence Awards 2020.

2021

For the first time in history, the premium income exceeded LKR 5 Billion. Janashakthi Insurance PLC obtained the "Great Place to Work®" Certification. Produced 109 MDRT winners for the first time in history



2022

Awarded with numerous accolades in different areas, few are Best Life Insurer in Sri Lanka 2022, Globally recognised as the 'Best Life Insurer in Sri Lanka 2022' by the internationally acclaimed Capital Finance International (CFI.co), Janashakthi Life becomes the sole insurer listed among Brand Finance's 'Top 10 Fastest Growing Sri Lankan Brands' in 2022. Domestic Insurer of the Year & Mobile App of the Year 2022. Gold Award- TAGS Awards 2021, Insurance Category



2023



Achieving highest profit after tax of LKR 4 Billion year with over all excellence reflected by numbers awards and accolades, refer page 14 for excellence in all aspects achieved

Our hard work, dedication, and outstanding achievements have truly set a high standard for excellence.

2023 Awards



Overall Excellence

Global Business Magazine Awards 2023

- ▶ Fastest growing Life Insurance Company Sri Lanka 2023

Insurance Asia Awards 2023

- ▶ Domestic Life Insurer of the Year - Sri Lanka 2023

International Business Magazine Awards 2023

- ▶ Fastest Growing Life Insurance Company Sri Lanka 2023

International Finance Awards 2023

- ▶ Best Domestic Life Insurance Company - Sri Lanka 2023

Customer Service

Global Business Magazine Awards 2023

- ▶ Best Insurance Customer Service Company Sri Lanka 2023

Global Business Review Magazine 2023

- ▶ Best Customer Service Company Sri Lanka 2023 - Insurance Sector
- ▶ Most Trusted Life Insurance Company Sri Lanka 2023

Information Technology and Innovation

Insurance Asia Awards 2023

- ▶ Digital Insurance Initiative of the Year – Sri Lanka 2023

Global Business Review Magazine 2023

- ▶ Best Mobile Insurance App of the Year Sri Lanka 2023 – Janashakthi Life Mobile App

National ICT Awards NBQSA 2023

- ▶ Bronze in indigenous & community services in inclusions and community services category

International Finance Awards 2023

- ▶ Most Innovative Life Insurance Company – Sri Lanka 2023

Janashakthi Group's innovation shines at the National ICT Awards 2023



Janashakthi Group recently clinched a prestigious award at the National ICT Awards NBQSA 2023 for a cutting-edge innovation. The award highlighted a digital product developed by Janashakthi Group's IT team for Janashakthi Life, which engaged a niche market, generating active community engagement.

This recognition not only acknowledged the Group's commitment to next-gen advancements but also underscored its contribution to marketplace development and transformation. The award ceremony, organized by ICS The Chartered Institute for IT, took place in October 2023 at the Nishanth Hospital, with President Rajat Vishwanathgaur serving as the Chief Guest and State Minister of Technology, Kanika Herath, as the Guest of Honour.

"We successfully established a state-of-the-art facility to manage risks and enhance engagement. This achievement stands as a testament to the Group's resilience and ability to adapt to changing market dynamics. Janashakthi Group has always been dedicated to staying ahead in the ever-changing digital landscape. I am particularly proud of our IT team within the Group – a team that is not only passionate, skilled, and creative but consistently pushes boundaries to develop products that redefine needs in the digital world. It is noteworthy that, at both the Group and individual company levels, our leadership is not only responsive but also actively fosters an environment receptive to innovation, propelling us forward in the dynamic digital space." – Excerpted from V.K. Rajaguru, Group Chief Information Officer of Janashakthi Group.

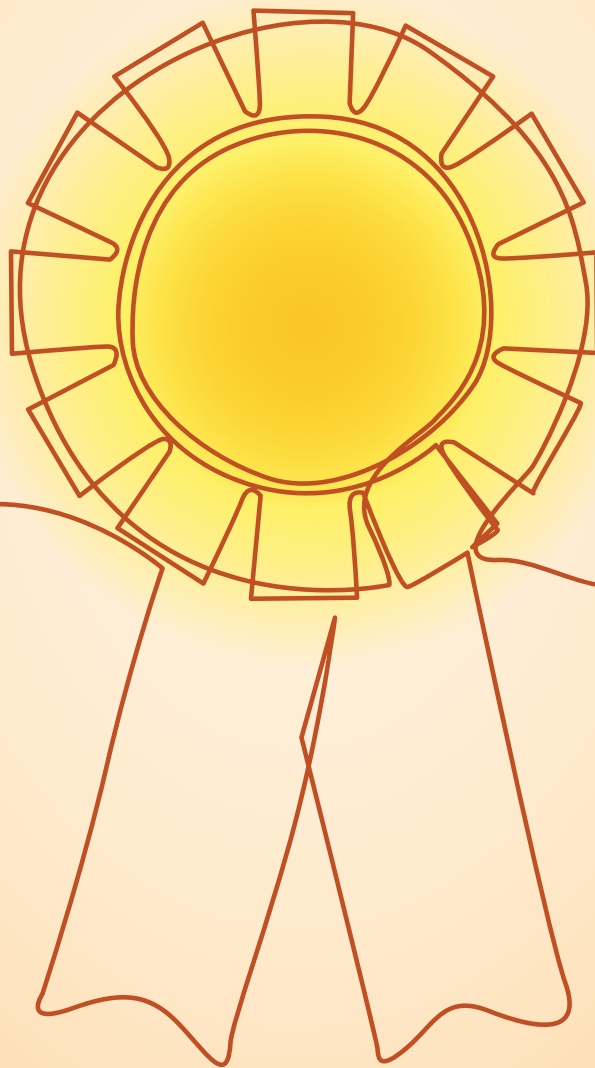


Financial Reporting

TAGS Award 2023

- ▶ Silver Award – Insurance Sector 2022

Mastering Distinction



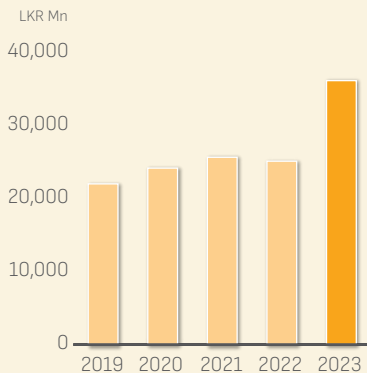
ABOUT US

Committed to guiding you towards mastery and distinction, we empower you to excel in every aspect of your life. Your journey to success starts here, with us by your side every step of the way.

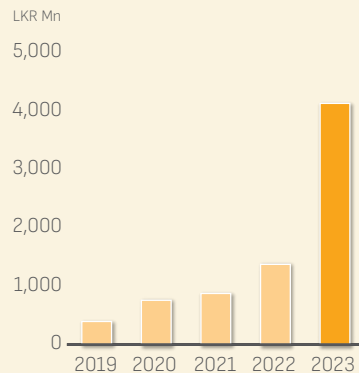
Financial Highlights

		2023	2022	Change
Operating Results				
Gross Written Premium	LKR'000	4,584,822	4,867,011	-6%
Net Income	LKR'000	13,660,800	6,683,637	104%
Profit Before Tax	LKR'000	5,250,728	1,836,664	186%
Profit After Tax	LKR'000	4,134,828	1,375,702	201%
Financial Position				
Total Assets	LKR'000	36,192,210	25,145,748	44%
Property, Plant and Equipment and Investment Property	LKR'000	2,269,615	2,376,399	-4%
Financial Investments	LKR'000	28,240,640	20,368,155	39%
Total Equity	LKR'000	15,591,916	11,391,804	37%
Insurance Contract Liability	LKR'000	14,544,804	11,662,912	25%
Other information				
Market Value per Share	LKR	38.50	31.70	21%
Basic Earnings per Share	LKR	18.25	6.07	201%
Net Assets per Share	LKR	68.83	47.95	44%
Return on Equity	%	27.00	12.70	113%

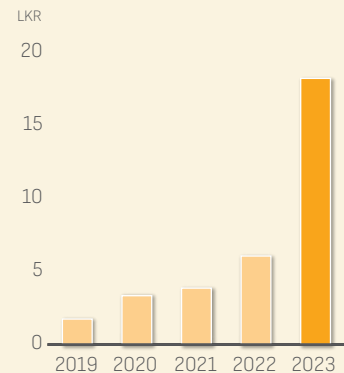
Total Assets



Profit After Tax



Earnings per Share



Operational Highlights

OUR HUMAN CAPITAL

EMPLOYEES

357

2022 - 366
2021 - 443



OUR GROWTH

MARKET VALUE PER SHARE

LKR 38.50
(21%)

2022 - LKR 31.70
2021 - LKR 30.70

VALUE CREATION TO OUR SHAREHOLDERS

RETURN ON EQUITY

27%

2022 - 12.70%
2021 - 8.30%

WELL MANAGED LIQUIDITY

CAPITAL ADEQUACY RATIO

272%

2022 - 325%
2021 - 387%

NET ASSETS GROWTH 37%

To provide superior customer service and improve efficiency of internal processes

OUR REVENUE

GROSS WRITTEN PREMIUM

LKR 4.6 Bn

2022 - LKR 4.9 Bn
2021 - LKR 5.5 Bn

STRENGTH OF OUR FINANCIAL POSITION

TOTAL ASSETS

LKR 36 Bn

2022 - LKR 25 Bn
2021 - LKR 26 Bn

Surplus Generation

LKR 2.5 Bn

2022 - LKR 1.40 Bn
2021 - LKR 0.46 Bn

Achieved the

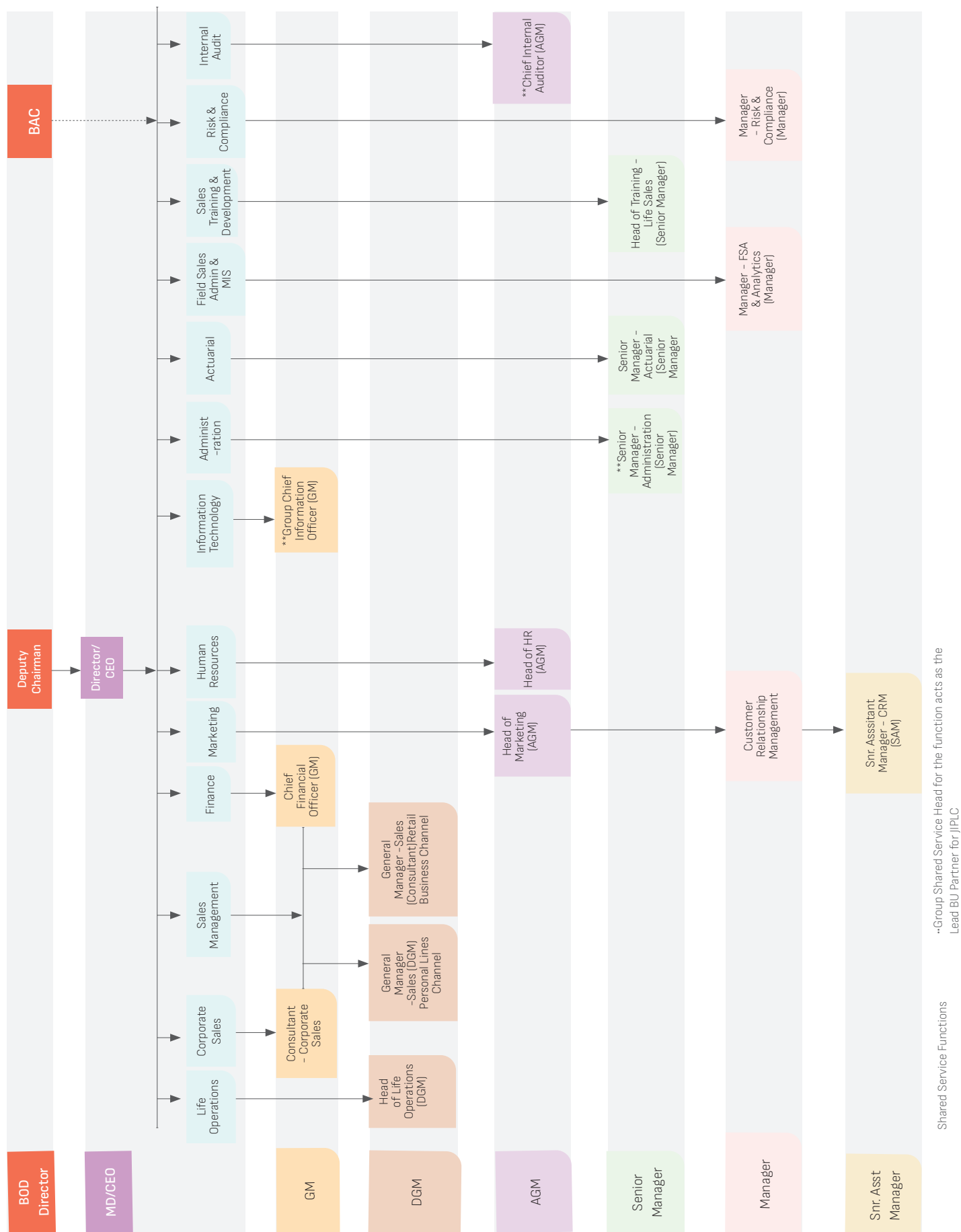
Great Place to Work®

Status for the second consecutive year, with a significant increase to 83% in satisfaction and engagement levels.

Great
Place
To
Work®



Organisational Structure



Product Portfolio of Janashakthi Life

Our Products



PROTECTION AND HEALTH



JANASHAKTHI Good Health

"Truly comprehensive and affordable health insurance that frees you from worrying about how you will pay your hospitalisation bills."



JANASHAKTHI Loan Guard

"Taking a loan to build your dream home or to purchase a car? Now you can protect your loved ones from financial trouble in case something happens to you."



JANASHAKTHI Jeevitha Vardana

"Watch your insurance cover grow right before your eyes. Your coverage increases by 50% every 5 years."



JANASHAKTHI Suwashakthi

A pure protection plan, offering insurance benefits, with the highest protection for the lowest premium



JANASHAKTHI Life Unlimited

A 20-year plan with lifetime hospitalisation and benefits highest protection for the lowest premium



SECURING CHILD'S FUTURE



JANASHAKTHI Jeevitha Thilina

"The ultimate children's savings plan gives your child stability even when they grow up. Pay premium until their 18th birthday and protect them to their 50th year."



JANASHAKTHI Shilpa Shakthi

"A unique policy that creates two funds in one for your child."



RETIREMENT PLANS



JANASHAKTHI Jeevitha Thilina

With a guaranteed investment return each year and added superior protection covers, we will help you create and protect your wealth so you can live a truly fulfilled life.



JANASHAKTHI Life Investment Account

With a guaranteed investment return each year and added superior protection covers, we will help you create and protect your wealth so you can live a truly fulfilled life.



SAVINGS AND INVESTMENT SOLUTIONS



JANASHAKTHI Life Investment Account

With a guaranteed investment return each year and added superior protection covers, we will help you create and protect your wealth so you can live a truly fulfilled life.



JANASHAKTHI DreamSaver

Offers the highest dividend with the highest security for your investment to fulfil planned expenses



JANASHAKTHI Flexi Pay

Offers shorter premium-paying durations for a long-term protection plan



JANASHAKTHI Golden Bond

Offers attractive interest returns along with life protection for a single premium investment

Connecting communities for exceptional services.

Our Branch Network

Northern Province



30	Jaffna
53	Nelliyadi
37	Kilinochchi

Eastern Province

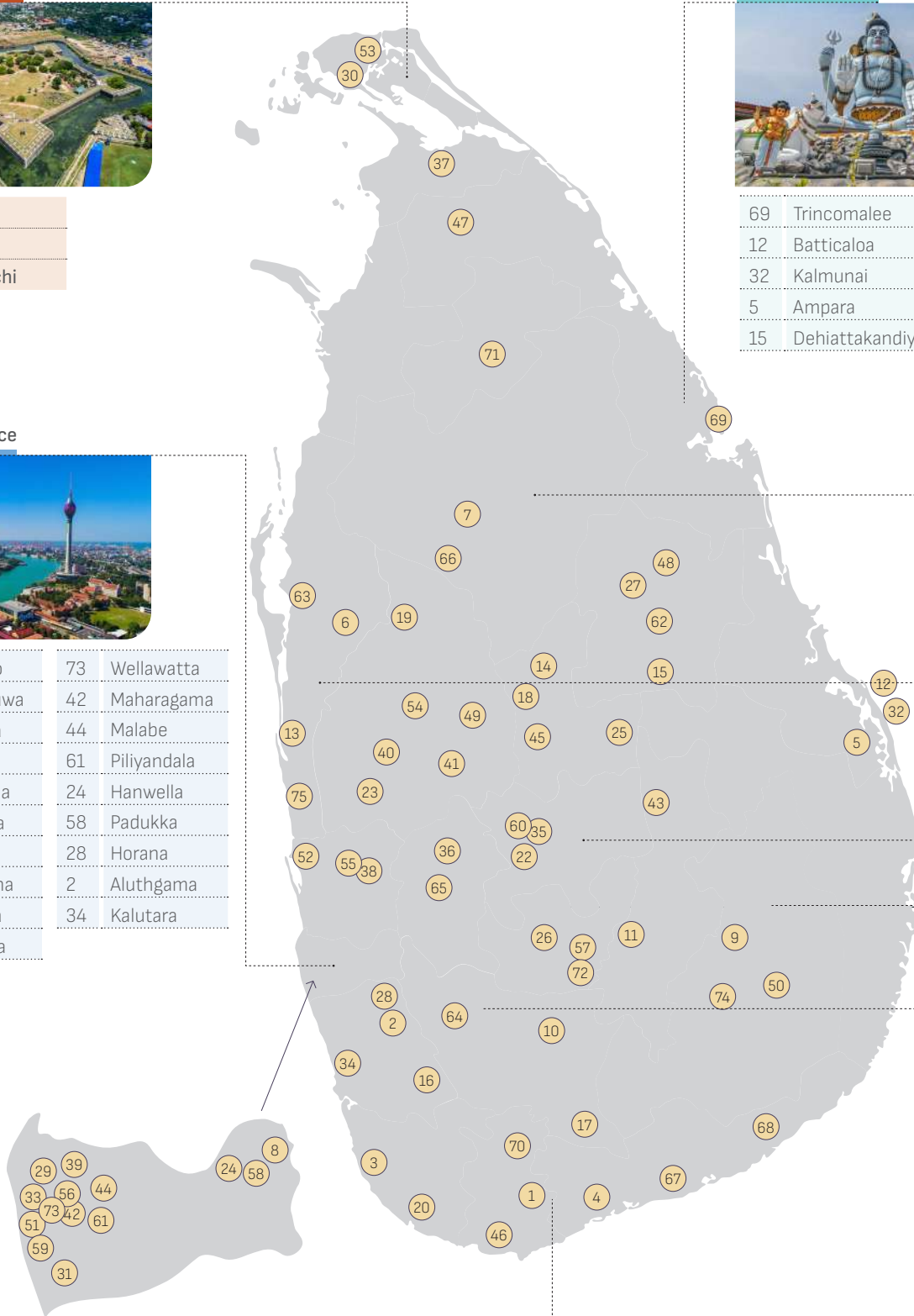


69	Trincomalee
12	Batticaloa
32	Kalmunai
5	Ampara
15	Dehiattakandiya

Western Province



52	Negombo	73	Wellawatta
55	Nittambuwa	42	Maharagama
38	Kiridiwela	44	Malabe
29	Ja-Ela	61	Piliyandala
33	Kalubowila	24	Hanwella
51	Moratuwa	58	Padukka
59	Panadura	28	Horana
31	Kadawatha	2	Aluthgama
39	Kotahena	34	Kalutara
56	Nugegoda		



North Central Province



7	Anuradhapura
66	Tambuttegama
27	Hingurakgoda
48	Medirigiriya
62	Polonnaruwa

“Our branch network continues to expand, reaching new communities and providing unparalleled services to our valued clients across the region.”

North Western Province

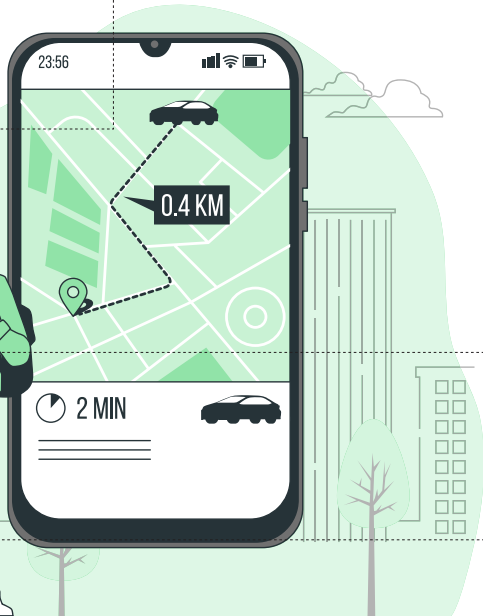


63	Puttalam
6	Anamaduwa
13	Chilaw
75	Wennappuwa
19	Galgamuwa
54	Nikawaratiya
49	Melsiripura
40	Kuliyapitiya
41	Kurunegala
23	Giriulla

Central Province



14	Dambulla
18	Galewela
45	Matale
25	Hettipola
60	Pilimathalawa
35	Kandy
22	Gampola
26	Hatton
57	Nuwara Eliya
72	Welimada



Southern Province



3	Ambalangoda
20	Galle
70	Urubokka
1	Akuressa
46	Matara
4	Ambalantota
67	Tangalle
68	Tissamaharama
16	Elpitiya

Uva Province



11	Bandarawela
9	Badulla
74	Wellawaya
50	Monaragala

Sabaragamuwa Province



36	Kegalle
65	Ruwanwella
64	Rathnapura
10	Balangoda

Innovation, collaboration, and growth continue to propel us forward into a future of success.

Value creation by our Business Units



CUSTOMER RETENTION UNIT

Our Customer Retention Unit (CRU) oversees three critical functions. Firstly, it manages the recruitment of customer retention coordinators and officers. Secondly, it handles the collection of outstanding payments from terminated and resigned agents. Lastly, the CRU is responsible for driving agency force participation in RP collection through targeted efforts.



75%
ACTIVE
POLICIES

Achievement



38%
OF COMPANY
RP BASE

Revenue Share

PERFORMANCE FOR THE YEAR

The year under review saw significant changes and developments within the CRU. The commission and incentive structure received a revamp, aiming to optimise performance. Additionally, the CRU coordinator team quadrupled in size, expanding its capacity. The CRU was able to maintain a high 75% ratio of active policies transferred, amidst prevailing economic and industry challenges.

VALUE CREATIONS PROCESS

INPUTS



Strengthen collection agency force

Identify and policy transfer after termination/ resignation

Maintain active policy ratio (75%+ transferred)

Revive lapsed policies

Drive customers to use direct payment methods

PROCESS



Recruit and train temporary agents

Identify terminated/resigned agents with active policies

Monitor transfer rate and adjust training/ recruitment

- ▶ Identify lapsed policies from transferred agents.
- ▶ Develop revival campaigns for temporary agents to implement
- ▶ Collect premiums on revived policies

- ▶ Train temporary agents on promoting direct payment options.
- ▶ Offer incentives for customers using direct payment.
- ▶ Increase the use of direct payment methods, reducing collection costs

OUTPUT



High volume of GWP

Satisfied customer base

High solvency ratio

High market response

Improved direct payments compared to previous year

KEY STRATEGIES PURSUED DURING THE YEAR

DESCRIPTION	STRATEGY	PROGRESS
 Recruitment	Expanded Customer Retention Unit collection force.	105% 
 Cost Mitigation	Reduced outflow of total income through commission and incentive reduction and final release payment alignment.	From 7% to 5.1% 
 Income Support	Reduce income support payments.	From 6 months to 1 months 



PARTNERSHIPS DIVISION

The Partnerships Division covers a wide array of areas aimed at expanding our insurance business. This includes offering life insurance options such as credit life insurance and regular life insurance, catering to both individuals and businesses.

Additionally, the division provides corporate solutions like medical insurance, group life insurance, retirement planning, and instant/SME solutions tailored specifically for businesses. In the digital and telecommunications realm, the division focuses on growing microinsurance, exploring partnerships with companies like Dialog, and developing other digital or joint projects, potentially leveraging digital channels or bundled insurance offerings.

The division also emphasises expanding affinity products, which are insurance products sold through groups or associations, and implementing a segmentation strategy targeting large customer bases with reasonable coverage and low premiums. Furthermore, Market & Product Development Committees are utilised to drive innovation and explore new markets and products. Overall, the Partnerships Division is dedicated to fostering growth and innovation within our insurance business through strategic partnerships and diverse channels.



5.72%

**GROWTH
FOR 2023**

Achievement



27.49%

**OF TOTAL
REVENUE**

Revenue Share

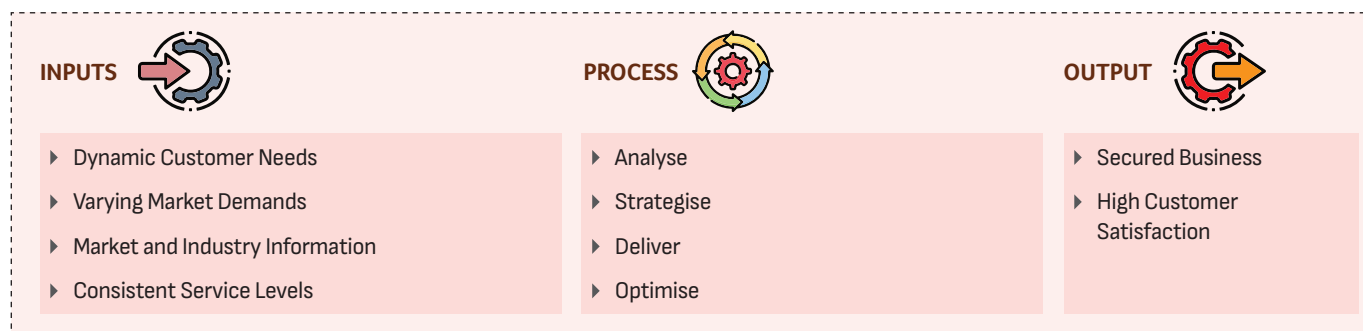
PERFORMANCE FOR THE YEAR

The Life Insurance business performance faced challenges primarily attributed to high-interest rates, resulting in relatively low activity. Moreover, the pricing landscape for group life and medical products posed significant difficulties due to intense competition and rising medical inflation. These challenges necessitate strategic adjustments and innovative approaches to navigate the market effectively and maintain competitive positioning amidst challenging conditions.

Innovation, collaboration, and growth continue to propel us forward into a future of success.

Value creation by our Business Units

VALUE CREATIONS PROCESS



KEY STRATEGIES PURSUED DURING THE YEAR

DESCRIPTION	STRATEGY	PROGRESS
 Life Insurance – Credit life and regular life insurance	Credit Life – The market not performing well during the year but with promising future prospects Regular Life – Relationships with current banking arena	New Contracts  More Accounts 
 Corporate Solutions – Medical insurance, group life insurance, retirement planning, instant/SME solutions	This area of business was approached successfully through both large scale corporates and SME sector. Further, a few products that are innovative were offered to the BFI sector as well	150% 
 Digital/Telco	Grow microinsurance, explore Dialog, and other digital/joint projects	Digital Products 
 Affinity Products Expansion	Expand offerings of affinity products	BFI Sector 
 Mega/National/Micro	Target large customer bases with reasonable coverage and low premiums	Projects 



MARKETING

Our Marketing Division focuses on several key areas to ensure comprehensive brand management and customer engagement. Brand Building is at the forefront, aimed at cultivating a positive brand identity. Advertising efforts to promote our products and services to potential customers are also integral to our marketing strategies. Furthermore, we prioritise Public Relations activities to effectively manage relationships with media and stakeholders. Customer Relations Management is given significant attention for its role in nurturing long-lasting customer relationships. Lastly, Ground Activations, including events and sponsorships, are explored to directly engage with customers and enhance our brand's visibility within the community.

PERFORMANCE FOR THE YEAR

In the Marketing Division, we continuously monitor and adapt to changes, developments, and challenges. One significant challenge we are currently addressing is the escalation of costs across all services. This challenge demands our proactive approach and strategic planning to effectively manage costs while maintaining the quality and effectiveness of our marketing initiatives. By staying vigilant and innovative, we are committed to overcoming this challenge and ensuring the continued success of our marketing efforts.

VALUE CREATIONS PROCESS

INPUTS



- ▶ Market Research Data: Customer Feedback and Surveys
- ▶ Brand Perception Studies Analysis
- ▶ Financial Resources Allocated
- ▶ Employee Expertise and Engagement

PROCESS



- ▶ Filter and prioritise key performance indicators (KPIs) for stakeholders
- ▶ Develop value-adding strategies based on agreed KPIs
- ▶ Cross-functional teams devise and agree on key actions
- ▶ Meticulous execution of approved actions: Calendar and checkmark
- ▶ Quarterly follow-ups and post-evaluations for improvement

OUTPUT



- ▶ Enhanced Brand Equity
- ▶ Improved Customer Satisfaction and Retention
- ▶ Increased Market Share
- ▶ Positive Financial Performance
- ▶ Brand Consistency and Trust

KEY STRATEGIES PURSUED DURING THE YEAR

DESCRIPTION

STRATEGY

PROGRESS



Social Media Focus

Leverage social media as a primary channel to reach customers in the post-COVID era.

29% 



Strategic Marketing Initiatives

Launch targeted campaigns to generate interest and engagement.

Successfully launched two initiatives:

- ▶ **Janashakthi Life Nidahas Adahas Art Competition:** Engaged school children and parents.
- ▶ **Janashakthi Shilpa Shakthi** - Engaging Grade 5 scholarship seminar series saw strong participation from both students and parents, demonstrating program reach and impact.



Market Challenger Positioning

Reinforce brand image as an "award-winning market challenger."

Secured numerous awards throughout the year, solidifying market challenger image.

Innovation, collaboration, and growth continue to propel us forward into a future of success.

Value creation by our Business Units



INFORMATION TECHNOLOGY DIVISION

Our information technology (IT) division oversees key areas related to technology advancement and adaptations. The Digitalisation and Awareness Creation unit focuses on leveraging digital platforms to enhance visibility and engagement.

Additionally, the System Development and Maintenance unit plays a vital role in ensuring the smooth operation and continuous improvement of our systems. The infrastructure Maintenance and Monitoring unit is essential for the upkeep and reliability of our physical and digital infrastructure. System Security Surveillance is prioritised to safeguard against potential threats and breaches. Lastly, Research and Development efforts are dedicated to innovation and staying ahead of industry trends.



6 Mn

**SAVINGS BY
ELIMINATING OVER TIME
IN CLAIM AND SAVINGS**

Cost Effectiveness

Negotiations with vendors have led to a remarkable 27% improvement in cost-effectiveness.

Robotic Process Automation

Implementation of RPA has significantly reduced operational and administrative costs.



5 Mn

**OPERATIONAL
RUNNING COST
SAVINGS**

SLA Process

The enforcement of a strict SLA process has notably enhanced operational efficiency across all supporting functions.

PERFORMANCE FOR THE YEAR

In evaluating performance and challenges, several key factors emerge. Firstly, the scarcity of ICT human capital resources, exacerbated by the brain drain process, poses a significant hurdle to our operations. Secondly, the increasing capital and operational costs, driven by economic and currency fluctuations, present ongoing challenges that impact our financial stability. Thirdly, the frequent scope and requirement changes, stemming from industry volatility, demand constant adaptation and resource reallocation to meet evolving demands effectively. Lastly, the continuous changes inherent in the business dynamism model necessitate an agile approach to decision-making and resource management, ensuring our ability to thrive amidst shifting market dynamics. Addressing these challenges requires strategic planning and proactive measures to optimise performance and mitigate risks in an ever-changing landscape.

VALUE CREATIONS PROCESS

INPUTS



- ▶ Skilled Human Resource
- ▶ Physical & System Infrastructure
- ▶ Knowledge
- ▶ Processes
- ▶ Stakeholder Inputs

PROCESS



- ▶ Value Chain Analysis - identify gaps
- ▶ Technology & Innovation - bridge the gaps
- ▶ Agile project management - efficient development
- ▶ Customer cycle mapping - understand needs
- ▶ Extensive research - gather facts

OUTPUT



- ▶ Improved Customer Experience & Satisfaction
- ▶ Improved Operational Efficiency
- ▶ Process Automation
- ▶ Increased Sales & Revenue
- ▶ Improved Customer Experience & Satisfaction

KEY STRATEGIES PURSUED DURING THE YEAR

DESCRIPTION	STRATEGY	PROGRESS
 Enhance customer engagement and retention through digital transformation	Comprehensive digital experience across the stakeholder journey	Increased cost-effectiveness, operational efficiency, award recognition
 Streamlined onboarding process	Implemented for a seamless customer journey	Convenience onboarding, robotic underwriting, payee partner integration
 Continuous engagement with stakeholders	CRM system implementation, 360° customer view	Improved engagement through various digital touchpoints
 Leverage referral and influencer models	Launch programs with partners like Thyaga.lk	Early results promising, ongoing monitoring



HUMAN RESOURCES DEPARTMENT

The Human Resources (HR) Department serves as a pivotal component of our Company, encompassing various essential functions. Firstly, it acts as a strategic business partner, collaborating closely with all departments to align HR strategies with overarching business objectives, thereby enabling HR to play a proactive and strategic role in achieving organizational goals.

Key areas covered include talent acquisition and recruitment, ensuring the sourcing and selection of qualified candidates to meet organizational needs. Additionally, the department oversees comprehensive training and development programs to foster employee growth and skill enhancement. Performance management and appraisals are diligently managed to evaluate and recognise employee contributions effectively.

Furthermore, the HR Department is dedicated to fostering employee relations and engagement to maintain a positive work environment conducive to productivity and satisfaction. Policy development and compliance ensure adherence to legal and regulatory requirements, while compensation and benefits administration aims to attract and retain top talent. Finally, grievance handling and conflict resolution mechanisms are in place to address any issues promptly and fairly, fostering a harmonious workplace culture. Together, these functions enable the HR Department to contribute significantly to organizational success and employee well-being.



83%

**INCREASE IN
ENGAGEMENT
LEVELS BY
EMPLOYEES**

Achievement



29%

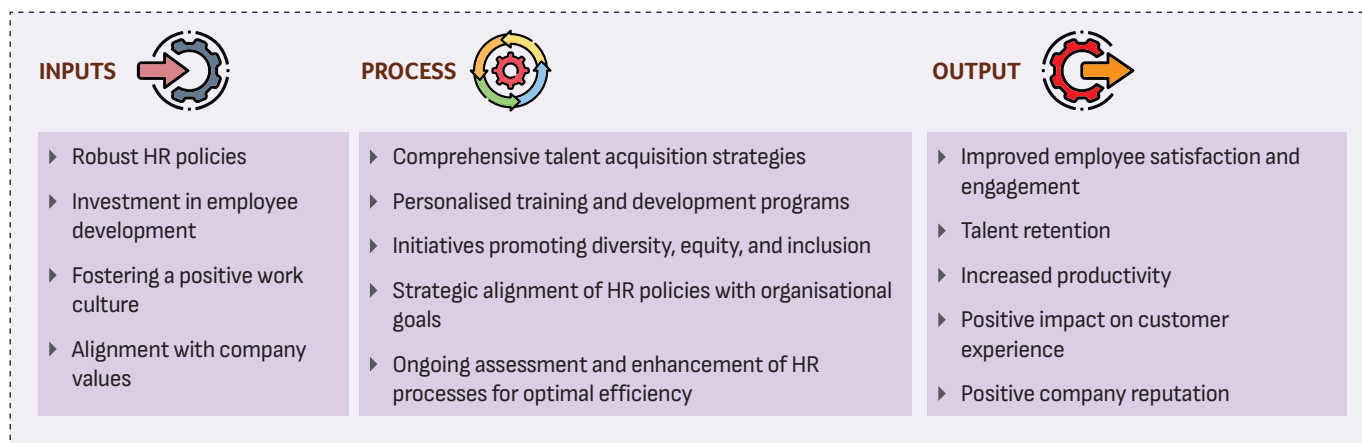
**ALIGNING
EMPLOYEES SKILLS
WITH BUSINESS
REQUIREMENT**

Revenue Share

Innovation, collaboration, and growth continue to propel us forward into a future of success.

Value creation by our Business Units

VALUE CREATIONS PROCESS



KEY STRATEGIES PURSUED DURING THE YEAR

DESCRIPTION	STRATEGY	PROGRESS
 HR Active Involvement with Sales Leadership	Establish close collaboration between HR and Sales Leadership.	Optimise Sales Force Performance Management, align goals and enhance sales teams' effectiveness.
 Sales Force Performance Management	Implement targeted training, coaching, and skill development programs.	Uplift sales performance, focus on key performance indicators (KPIs) and sales objectives.
 Employee Reskilling and Upskilling	Focus on both reskilling and upskilling staff.	Adapt to evolving market demands and technological advancements, and ensure a skilled and agile workforce.
 Focus on Strategic Business Partnering	Strengthen ties with various departments.	Align HR strategies closely with organizational objectives, and enhance overall business performance.

PERFORMANCE FOR THE YEAR

This year was marked by dynamic transformations, presenting both challenges and opportunities for the HR department. A key focus was equipping our workforce with the latest skills and knowledge to navigate an ever-evolving industry. We implemented comprehensive reskilling and upskilling programs, addressing the challenge of employee competitiveness in a rapidly changing landscape. This effort resulted in measurable improvements in skill sets and capabilities, ultimately impacting business performance metrics in a positive light.

Another crucial development was the enhanced collaboration with Sales

Leadership. We worked closely with sales teams to ensure seamless integration of HR initiatives with their strategies, ultimately driving overall business performance. This approach led to increased employee engagement within the sales department, as evidenced by higher participation rates in engagement activities and improved employee satisfaction and motivation.

Recognising the shift towards remote work, we also adapted our HR policies and practices to support remote work operations. This included fostering effective communication channels, promoting well-being initiatives, and implementing tools to maintain employee engagement and productivity in distributed teams.

Finally, we prioritised strengthening cross-departmental collaboration, focusing on strategic business partnering. This enabled us to align HR initiatives more effectively with overarching organizational goals. By bridging departmental divides, we ensured that HR interventions offered targeted support and ultimately contributed more meaningfully to business outcomes.

Overall, this year witnessed significant progress in HR's ability to adapt, collaborate, and strategically contribute to the Company's success in a dynamic environment.



FINANCE DEPARTMENT

From meticulous financial reporting to navigating intricate taxation matters, managing risks, ensuring compliance and internal control, optimising cash flow, and making strategic investment and dividend decisions, the Company's finance department plays a pivotal role in the financial health and prosperity of Janashakthi Life.



LKR 4.1 Bn
**RECORD-BREAKING
NET PROFITS**

Achievement



272%
CAR

Capital Adequacy Ratio

PERFORMANCE FOR THE YEAR

Amidst shifting landscapes driven by external market and macroeconomic factors, GWP faced fluctuations driven by diminishing purchasing power. This necessitated adept management of the Company's asset base and investment portfolio. Despite these volatile political and economic challenges, our performance for the year under review has been commendable, culminating in a record-breaking bottom line of LKR 4.1 billion in net profit after tax (PAT).

VALUE CREATIONS PROCESS

INPUTS



- ▶ Raw financial data
- ▶ Regulatory framework
- ▶ Financial Strategy
- ▶ Market information
- ▶ Technology and financial tools
- ▶ Trained and experienced Human capital
- ▶ Operational data

PROCESS



- ▶ Financial planning and budgeting
- ▶ Strategic resource allocation
- ▶ Business continuity planning
- ▶ Bringing in cost efficiencies
- ▶ Cross-selling and up-selling
- ▶ Strategic pricing
- ▶ Management of financial risks

OUTPUT



- ▶ Higher profitability
- ▶ Increase in average transaction value per customer
- ▶ Investment strategies
- ▶ Future forecasts of performance
- ▶ Long term growth

KEY STRATEGIES PURSUED DURING THE YEAR

DESCRIPTION

STRATEGY

PROGRESS



Increase cost efficiencies and reduce cost centres

Automate manual processes

Increased process efficiency and reduced processing time



Improve tax planning and management

proactive management decision to manage interest rate risk resulting higher M to M gains

High interest rate income



Grow asset base

Comprehensive tax analysis, engagement of tax professionals, monitoring legislative changes

Decreased the actual liabilities, increased the use of tax asset and improved compliance

Innovation, collaboration, and growth continue to propel us forward into a future of success.

Value creation by our Business Units



LIFE OPERATIONS DIVISION

Our life operations division encompasses various critical areas within the insurance domain. This includes the issuance of both Individual and Group Life Policies, ensuring seamless policyholder servicing throughout the policy period, efficient claims management, proactive stakeholder engagement, fostering internal and external customer connectivity, and facilitating collaboration with overseas reinsurers. Each facet is meticulously handled to uphold the integrity and effectiveness of our insurance operations.

PERFORMANCE FOR THE YEAR

The divisional performance faced pressure due to the escalating costs observed across all services, thus presenting a significant challenge that demands active attention and resolution. Various factors contributed to this strain, including medical cost inflation and the upward trend in interest rates influenced by governmental policies. Furthermore, the general escalation of costs in services exacerbates the risk of policy lapses, adding complexity to our efforts.

Additionally, shifting customer priorities, influenced by inflationary pressures, pose an additional obstacle, with insurance often being deprioritised in favour of other financial obligations. Nonetheless, despite these challenges, our focus remains steadfast on implementing strategic measures aimed at mitigating their impact and upholding our commitment to delivering value to our esteemed customers.



KEY STRATEGIES PURSUED DURING THE YEAR

DESCRIPTION	STRATEGY	PROGRESS
 Encourage direct payment mechanisms	Promoted online payments, auto-debit options, etc.	Increased percentage of direct payments. Reduced administrative costs and improved policy continuity.
 Implement self-evaluation SMS for calls	Sent post-call SMS surveys to customers for feedback.	Gathered real-time feedback on agent performance and identified areas for improvement. Improved customer satisfaction.
 Use WhatsApp for gathering requirements	Utilised WhatsApp to collect missing documents and information from customers.	Streamlined policy servicing process and reduced turnaround time. Improved customer convenience and reduced workload on agents.
 Perform BPR to reduce non-value tasks	Analysed and streamlined workflows to eliminate unnecessary steps.	Identified and eliminated non-value tasks. Increased agent efficiency and productivity.



PERSONAL LINES AND AGENCY DIVISION

This division focuses on direct sales to consumers, utilising both personal lines and agency channels, to market life insurance policies across two product categories: Endowment products and Investment products.

Endowment products and Investment products are two common types of life insurance products offered by insurance companies. Each serves different purposes and appeals to individuals with specific financial goals. Endowment products typically offer guaranteed payouts either upon maturity or in the event of death. On the other hand, Investment products integrate investment components, providing the potential for growth alongside insurance coverage.



64%
MCFP TARGET

Achievement



73%

Revenue Share

PERFORMANCE FOR THE YEAR

The performance for the year saw several changes, developments, and challenges. Firstly, there was an increase in manpower aimed at bolstering productivity, although the results of this initiative require more time to fully reflect a greater impact on business growth and sustainability. Despite this, positive growth was achieved in Renewal Premium, signalling effective customer retention efforts. However, meeting both initial First Year Premium (FYP) and Gross Written Premium (GWP) targets continues to pose a significant challenge amidst the prevailing economic and market conditions.

Innovation, collaboration, and growth continue to propel us forward into a future of success.

Value creation by our Business Units

VALUE CREATIONS PROCESS



KEY STRATEGIES PURSUED DURING THE YEAR

DESCRIPTION	STRATEGY	PROGRESS
 Productivity & New Business	Increase policy sales and agent productivity.	Achieved 64% of Manpower Collection First Premium (MCFP) target, but below initial target.
 New Business Retention	Retain a higher percentage of new policies.	Reached 45% of FYP (First Year Persistency) target, showing room for improvement.
 Customer Retention	Maintain existing customers and their policies.	Exceeded the Renewal Premium (RP) target by 82%, a positive outcome.
 Recruitment & Retention	Hire and retain a strong agent force.	Fell short of Gross Written Premium (GWP) target credit by 14%, showcasing a need for improvement in agent performance.



INTERNAL AUDIT DEPARTMENT

Comprehensive review of support services including Finance, Human Resources, Information technology, Marketing, and Administration departmental functions

PERFORMANCE FOR THE YEAR

Throughout the year, several key initiatives drove progress within the department. Embracing data analytics and technology tools was instrumental in enhancing audit processes and overall efficiency, allowing for more thorough and insightful assessments. A notable focus was placed on investing in the professional development of the department's employees. This commitment ensured that our team remained equipped with the requisite skills and knowledge to excel in their roles, fostering continuous growth and expertise. Upholding audit quality was a top priority, achieved through unwavering adherence to established standards and processes. This commitment to rigour and consistency underpinned the integrity of the Company's audit outcomes and bolstered trust in our findings.

- ▶ 100% completion of the branch audit plan, addressing all identified risks.
- ▶ Alignment of audit activities with strategic objectives and highest-risk areas.
- ▶ Implementation of data analytics and technology for efficient and effective audits.
- ▶ Ongoing professional development and adherence to quality standards.
- ▶ Timely reporting of findings and recommendations to management and governing bodies.

VALUE CREATIONS PROCESS



Innovation, collaboration, and growth continue to propel us forward into a future of success.

Value creation by our Business Units

The Internal Audit Department had a successful year, contributing significantly to the Company's strong performance in risk management, governance, and operational efficiency. This achievement spanned numerous areas:

- ▶ Core Operations: Our ongoing review of New Business, Underwriting, and Claims ensured these critical functions maintained effectiveness and mitigated potential risks.
- ▶ Support Services: A comprehensive review of Finance, HR, IT, Marketing, and Administration identified areas for improvement and ensured adherence to compliance regulations.
- ▶ Compliance: We meticulously reviewed and monitored compliance with all relevant regulations, directions, and guidelines.
- ▶ Risk Management: Continuous monitoring and improvement efforts kept potential risks in check, safeguarding the Company.
- ▶ Governance: We evaluated and assessed the effectiveness of governance practices, ensuring adherence to best practices.
- ▶ Operational Efficiency: Through branch audits, we identified opportunities to optimize operational efficiency across all branches.

KEY STRATEGIES PURSUED DURING THE YEAR

DESCRIPTION	STRATEGY	PROGRESS
 Risk-based approach	Prioritisation based on risk exposure	Aligned audit plans with high-risk areas.
 Strategic alignment	Support for organisational goals	Activities aligned with strategic objectives.
 Integrated audits	Comprehensive risk assessment across functions	Conducted cross-functional audits.
 Recruitment & Retention	Detection and prevention	Integrated fraud detection into audit processes.

Essence of Leadership



YEAR IN REVIEW

We believe that leadership is more than just a title—it's a mindset, a set of values, and a commitment to inspiring others. Our core focus is on cultivating true leadership qualities within individuals, empowering them to embrace authenticity, resilience, and vision.

Navigating Growth and Challenges

Sri Lankan Insurance Industry in 2023

Despite lingering uncertainties surrounding political stability, Sri Lanka has reinvigorated its economic activities, promising a bright future. We anticipate further economic stability by the end of 2024, with inflation poised to stabilise and interest rates on a downward trajectory.

The Sri Lankan insurance industry which showcased promising growth in 2020, albeit facing the headwinds of the COVID-19 pandemic, recorded a downturn in 2022 due to Sri Lanka's economic crisis, marked by inflation and currency depreciation, squeezed household budgets, and shifted priorities towards essential needs like food and healthcare. This significantly impacted the insurance industry, particularly demand for non-essential offerings like motor or travel insurance. While life insurance showed some resilience, overall industry growth stalled due to reduced disposable incomes, especially among lower-income segments bearing the brunt of the crisis.

The sluggish growth experienced by the Sri Lankan insurance industry in 2022 carried over into 2023, impacting key performance indicators and hindering expansion. Yet, amidst these challenges, the signs of recovery in the broader Sri Lankan economy by the second half of 2023 offer a glimmer of hope for the insurance sector in the coming years.

While improving economic conditions resulted in increased disposable incomes, heightened risk awareness, and even supportive government initiatives, the industry still faces hurdles. Consumer spending habits shaped by the 2022 downturn persist, prioritising essential needs over discretionary spending like insurance. Additionally, the recovery's pace and its impact on different income segments need careful examination, as lower-income groups still feel the pinch, impacting their insurance affordability.

While a digital transformation strategy bolstered customer experience during difficult times, the Sri Lankan insurance industry still grapples with long-standing hurdles like low penetration, trust issues, and intense competition.

A recent study by the Insurance Regulatory Commission of Sri Lanka (IRCSL) in collaboration with the Department of Demography at the University of Colombo (UOC) unveils interesting insights into the Sri Lankan insurance landscape.

Though the average confidence index at 50.2 indicates room for improvement, it's encouraging that confidence levels remain similar across demographics. Geographically, Colombo and Gampaha residents express the highest confidence in insurance, while Kurunegala, Kandy, and Galle exhibit moderate levels. Interestingly, experience plays a crucial role as life insurance users display significantly higher confidence compared to non-users. In terms of product awareness, life insurance reigns supreme with 83%, followed by motor at 77%. However, a significant drop is observed for health insurance at 42%. Notably, fire, education, and pension products maintain consistent awareness across demographics.

These findings highlight the need for targeted initiatives to address regional and product-specific disparities while capitalising on the positive influence of experience to build overall trust and confidence in the insurance industry. These dynamics demand careful navigation to overcome stagnant growth and expand the market.

FUTURE PATH FOR THE INSURANCE SECTOR

For the insurance industry to capitalise on the potential positives of a recovering economy, strategic adaptation will be crucial. Focusing on innovative and affordable products, addressing the challenges of low penetration, and building consumer trust through efficient claims settlements and targeted initiatives will be key differentiators to unlocking the industry's full potential and ensuring its sustainable development.

THIS IS FURTHER CONFIRMED BY THE FINDINGS OF THE IRCSL AND UOC STUDY:

First, targeted initiatives are needed to address regional and product-specific disparities. For example, while life insurance enjoys high awareness, health insurance lags behind. Tailored campaigns could bridge this gap. Additionally, regions like Kurunegala, Kandy, and Galle show moderate confidence in insurance compared to Colombo and Gampaha. Initiatives building trust and awareness in these areas are essential.

Second, capitalising on the positive influence of experience is key. The study shows significantly higher confidence among life insurance users. Promoting positive experiences and testimonials could cultivate broader trust in the industry.

Third, streamlining the claims process for enhanced trust using technology can further drive growth and attract new generations of consumers. The slow and cumbersome claims processes often erode customer trust. The study emphasises the need for expedited and transparent claims settlement. Implementing efficient digital solutions and prioritising timely resolutions can significantly improve customer satisfaction and foster trust in the industry.

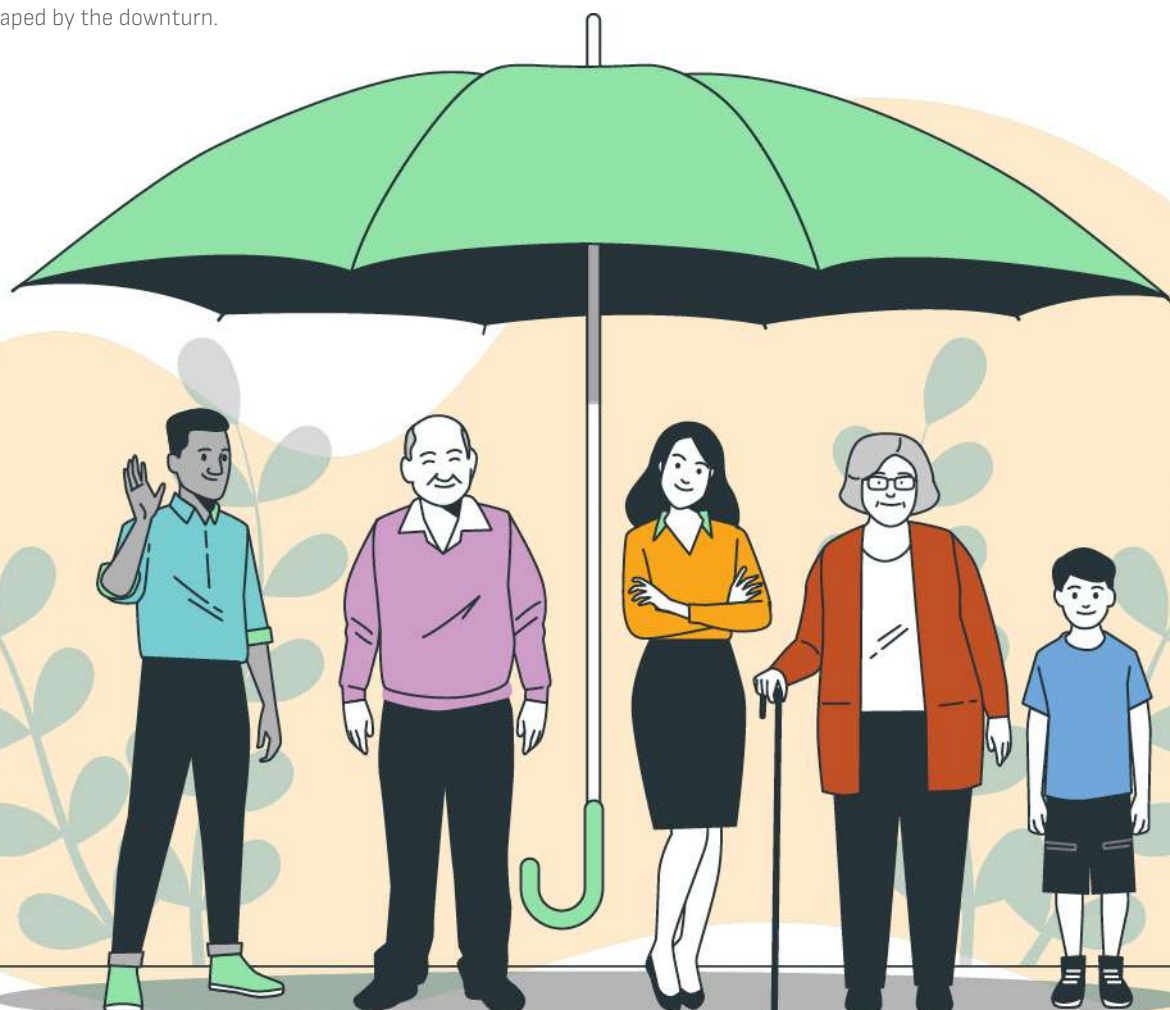
Finally, the sector can achieve growth with tailored innovations. The Sri Lankan insurance market can unlock its full potential by offering innovative and affordable products that meet diverse consumer needs. The study suggests developing products based on specific demographics, risk profiles, and affordability concerns. Focusing on areas like microinsurance, health insurance awareness, and customised protection plans can attract new customers and drive sustainable market expansion.

However, navigating these dynamics becomes even more critical in the face of stagnant growth. The 2022 slowdown further hindered efforts to reach new segments and underserved demographics, impacting overall insurance adoption even in 2023. Overcoming this hurdle requires careful consideration of the economic situation and consumer spending habits shaped by the downturn.

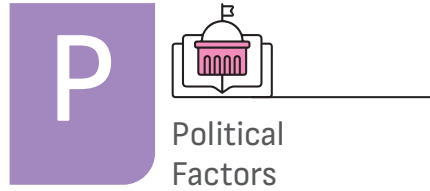
By addressing these diverse yet interconnected factors, the Sri Lankan insurance industry can navigate towards sustainable growth and wider market expansion.

FUTURE OUTLOOK

As we shift our focus to the future, a sense of cautious optimism permeates the industry's outlook. Despite lingering uncertainties surrounding political stability, Sri Lanka has reinvigorated its economic activities, promising a bright future. We anticipate further economic stability by the end of 2024, with inflation poised to stabilise and interest rates on a downward trajectory. The planned elections will also support a more optimistic outlook for Sri Lanka. We anticipate this favourable economic landscape to support industry growth, setting the stage for a resurgence in growth and expansion.



Operational Review



Risk/Challenge

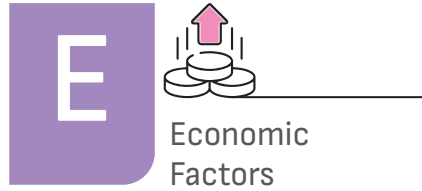
- ▶ Uncertainty in the political environment may create volatility in financial market and hinder long-term strategic planning.
- ▶ Any sudden or significant changes in regulations related to insurance practices, taxation, or financial oversight could pose challenges.
- ▶ Changes in tax rates or incentives may affect consumer behaviour and demand for insurance products

Opportunities

- ▶ Investing in regulatory compliance measures and staying abreast of industry best practices can create opportunities for differentiation and competitive advantage.
- ▶ Long-Term Growth in Stable Environment
- ▶ Government policies attracting foreign insurers stimulate competition and innovation.
- ▶ Specialized products address political risks like regulatory changes and civil unrest.

Strategic Focus

- ▶ Regulatory Compliance and Agility
- ▶ Stakeholder Engagement and Reputation Management
- ▶ Risk Management and Contingency Planning



Risk/Challenge

- ▶ Economic Downturns: reduce consumer spending, impacting revenue and profitability, Potentially reducing consumers' disposable income and affordability for insurance premiums
- ▶ Strain financial reserves with a surge in claims.
- ▶ Require adjustments and investments for compliance.

Opportunities

- ▶ Capitalizing on increased demand for insurance products as consumers seek to protect their assets and investments.
- ▶ Leverage burgeoning industries for bespoke insurance solutions, optimizing market alignment and profitability.
- ▶ Revamping/Digitalizing internal process for cost efficiency

Strategic Focus

- ▶ Product Diversification
- ▶ Dynamic pricing strategies
- ▶ Effective risk management practices



Risk/Challenge

- ▶ Changes in the composition of customer base and their insurance needs
- ▶ Mismatch between product offerings and customer preferences.
- ▶ Scepticism or mistrust, may result in low awareness and adoption of insurance products
- ▶ Competing to manage existing businesses and to attract new opportunities.

Opportunities

- ▶ Develop and offer insurance products tailored to the evolving needs of different segments
- ▶ Market penetration and broaden its customer base by implementing targeted marketing campaigns, financial literacy programs, and community engagement initiatives aimed at dispelling cultural misconceptions
- ▶ Increase employee and customer engagement through digital platforms.

Strategic Focus

- ▶ Customer Segmentation
- ▶ Leveraging digital channels



Risk/Challenge

- ▶ Failure to adapt to technological changes may result in outdated processes, reduced efficiency, and loss of competitiveness as lot of digital platforms offered by competitors are there in the market.
- ▶ Leading to compatibility issues and increased vulnerability to cyber threats

Opportunities

- ▶ Automation of underwriting, claims processing, and data analytics has the potential to yield cost efficiencies and enhance risk assessment accuracy
- ▶ Enhance customer convenience and accessibility, driving growth and market penetration
- ▶ Opening new distribution options, focus on digital marketing. Efficiency in maintaining employee and customer engagement with digital platforms.
- ▶ Insuretee

Strategic Focus

- ▶ Advancing the Technology Infrastructure
- ▶ Digital self-service
- ▶ Personalized marketing strategies



Risk/Challenge

- ▶ Insurers may need to adjust their underwriting criteria and premiums to account for environmental risks

Opportunities

- ▶ Innovative risk mitigation solutions to customer may include specialized sustainable insurance products
- ▶ Introducing insurance products that promotes environmentally friendly practices
- ▶ Providing coverage for renewable energy projects, including property and liability insurance for solar farms, wind turbines, and other green energy initiatives, supporting the transition to sustainable energy sources.

Strategic Focus

- ▶ Enhanced Risk Assessment and Modeling
- ▶ Sustainable Products
- ▶ ESG



Risk/Challenge

- ▶ Uncertainty surrounding legal liability and evolving interpretations of insurance contracts may lead to disputes and litigation, affecting the Company's financial performance and reputation
- ▶ Data protection - these act provide appropriate safeguard for the rights and freedoms for the data subjects.

Opportunities

- ▶ Adherence to legal requirements can provide with a competitive advantage by fostering trust and confidence among customers

Strategic Focus

- ▶ Robust Compliance Framework
- ▶ Proactive Risk Management



STRENGTHS

Established Brand

Janashakthi Insurance has a well-established brand presence in Sri Lanka, known for its reliability and customer-centric approach.

Longevity

Operating in Sri Lanka for a significant period of 29 years, closer to 03 decades. Its longevity suggests a history of serving customers and adapting to the evolving needs of the market. This long-standing presence can contribute to a sense of trust and reliability among consumers.

Market Recognition

The brand name "Janashakthi" is widely recognized and accepted by Sri Lankans.

Community Engagement

We have actively engaged with the community through corporate social responsibility initiatives, the "Janashakthi Foundation" has been established for this purpose. This involvement contributes and reinforces its commitment to societal well-being. The service rendered to the country's game of cricket by the Company is immense and irreplaceable.

Diverse Product Portfolio and Branch Network

The company offers a wide range of endowment products

Strong Distribution Network

Janashakthi Insurance's 75 branches serve as physical touchpoints for customers, facilitating inquiries, policy purchases, and claims assistance across urban, suburban, and rural areas, bolstering market accessibility and visibility.

Digital Channels

Janashakthi Insurance likely utilizes digital platforms such as a user-friendly website, mobile app-Life App, and online portals for policy management, claims submission, and customer support, complementing its physical distribution network to cater to tech-savvy customers and enhance convenience and accessibility.

Training and Development

The company invests in training and development programs for its customers and service staff to ensure they possess the necessary skills, knowledge, and empathy to effectively address customer needs and resolve inquiries or concerns with professionalism and courtesy.



WEAKNESSES

Limited Market Share

Janashakthi Insurance faces intense competition in Sri Lanka's insurance market, and its market share may be comparatively smaller than larger competitors.

Competitive Landscape

In a fiercely competitive Sri Lankan insurance market dominated by both domestic and international players

Market Positioning

Challenged by larger competitors with resources for competitive pricing and innovative solutions, Janashakthi may find it difficult to capture market share, especially among customers who perceive larger insurers as more stable and trustworthy.

Dependency on Investment Income

Relying heavily on investment returns for profitability, exposing it to market fluctuations and economic uncertainties.



FUTURE OUTLOOK

Expanding internationally – South Asian region

We have identified potential markets and Group's Unique Selling Proposition and competitive advantage is in to Financial intermediation thus to take benefit from identified potential markets. Our Balance Sheet is strong is enough.

Local – regional expansion

In to Banca, Group life policy expansion, Expanding Health Insurance sector,

Strategic Partnerships

local Strategic partnerships



OPPORTUNITIES

Growing Insurance Market

Sri Lanka's insurance market is growing, driven by increasing awareness of insurance, economic development, and regulatory initiatives to enhance insurance penetration.

Diversification of Offerings

With the growing insurance market in Sri Lanka, there's an opportunity to diversify its product offerings to cater to the evolving needs of consumers. This could involve introducing new insurance products or expanding existing ones to cover emerging risks or address specific market segments

Customized Solutions

As the insurance market evolves, there's a growing demand for customized insurance solutions that address specific risks or preferences of consumers.

Cross-Selling Opportunities

Strategic partnerships create opportunities for Janashakthi to cross-sell its insurance products alongside complementary financial services or products offered by partners

Personalized Communication Strategies

Implementing personalized communication strategies to engage with customers on an individualized level and tailor messages to their specific needs and preferences.



THREATS

Economic Uncertainty

Economic downturns, inflation, or currency fluctuations can impact consumer spending power and insurance purchasing behaviour, affecting Janashakthi's revenue and profitability.

Financial Hardship and Payment Defaults

Economic uncertainty can lead to financial hardship for individuals and businesses, making it difficult for them to meet their financial obligations, including insurance premium payments. Job losses, business closures, or income reductions resulting from economic downturns may lead to an increase in policy lapses, cancellations, or payment defaults.

PORTER'S FIVE FORCES



Leading the Way with Vision and Progress

Deputy Chairman's Message



Dear Stakeholders,

It is with immense pride that I present this third integrated annual report of Janashakthi Insurance PLC for the financial year ended 2023, a testament to our collective efforts and unwavering commitment to our mission. Despite a year marked by economic uncertainties and market turbulence, Janashakthi Insurance continued to lead the way in the industry with a vision to prosper and progress. This success of the highest profits in our

history a profit before tax of LKR 5.2 Bn. This remarkable accomplishment would not have been possible without the dedication and tireless efforts of each and every one of our stakeholders.

Looking back, 2023 was a year of contrasts. The first half saw us grappling with economic anxieties, navigating volatile markets, and questioning whether our balance sheet structure and ALM mismatch would withstand the volatilities in the external market. Yet, with agility

and foresight, continuous research and simulations, we restructured, anticipated market changes, and implemented decisive investments.

MARKET TRENDS AND ECONOMIC LANDSCAPE

The deceleration in the growth of insurance services in 2023 can be attributed to key economic factors that have exerted considerable influence on consumer behaviour and financial decision-making. One noteworthy factor

“A significant shift in investment patterns is evident, characterised by a preference for government securities and high-yielding fixed deposits in banks. This migration of funds towards high return instruments has altered the risk-reward dynamics associated with life insurance policies.”

contributing to this phenomenon is the unprecedented surge in inflation rates, creating an environment where individuals are more cautious about their spending and saving choices.

Moreover, a substantial and abrupt reduction in people's per capita savings has been a defining feature of this economic landscape. This downturn in personal savings is a result of various factors such as increased living costs, economic uncertainties, and changing consumer

preferences. Individuals, faced with these challenges, have become more conservative in their financial planning, leading to a discernible impact on the overall growth of the insurance industry.

A significant shift in saving patterns is evident, characterised by a preference for government securities and high-yielding fixed deposits in banks. This migration of funds towards high return instruments has altered the risk-reward dynamics associated with life insurance



44%

GROWTH IN NET ASSETS PER SHARE

Achievement

2023 - LKR 68.83
2022 - LKR 47.95

policies. Consequently, the opportunity cost of saving in life insurance has risen significantly, prompting individuals to re-evaluate their investment portfolios and prioritise alternative avenues that offer attractive returns.

This evolving economic landscape underscores the importance of insurers adapting to changing consumer behaviours and preferences. It necessitates a strategic recalibration of product offerings and marketing approaches to align with the current financial mind set of individuals. As we navigate these economic challenges, the industry must remain agile and innovative, crafting solutions that not only address the immediate concerns of the consumer but also provide a long-term value proposition that resonates with their evolving financial goals and aspirations.

COMPANY'S PERFORMANCE AND CHALLENGES

The Company's investments in digitalisation and state-of-the-art IT solutions have not only enhanced operational efficiency but have also paved the way for a modern working environment and customer-centric culture. This commitment to innovation and digitalisation has been recognised through various prestigious awards, motivating us to aspire to even greater achievements in the future. The Janashakthi Mobile App has played a pivotal role in providing customers with easy and convenient access contributing to the enhancement of customer service levels.

Leading the Way with Vision and Progress

Deputy Chairman's Message

Our human resources team delivered outstanding results, elevating the Company to the top of the Great Place to Work rankings. This distinction, combined with the implementation of IT solutions that lay the foundation for a modern future, underscores our steadfast commitment to progress and innovation.

Despite these positive developments, growth in sales and GWP were impacted by economic factors as detailed earlier. To counteract the challenges posed by the reduction in sales, the Company took proactive measures, including increasing rates and introducing the 'Dream Saver' product, a high-yielding product which was aimed to cater to policyholder segment that was demanding higher interest rates in line with prevailing country interest rates. Regrettably, the market response to this product fell short of our initial expectations and the results were not entirely adequate to match the previous year's sales figures.

This journey provided valuable insights into the intricate relationship between economic fluctuations and consumer behaviour, strengthening our resolve to be even more responsive and innovative in the face of change in the coming year and beyond.

TRANSPARENCY AND GOOD GOVERNANCE PRACTICES

Our commitment to upholding strong governance practices within Janashakthi Life remains steadfast, serving as a cornerstone in cultivating transparency, accountability, and ethical behaviour throughout our business operations. We have taken substantial steps in implementing high governance standards, acknowledging their crucial contribution to sustainable development, and championing principles of fairness, integrity, and responsiveness. By highlighting the significance of resilient corporate governance frameworks, adoption of regulatory mechanisms, and active stakeholder engagement with our internal stakeholders, the Company has continued



201%
**GROWTH IN PROFIT
AFTER TAX**

Achievement

2023 - LKR 4.1 Bn.
2022 - LKR 1.4 Bn.

to place great emphasis on adherence to ethical standards. This commitment contributes to fostering overall stability and trust not only within the Company and all our stakeholders but also in supporting the integrity of the nation's broader governance structures.

Additionally, the Company has remained steadfast in its commitment to enhance the transparency and focus of our reporting, ensuring maximum benefit for our stakeholders. In pursuit of this objective, the Janashakthi Insurance PLC Annual Report 2023 is meticulously prepared using the Integrated Reporting Framework, a comprehensive approach established by the International Integrated Reporting Council (IIRC). Additionally, we have surpassed standard practices by integrating aspects from the GRI Universal Standards 2021, recognised globally as benchmarks for sustainability reporting, wherever practical. While we have increased our disclosures during this financial year, our aim to continue to elevate reporting disclosures in the forthcoming years, aligning more closely with the GRI Sustainability Standards remains steadfast.

RISK MANAGEMENT

The Company's focus on risk management has been a critical aspect of sustainable growth in the last few years. The identification and effective management of critical risks, encompassing market dynamics, liquidity, and operational aspects, have taken precedence. Our commitment to delivering sustainable value is exemplified by the enhancement of our operational risk framework, ensuring the robustness of our systems and processes align seamlessly with our risk management strategy.

STRATEGIC PLANS AND FOCUS AREAS

From an economic perspective, cautious optimism drives improved economic activity. While political stability remains an open question, Sri Lanka is back in business, and the future holds immense promise. We anticipate further improvements in economic conditions and a more dynamic operating environment by the end of 2024, with inflation stabilising and interest rates coming down. This bodes well for our industry, paving the way for renewed growth and expansion.

In the forthcoming year and beyond, Janashakthi Insurance is strategically poised to leverage the anticipated economic stability, aligning our focus with key objectives to enhance our product offerings and strengthen our position in the market.

First and foremost, we are committed to providing our customers with improved benefits and an elevated level of service. By doing so, we aim to solidify our standing as the preferred choice for insurance, fostering a relationship built on trust and value.

Efficiency is paramount in our strategic vision. We aspire to become a model of operational efficiency, eradicating bureaucratic hurdles and streamlining processes across the Company's operations. This dedication to efficiency not only enhances our internal operations but also translates into a more seamless and responsive experience for our customers.

Furthermore, a crucial aspect of our strategy involves reinvesting our profits. This strategic initiative is designed to fuel innovation and propel sustained growth. By directing our financial gains back into the Company, we aim to stay at the forefront of industry advancements, offering our customers cutting-edge solutions and maintaining our competitive edge in the dynamic insurance landscape.

In essence, our strategic framework for the coming years revolves around optimising the economic stability on the horizon, with a focus on customer-centric enhancements, operational excellence, and continuous innovation to drive growth.

ACKNOWLEDGEMENTS AND ACHIEVEMENTS

I extend my heartfelt gratitude to our diverse community of stakeholders – shareholders, employees, customers, regulators, and service providers – for their unwavering support throughout the year. It is through this collective effort that Janashakthi Insurance PLC has achieved its highest-ever profits, a testament to the dedication and hard work of our exceptional team and the trust placed in us by our valued customers and other stakeholders.

I also extend my sincere thanks to my fellow Board members for their continued

support in driving the vision of Janashakthi Insurance. I am delighted to announce the appointment of Mr. Ramesh Schaffter to the Board. His wealth of experience and expertise will undoubtedly contribute to achieving our strategic vision.

In closing, Janashakthi Insurance PLC remains committed to its vision and looks forward to navigating the evolving insurance landscape with resilience, adaptability, and a relentless pursuit of excellence.



Prakash Schaffter
Deputy Chairman

5th March 2024

Resilient Navigation Through Challenges

Chief Executive Officer's Review

“Beyond the remarkable bottom-line growth achieved in 2023, Janashakthi Insurance PLC proudly realised several noteworthy achievements that underscore our commitment to excellence and value creation.”



As we reflect on the past year, I am pleased to provide you with a comprehensive overview of our journey in 2023, a year marked by various challenges. Navigating through the post-Aragalaya landscape and the external economic crisis, our business faced uncertainties in the insurance services industry. The delicate balance between our aggressive growth plans and the need for careful, conservative implementation underscored the real challenges we encountered.

CHALLENGES DUE TO EXTERNAL ECONOMIC CHANGES

The year 2023 was a period of immense economic turbulence for Sri Lanka. The island nation, already grappling with internal financial struggles, faced the brunt of a tumultuous global economic landscape. This confluence of domestic and external headwinds created significant challenges for various sectors, including the insurance industry.

Sri Lanka's internal economic troubles that came to a head in 2022 continued to have an impact in 2023. This economic turbulence had a palpable impact on Sri Lankan insurance consumers.

The challenges posed by reduced disposable income were exacerbated by inflation and an economic slowdown, resulting in a significant impact on household budgets. This erosion of financial resources led to diminished savings and a consequent decline in the demand for long-term insurance products. The prevailing economic uncertainty, coupled with heightened financial stress among consumers, fostered a cautious mindset. This caution, in turn, influenced individuals to approach long-term investment products, such as life insurance and retirement plans, with hesitancy. The shifting risk preferences of consumers became evident as the economic downturn prompted an increased inclination towards short-term, guaranteed-return financial products perceived as a safer alternative amid the uncertainties associated with riskier investments.



201%

GROWTH IN BASIC EARNINGS PER SHARE

Achievement

2023 - LKR 18.25
2022 - LKR 6.07

Nonetheless, the IMF-backed reform program initiated by the Sri Lankan government in 2023 with the primary goal of stabilising the economy and addressing the underlying structural issues that contributed towards economic instability. Although there was some improvement noted towards the end of the year, the nation's ability to observe the IMF terms and conditions will be instrumental in determining the trajectory of economic recovery and subsequently the future of the Sri Lankan insurance industry.

BUSINESS GROWTH AND SUSTAINABILITY

In the face of these challenges, we worked towards maintaining the Company's growth and sustainability. While macroeconomic forecasting remained difficult, our commitment to cautious implementation allowed us to adapt to the changing market conditions.

Recognising the strategic mismatch between our ambitious growth targets and the necessity for cautious implementation, the management team and dedicated employees collaborated seamlessly to ensure a harmonious balance. This period of challenges spurred a collective effort to adapt and thrive in an environment marked by external economic uncertainties.

I am delighted to share a noteworthy accomplishment amidst these trials – Janashakthi Insurance PLC achieved an unprecedented level of bottom-line growth, recording a remarkable 20% increase in profit after tax. This outstanding performance is a testament to the efficacy of the strategic investment strategy diligently adopted by the Company. It underscores our resilience and ability to not only weather challenges but also to thrive and exceed expectations in the pursuit of our Company's goals.

As we reflect on this achievement, it is clear that our dynamic approach to growth and sustainability has not only shielded us from adversities but has propelled us to new heights. The commitment and dedication displayed by our team during this period underscore the strength of our Company culture. Looking forward, we remain resolute in our pursuit of excellence, anticipating further successes and sustained growth in the face of future challenges.

PURSuing COMMITMENT TO EXCELLENCE AND VALUE CREATION

Beyond the remarkable bottom-line growth achieved in 2023, Janashakthi Life PLC proudly realised several noteworthy achievements that underscore our commitment to excellence and value creation.

Foremost among these accomplishments was the realisation of the highest-ever surplus transfer amounting to LKR 2,576 Mn and an LKR 2.65 per share dividend payment to shareholders. This exceptional milestone stands as a clear indicator of the significant gains we achieved in investment income throughout the year. It reflects our strategic acumen and financial prudence, reaffirming the trust and confidence that our shareholders place in us.

Furthermore, our dedication to policyholders' well-being manifested in surpassing the guaranteed dividend rates promised to them for life policies. This not only highlights our financial stability but also demonstrates our unwavering

Resilient Navigation Through Challenges

Chief Executive Officer's Review

commitment to delivering on our commitments and ensuring the security of those who trust us with their financial well-being.

We also ensured our focus on value creation extended to the implementation of Customer Relationship Management (CRM) initiatives, ensuring a more personalised and responsive interaction with policyholders.

A testament to our industry standing came in the form of accolades from prestigious institutes, particularly in the realms of marketing and information technology. These recognitions serve as external validations of our competence and innovative approaches, solidifying our position as a leader in the industry.

Despite the recessionary period and challenging economic conditions, our high standing as an employer of choice was reflected in heightened employee satisfaction levels, exemplified by the Great Place to Work® rating from 69 to 83. This speaks volumes about our unwavering resilience and steadfast commitment to the well-being and care of our employees. This demonstration of resilience goes beyond mere words, encapsulating the profound dedication we have towards fostering a supportive and nurturing work environment. It reflects our ongoing efforts to prioritise the physical and mental health of our team, ensuring that they not only endure challenges but also thrive and flourish within the Janashakthi Insurance community.

Our commitment to employees also extends to their professional development and growth. As such we rolled out diverse continuous learning programs, spanning both company-specific and group-wide initiatives. Additionally, activities promoting employee engagement and motivation were strategically implemented. These included immersive employee events and initiatives geared towards cultivating a positive workplace culture.



430%
**GROWTH IN
INVESTMENT INCOME**

Achievement

2023 - LKR 9.2 Bn.
2022 - LKR 1.7 Bn.

Furthermore, our commitment to Corporate Social Responsibility (CSR) was evident in the launch of the Children's Art Competition and the continuation of the Grade-5 Scholarship Examination Support project aimed at making a positive impact on the communities we serve.

A noteworthy aspect of our continued commitment to value creation to the natural environment remains the adoption of an environmentally conscious, paperless approach to our business operations, aligning with our broader goal of contributing to a greener and more sustainable future.

FINANCIAL SUCCESS AND ACHIEVEMENTS

The Company's financial success in 2023 can be attributed to astute financial management practices, the successful acquisition of high-value policyholders, albeit within certain constraints, and the timely administration of claims in a difficult operating context. Our commitment to enduring growth is evidenced by the increase in total dividend payments to shareholders, a growth in Return on Equity (ROE) from 12.7% in 2022 to 27% in 2023, and the effective management of expenses in an inflationary environment.

OPERATIONAL MILESTONES

Throughout the year under review, the Company achieved significant operational milestones that underscore our commitment to innovation and strategic growth. One noteworthy accomplishment was the establishment of strategic partnerships with leading financial institutions, solidifying our position in the market and enhancing our collaborative reach. Furthermore, the seamless integration of a Customer Relationship Management (CRM) system marked a pivotal moment, allowing us to leverage real-time data and enhance overall customer experience. Additionally, The Company successfully rationalised our product portfolio and introduced the Dream Saver product to meet the emerging needs of insurance consumers. This move not only diversified our range but also positioned Janashakthi Life as a forward-thinking player in the industry.

These operational achievements collectively showcase our dedication to staying at the forefront of industry trends, fostering partnerships, and continuously enhancing our capabilities to better serve our stakeholders.

FUTURE DIRECTION

As we plan our future path, our strategic focus centres on solidifying the transformations in our business model to elevate consumer-friendliness and operational efficiency. This evolution towards a model that places sustainability at its core, coupled with a heightened emphasis on performance-oriented value drivers, positions us strategically for long-term success in Sri Lanka's insurance industry.

A fundamental aspect of our forward-looking strategy involves delving into the realms of "Digital Janashakthi." This exploration aligns seamlessly with our overarching vision, aiming to cater comprehensively to tech-savvy consumers and emerging market segments. By embracing digital innovations, we not only adapt to evolving consumer preferences but also position ourselves to thrive in an era of technological advancement.

The Company's commitment to pioneering innovation in the insurance landscape remains steadfast despite prevailing and emerging challenges. We aspire to redefine the industry by introducing unique, one-of-a-kind insurance products that go beyond traditional offerings. By focusing on innovation, we aim to anticipate and meet the evolving needs of our customers, providing tailored solutions that set us apart in the market. This forward-thinking approach will not only enhance our competitive edge but also position us as pioneers in the insurance sector where we remain dedicated to creating inventive insurance solutions that not only safeguard our customers but also reflect our unwavering commitment to staying at the forefront of the industry trends and delivering unparalleled value to our stakeholders.

These strategic initiatives underscore our commitment to staying ahead of the curve, ensuring that our services remain cutting-edge and aligned with the dynamic needs of the contemporary insurance market. In essence, our future trajectory is characterised by a dual commitment to consumer-centricity and technological evolution, laying the foundation for sustained growth and relevance in the years to come.

APPRECIATIONS AND ACKNOWLEDGMENTS

In conclusion, I extend my heartfelt appreciation to the Board of Directors for their guidance and the unwavering support of our dedicated employees across 75 locations. My heartfelt gratitude to the Management team and all our employees who have exhibited a steady commitment to the Company amidst personal challenges and difficulties.

I extend my sincere appreciation to the Company's policyholders for their steadfastness and trust in us during these trying times. Your confidence allows us to fulfil our commitment to protecting you and your loved ones, and for that, we are truly grateful.

A special acknowledgement goes to our esteemed business partners, bankers, regulators, and other financial institutions. Your continued support has ensured the advancement of the Company's growth and the successful meeting of its diverse needs. Together, we continue to build a resilient and successful future.

Thank you for being an integral part of our journey.



R. N. Liyanage
Chief Executive Officer

5th March 2024

Board of Directors



MR. PRAKASH SCHAFFTER

Executive Deputy Chairman

Prakash Schaffter currently serves as the Executive Deputy Chairman of Janashakthi Insurance PLC and Deputy Chairman of Janashakthi Group. In 2006, he assumed the role of Managing Director at Janashakthi Insurance and played a pivotal role in the acquisition of the non-life segment of AIA Insurance Sri Lanka in 2015. This strategic move propelled Janashakthi Insurance to consolidate its position as the third-largest insurer in Sri Lanka. In 2018, he led the divestment project of Janashakthi's non-life segment and was appointed as Chairman the same year.

Prakash is an alumnus of the University of Cambridge in the UK and also the University of London. He has previously served as President of the Insurance Association of Sri Lanka and has made significant contributions to the business sector as a former member of the Council of the Sri Lanka Institute of Directors (SLID). He currently serves on the boards of several listed and unlisted entities. He is also one of the youngest ever to qualify as a Fellow of the Chartered Insurance Institute. Additionally, he has held the position of President of the Young Presidents Organization of Sri Lanka.

A former first-class cricketer, Prakash represented both the University of Cambridge and the University of London during his cricketing career. He has also served as President and Secretary of the Tamil Union Cricket and Athletic Club. Furthermore, Prakash has extensive experience in sports administration, having served as a member of the Executive Committee of Sri Lanka Cricket on multiple occasions, including the role of Secretary as part of Interim Committees appointed by the Government.



MR. RAVI LIYANAGE

Director/CEO

Mr. R.N. Liyanage was appointed as the Chief Executive Officer of Janashakthi Insurance PLC in November 2020. He brings years of knowledge to the Company with his experience across industries including Insurance, Finance, Retail, Manufacturing, Automotives, Tyres and Lubricants. Further, he has held Directorships in Richard Pieris Distributors, Arpico Retail and Arpico Insurance. He was also the former Chairman of Richard Pieris Arpico Finance and Group Director of Richard Pieris & Co. Prior to his appointment, he was the Chief Executive Officer of TVS Lanka Limited and has also served in Janashakthi Insurance PLC from 2003 to 2011 where he played a key role in driving business growth in Marketing, Branch Operations, Sales and Distribution, and as a Board Director of Janashakthi Finance from 2006 to 2009.



Scan QR code to visit
LinkedIn Profile



Scan QR code to visit
LinkedIn Profile

He holds a Bachelor of Science Degree from the University of Colombo and two Post Graduate Degrees ; Master of Business Administration from the University of Sri Jayewardenapura and Post Graduate Degree from Chartered Institute of Management from the United Kingdom. . In addition, he is a Certified Management Accountant (CMA) of CMA (Australia) and a Fellow of the Life Underwriting Training Council (USA) and sa certified-resource person for LIMRA International for Insurance Management.

He has been awarded with many global and local accolades including the 'Asia Brand Leadership Award' from Brand Asia Congress, the 'Global Brand Leadership Award' from Global Brand Congress, Brand Champion Awards from the Sri Lanka Institute of Marketing (SLIM) and the 'Marketer of the Year Award' from the world largest body for marketing, the Chartered Institute of Marketing (CIM-UK).

He is also a resource personnel for MBA graduate studies for many global universities and have served as a panel member for many corporate awards in marketing and management.



MR. RAMESH SCHAFFTER

Group Chief Executive Officer/
Managing Director

A leading business personality who counts over three decades of experience in Finance & Marketing, Ramesh Schaffter is a Fellow and former Council Member of the Chartered Institute of Management Accountants, Sri Lanka, and an Associate of the Chartered Institute of Marketing.

A social entrepreneur and life coach, he is an accomplished public speaker and a multiple award winner at national and international level Toastmasters' contests. He is the former President of Habitat for Humanity Sri Lanka and a former Board Member of World Vision for Sri Lanka. He is a Co-Founder of cable television channel Swarga TV, as well as the Christian Arts Foundation (Chraft), an organisation that promotes music and drama in Sri Lanka.

Ramesh also served on the Council of the Colombo Theological Seminary, a graduate and postgraduate educational institute, and is presently Chairman of an international school.



MS. WARINI DE COSTA

Independent Non-Executive Director

Ms. Warini de Costa comes with substantial experience and expertise in the area of Finance and Management having worked for Glaxo Wellcome Ceylon Ltd. from 1983 to 2004, and in a large conglomerate thereafter. She held many senior positions during her tenure at Glaxo and was appointed to the Board in 1991 and held the position of Finance Director and Company Secretary. Thereafter, she worked as the Director Finance at Cinnamon Grand and Cinnamon Lakeside Hotels from 2005 until 2011. She is a Non-Executive Director at Hayleys Leisure PLC where she chaired the Board Audit Committee until 2023 and continues to serve as a member.

Ms. de Costa is a Fellow of the Institute of Chartered Accountants of Sri Lanka (ICASL), a Fellow of the Institute of Certified Management Accountants of Sri Lanka (CMA) and holds an MBA from the Postgraduate Institute of Management (PIM) of the University of Sri Jayewardenepura.



Scan QR code to visit
LinkedIn Profile



Scan QR code to visit
LinkedIn Profile

Board of Directors



DR. NISHAN DE MEL

Independent Non-Executive Director

Dr. Nishan de Mel serves as the Executive Director and Head of Research at Verité Research, an independent think tank specializing in analytical research and advisory services focusing on economic, political, and legal matters in Sri Lanka and the broader Asian region. With a robust background in economics, Dr. de Mel brings a wealth of expertise from academia, policymaking, and the private sector to his role. Dr. Nishan de Mel is attached to the Group, by being a Non-Executive Director in the Board of First Capital Holdings PLC.

In Sri Lanka, Dr. de Mel has contributed significantly to various governmental initiatives, including membership in key bodies such as the Presidential Task Force on Health Sector Reform, the Presidential Committee on Tobacco, Alcohol, and Dangerous Drug Regulation, and the National Steering Committee on Social Security. He has also held executive roles at institutions such as the International Centre for Ethnic Studies (ICES) and the Sri Lanka Foundation Institute, among others. His multifaceted expertise and dedication to research-driven insights continue to enrich both domestic and international discourse on critical issues shaping our world today.

Internationally, Dr. de Mel has held prestigious positions in governance, academia, and research. Notably, he served as a Lecturer in Economics at the University of Oxford, UK, where he also pursued his doctoral studies as a Chevening scholar. His academic journey began with an undergraduate degree in Economics from Harvard University, USA, followed by Master's and doctoral degrees in Economics from the University of Oxford.



MS. ANNIKA SENANAYAKE

Independent Non-Executive Director

Ms. Annika Senanayake heads Corporate Planning for the IWS Holdings Group, in diversified business interests in automobiles, aviation, telecommunications, logistics, media and broadcast, warehousing, food and beverage processing and packaging. She is CNN's official business representative for Sri Lanka. She is currently a Director of IWS Holdings (Private) Limited, Scan Furniture (Private) Limited, RAD Productions (Private) Limited and is a Trustee of the Ray Wijewardene Charitable Trust.

Ms. Senanayake has formerly held the roles as an Independent, Non-Executive Director at Sampath Bank PLC until her retirement in 2020 and as CEO of ART Television Broadcasting Co.

She holds a BA in Management Studies from the University of Nottingham.



Scan QR code to visit
LinkedIn Profile



Scan QR code to visit
LinkedIn Profile



MR. SIVAKRISHNARAJAH RENGANATHAN

Senior Independent Non-Executive Director

Mr. Renganathan was the former Managing Director/ Chief Executive Officer of Commercial Bank of Ceylon PLC and had held several key positions in the Bank. In addition, Mr. Renganathan served as the Managing Director and a Board Member of the Commercial Development Company PLC, and Commercial Bank of Maldives Private Limited as the Deputy Chairman.

He is a senior banker counting over 41 years and has led Commercial Bank's acquisition of the banking operations of Credit Agricole Indosuez in Bangladesh. He was the first Chief Risk Officer of the Bank and has held positions as the Deputy General Manager in charge of Bank's island wide branch network and Chief Operating Officer. He served as an Executive Director in the Board of Directors of the Commercial Bank of Ceylon PLC for nearly eight years.

He was also a Director of the Lanka Financial Services Bureau Limited and the Sri Lanka Banks' Association (Guarantee) Limited. Further, he also served as a Council Member of the Employers Federation of Ceylon, Executive member of the Council for Business with Britain, Vice Chairman of the International Chamber of Commerce Sri Lanka, and Executive Member of the Ceylon Chamber of Commerce.

Mr. Renganathan has served among others, as a Member of the General Council of the Institute of Bankers of Bangladesh, Founder President of the Sri Lanka Bangladesh Chamber of Commerce and Industry, Executive Member of the Foreign Investors Chamber of Commerce and Industry in Bangladesh.

He is presently serving as a Member of the International Chamber of Commerce Sri Lanka Policy Advocacy Committee, Sri Lanka Institute of Directors and the Vice President of the Sri Lanka India Society.

Mr. Renganathan currently serves as an Independent Non-Executive Director at Sunshine Holdings PLC, Sunshine Healthcare Ltd., Agility Innovations (PVT) Ltd, Janashakthi Insurance PLC, Ceylon Hospitals PLC, Lina Spiro (PVT) Ltd, Lina Manufacturing (Private) Ltd., Healthguard (Pvt) Ltd., Deputy Chairman of Damro Holdings Ltd, Chairman of Marino Leisure Holdings Ltd.

He is a Fellow of the Chartered Institute of Management Accountants, UK (FCMA), Chartered Global Management Accountant (CGMA), Fellow of the London Institute of Banking & Finance, UK (FLIBF) and a Fellow of the Institute of Bankers Sri Lanka (FIB), and had received extensive Leadership, Management and Banking training locally and in overseas



DR. GEHAN GUNATILLEKE

Independent Non-Executive Director

Dr. Gehan Gunatilleke is an attorney-at-law and a founding partner of LexAG, a law firm based in Colombo. He is a former advisor to Sri Lanka's Ministry of Foreign Affairs, where he advised the government on international treaty compliance and access to the European Union's GSP+ trade concession scheme.

He has also served on several legislative drafting committees in Sri Lanka. Dr. Gunatilleke is currently a Commissioner at the Human Rights Commission of Sri Lanka and a post-doctoral fellow at Pembroke College, University of Oxford.

He has a doctorate and master's degree in law from the University of Oxford, where he was a Commonwealth scholar, and an LL.M from Harvard Law School, where he was a Fulbright scholar.

Dr. Gehan Gunatilleke was appointed to the Board with effect from 24th January 2024.



Scan QR code to visit
LinkedIn Profile



Scan QR code to visit
LinkedIn Profile

Board of Directors



MR. DILIP DE S. WIJYERATNE

Independent Non-Executive Director

Mr. Dilip de S. Wijeyeratne is a senior finance/banking professional and a principal consultant who provides advisory services to companies globally to expand operations within Middle East, Sri Lanka and Australia.

Mr. Wijeyeratne is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (ACA), a Fellow Member of the Chartered Institute of Management Accountants, UK (FCMA) and a Graduate Member of the Australian Institute of Company Directors (GAICD).

He is currently the Senior Independent, Non-Executive Director of Sampath Bank PLC, the Senior Independent, Non-Executive Director of Singer Sri Lanka PLC, and the Senior Independent, Non-Executive Director of Hayleys Fibre PLC. He was also the Head of Finance and Global Markets Operations of HSBC Group Bahrain offices and a Board member of the Bahrain Asian Traders' Committee of Bahrain Chamber of Commerce.

Mr. Dilip de S. Wijeyeratne was appointed to the Board w.e.f. 14th February 2024.



MR. PIRANAVAN SIVAGANANATHAN

Independent Non-Executive Director

Piranavan (Nathan) Sivagananathan is a venture capitalist, investor and an entrepreneur, who manages his Multi – Family office, investing in various industries in South East Asia. He is the co-founder of Hatch, a revolutionary workspace designed to support start-ups and budding entrepreneurs in Sri Lanka. A 2015 Eisenhower Fellow and 2018 Kauffman Fellow, he has long been a supporter of local entrepreneurship and small businesses, as well as an active angel investor in the country.

Currently, he is also a Non-Executive Director at Janashakthi Limited. Nathan brings in a wealth of experience in business and innovation from his former role as the Chief Growth Officer of MAS Holdings and as a former Board Director of MAS Capital. He holds a BSc in Engineering Management from the University of Hertfordshire and has completed the General Management Program at Harvard University

He resigned from the Board w.e.f. 31st December 2023



MR. MAHELA JAYAWARDENA

Independent Non-Executive Director

A leader with a proven track record he has already initiated several changes to the structure of National sports. Having represented Sri Lankan cricket from a young age, he progressed rapidly to establish himself as one of the foremost and most respected cricketers in the world. His innate leadership abilities led to him being appointed Captain of the National cricket team, a position he held for several years with great success including leading Sri Lanka to a World Cup final. Thereafter on retirement, he served as the Consultant of the Cricket Committee of Sri Lanka Cricket. He continues his involvement in sports leadership as the coach of Mumbai Indians the IPL franchise during which time he has led them to the title in three out of five years.

While playing international cricket, Mr. Jayawardena co-founded the award winning 'Ministry of Crab' and launched a career in business in the fields of Agriculture, Property Development and Renewable Energy. He is today a highly respected mentor/coach in the international cricket arena as well as an astute business leader in the Sri Lankan corporate sector. He is also known for his Philanthropic leadership through Trail and the Foundation of Goodness

He resigned from the Board w.e.f. 31st December 2023



Scan QR code to visit
LinkedIn Profile



Not available on
LinkedIn



Not available on
LinkedIn



MR. AVINDRA RODRIGO

**Independent Non-Executive Director/
Senior Independent Director**

Avindra is one of the leading President's Counsels in Sri Lanka. He is an active practitioner in commercial and corporate litigation as well as arbitration and alternative dispute resolution. He has a wealth of experience in the areas of banking, finance, insurance, construction and telecommunications Law. He is listed as a Band 1 Leading Individual for Dispute Resolution, in Chambers – Asia Pacific.

Receiving his LLB (Hons) from the University of Warwick, England, he has appeared in numerous actions arising out of Insurance Contracts, representing either the Insurer or the Assured. He is a Barrister of the Honourable Society of Grays Inn, London, England and an Attorney at Law of the Supreme Court of Sri Lanka.

Mr. Avindra Rodrigo resigned from the Board w.e.f. 1st March 2024.



Not available on
LinkedIn



MR. THANUSHKA JAYASUNDERA

Group Chief Financial Officer

Thanushka joined Janashakthi Insurance PLC in May 2019 from Deutsche Bank. He served as the Assistant Vice President, Risk and Control for Deutsche Bank, Sri Lanka. He has extensive experience in Finance, Asset and Liability Management (ALM), Market Risk and Strategic Planning. Prior to joining Deutsche Bank in 2014, Thanushka held multiple roles at HSBC covering Treasury, Finance and Asset Liability and Capital Management responsibilities.

Thanushka is a Fellow of the Chartered Institute of Management Accountants (CIMA UK), a Fellow of the Association of Chartered Certified Accountants (ACCA UK), an Associate of the Institute of Chartered Accountants of Sri Lanka (CA-SL) and a Member of the Sri Lanka Economic Association. He is a member of Sri Lanka Institute of Directors as well.

Thanushka holds a Master of Science Degree in Finance from University of Oulu (Finland), a Master of Arts Degree in Financial Economics from University of Colombo and a Bachelor's Degree in Business Administration from Northwood University (USA).



MS. WASANTHI STEPHEN

Group Chief Human Resource Officer

Wasanthi Stephen has over 23 years of experience within the Human Resource Industry in Sri Lanka. During this period, she has gained extensive exposure to talent management & culture, employee relations and handling of industrial disputes, mentoring and counseling employees, performance management and career development, HR administration, strategic HR, and learning and development across hospitality, real estate, telecommunication, manufacturing, financial services and insurance industries.

She's accredited as a Professional Certified Coach (PCC). Before joining Janashakthi Group, Wasanthi served as Director of Human Resources for Cinnamon Lakeside Hotel and an Assistant Vice President at John Keells Holdings.

Wasanthi is a qualified Attorney-at-Law and has practiced as a Junior Counsel and an Instructing Attorney, as well as worked for Sri Lanka Telecom's legal division prior to commencing her HR career. She is a Chartered Member of the Chartered Institute of Personnel Management, a Professional member of the Association of HR Professionals, a member of the International Coaching Federation (ICF) USA, a member of the ICF Colombo Chapter, a life member of the Bar Association of Sri Lanka.



MR. K V KUGANATHAN

Group Chief Information Officer

K V Kuganathan is a seasoned business, digital, and IT strategist with a wealth of experience spanning the banking, finance, insurance, and capital market sectors. With an impressive career spanning over 25 years, including a decade at the C-level, Kugan is celebrated for his innovative thinking, creative problem-solving, and a results-driven approach that has consistently delivered outstanding outcomes. He was awarded Chief Information of the year 2023 by CSSL.

Currently serving as the Group Chief Information Officer at Janashakthi Group of Companies, a diverse conglomerate encompassing banking, capital markets, insurance, real estate, and the health sector, Kugan plays a pivotal role in shaping the group's digital landscape. In addition to this role, he holds several influential positions on IT-related boards and has previously chaired the British Computer Society for IT Chartered Institute's Sri Lanka Section. He also sits on the board of the British Computer Society for IT Chartered Institute in the UK. Notably, he has served as a Non-Executive Director for UPAY Payment Solution Ltd.



Scan QR code to visit
LinkedIn Profile



Scan QR code to visit
LinkedIn Profile



Scan QR code to visit
LinkedIn Profile

Before joining Janashakthi, Kugan led the transformation of National Development Bank PLC into Sri Lanka's premier mobility banking solution, setting new standards for customer experience. He also spearheaded the establishment of the Digital Banking division at Hatton National Bank PLC.

Kugan's commitment to driving digital inclusion extends beyond the corporate realm. He actively advises the ICTA – Government ICT Agency on initiatives such as the Digital Hub, Digital Index, Lighting Digital program, and the development of skills for Government Chief Digital Officers, contributing to the formulation of a digitally inclusive country.

Kugan's academic background is marked by distinction, having earned an MSc in IT Consultancy and a degree in Computing and Information Systems. He is a Chartered IT professional from the BCS Chartered Institute for IT in the UK.

His remarkable contributions to the IT industry have earned him numerous prestigious accolades. Since 2011, Kugan has served as a judge for the NBQSA National ICT Awards and the Asia Pacific ICT Awards (APICTA) in various countries. His passion for digital financial inclusion is evident through his active participation as a renowned public speaker at both local and international conferences, where he shares insights on channel optimization and the future of digital finance.



MR. GAMIKA DE SILVA

Group Chief Marketing Officer

Gamika de Silva is the Chief Marketing Officer of Janashakthi Group and brings to the table 24 years of hands-on experience in marketing, sales, and customer experience management. He possesses an extensive background spanning various industries, including banking, telecommunications, FMCG, and insurance.

He has a proven track record of delivering measurable results, successfully executing product and brand positioning strategies, expanding market coverage, identifying new market opportunities, and transforming business environments.

Gamika served as the Senior Brand Manager for Janashakthi Insurance from mid-2005 to December 2008. Following this role, he held several notable positions at Etisalat Lanka and Bharti Airtel Lanka. Before re-joining the Janashakthi Group, Gamika served as the Assistant General Manager overseeing Marketing & Sales at Seylan Bank PLC.

Gamika is a Fellow of the Sri Lanka Institute of Marketing and has also served as its President from 2013 to 2014. He is a graduate of the Chartered Institute of Marketing (CIM) and holds a Master of Business Administration specialized in Marketing from the University of Wales. He is an alumnus of Royal College Colombo.

He is an accomplished motivational speaker, skilled at facilitating strategy workshops, and has effectively managed brand personalities and cultivated strategic partnerships. Gamika is also an avid sports enthusiast.



Scan QR code to visit
LinkedIn Profile



DANUSHKA SAMARASINGHE

Head of Human Resources

Danushka has navigated a diverse career path, transitioning from IT to Human Resources. Commencing his HR career as a Talent Development Specialist, he evolved into a versatile specialized HR Generalist with expertise in Talent Management, Employee and Industrial Relations, and HR Service Delivery.

With over 12 years in the HR field, he has a wealth of experience in implementing HR strategies and initiatives across diverse industries, having served in prominent conglomerates and companies such as Laugfs Holdings and Morison Ltd/Hemas Holdings.

He possesses a BSc in Management of Information Technology from the University of Wolverhampton, UK, and an Executive M.Sc in Human Resource Management from AeU University, Malaysia. Danushka is a Certified Coach and holds certifications in various related fields, including Certified DISC Trainer (Wiley International), Certified HRD Auditor, and Certified Competency Mapping specialist (TV Rao Learning Systems, India). Moreover, he holds several qualifications in Psychology and Hypnotherapy, enriching his HR expertise.



JUDE SILVA

Head of Marketing

Jude Niranjith Silva is an accomplished marketing professional with over two decades of experience. He currently leads the marketing strategies for Janashakthi Insurance PLC. Joining Janashakthi in 2007, he rose through the ranks as an accomplished marketing professional serving the Company at various capacities during his tenure.

Jude holds a Bachelor of Science Degree in Business (Special) with a First Class Honours from the Manchester Metropolitan University, UK and a Masters Degree in Business Administration (MBA) from University of Sri Jayawardenapura, through Postgraduate Institute of Management (PIM). He is a Chartered Marketer, a member of both Chartered Institute of Marketing (CIM-UK) and Association of Accounting Technicians of Sri Lanka (AAT-SL).



REHEN GUNAWARDENA

General Manager – Sales Distribution

Rehen has more than 30 years of professional experience in Insurance Industry. Starting his insurance career at Ceylinco Insurance, he rose through the ranks as an accomplished Insurance Sales Professional.

Rehen holds a Master of Business Administration from Cardiff Metropolitan University, UK. He also possesses many industry certifications including AMTC qualification from LIMRA, USA and is a Fellow Member of the Life Underwriting Training Council, USA.

Rehen is a certified Moderator to conduct AMTC by LIMRA and Life Underwriting Training Council (LUTC) USA.



Scan QR code to visit
LinkedIn Profile



Scan QR code to visit
LinkedIn Profile



Scan QR code to visit
LinkedIn Profile



TERRANCE SAMPATH

General Manager – Sales

Terrance Sampath is a much-disciplined professional with nearly 32 years of broad-based experience in the Insurance field and has an outstanding track record in Sales Management, especially Regional Business Development. He started his career in Insurance at Ceylinco Insurance PLC in 1992. He joined Janashakthi PLC in 2005 as a Portfolio Manager and rose through the ranks and was serving as Zonal Manager by 2011.

He joined Arpico Insurance in 2011 as a founding member in the capacity of Assistant General Manager– Sales and Marketing. He was serving as General Manager, Sales and Marketing when he left Arpico Insurance in 2023. He rejoined Janashakthi on 1st March 2023 in the capacity of General Manager– Head of Retail Business Channel.

Terrance holds an MBA from the IIC University of Technology, Kingdom of Cambodia and also holds several insurance certifications including AMTC qualification from LIMRA, USA and is also a Fellow Member of the Life Underwriting Training Council, USA.



NILANGA WICKRAMASINGHE

Consultant

Nilanga is a Professional Insurance Practitioner and a Service Industry Strategist. He is a specialist in Sales, Marketing & Performance Management with the ability to inspire, transform and sustain team members to become their best, in turn facilitating organisational growth.

He has succeeded in scaling up existing businesses, strategic positioning and new market identification for multimillion-dollar organisations inclusive of foreign startups.

Nilanga counts over 33 years of management exposure and has extensive experience in Service Marketing at large scale business organisations in Insurance, Financial Services and Hospitality. He specializes in Growth Management Consultancy and joined Janashakthi Insurance PLC in 2020 as a consultant. He was the Director/CEO of LOLC Insurance International, CEO/COO of LOLC General Insurance Co Ltd and LOLC Life Assurance Ltd and the Head of National Sales at Sri Lanka Insurance Corporation Ltd.

He is a Chartered Insurance Agency Manager (CIAM) and possesses a Post Graduate Degree in Management and a Fellowship in Life Insurance Marketing.



Scan QR code to visit
LinkedIn Profile



Scan QR code to visit
LinkedIn Profile

Senior Management



EMMANUEL ARNOLD

AGM - Life Sales



Scan QR code to visit
LinkedIn Profile



SAKUNA JAYASURIYA

AGM - Corporate Sales



Scan QR code to visit
LinkedIn Profile



THUSHARA SAMPATH

AGM - Cluster Head



Scan QR code to visit
LinkedIn Profile



MR. SUSANTHA DE SILVA

Consultant - FSA & T&D



Scan QR code to visit
LinkedIn Profile



CHANDIMAL MUDIYANSE

AGM - Life Sales



Not available on
LinkedIn

Your Shield of Assurance



RISK & GOVERNANCE

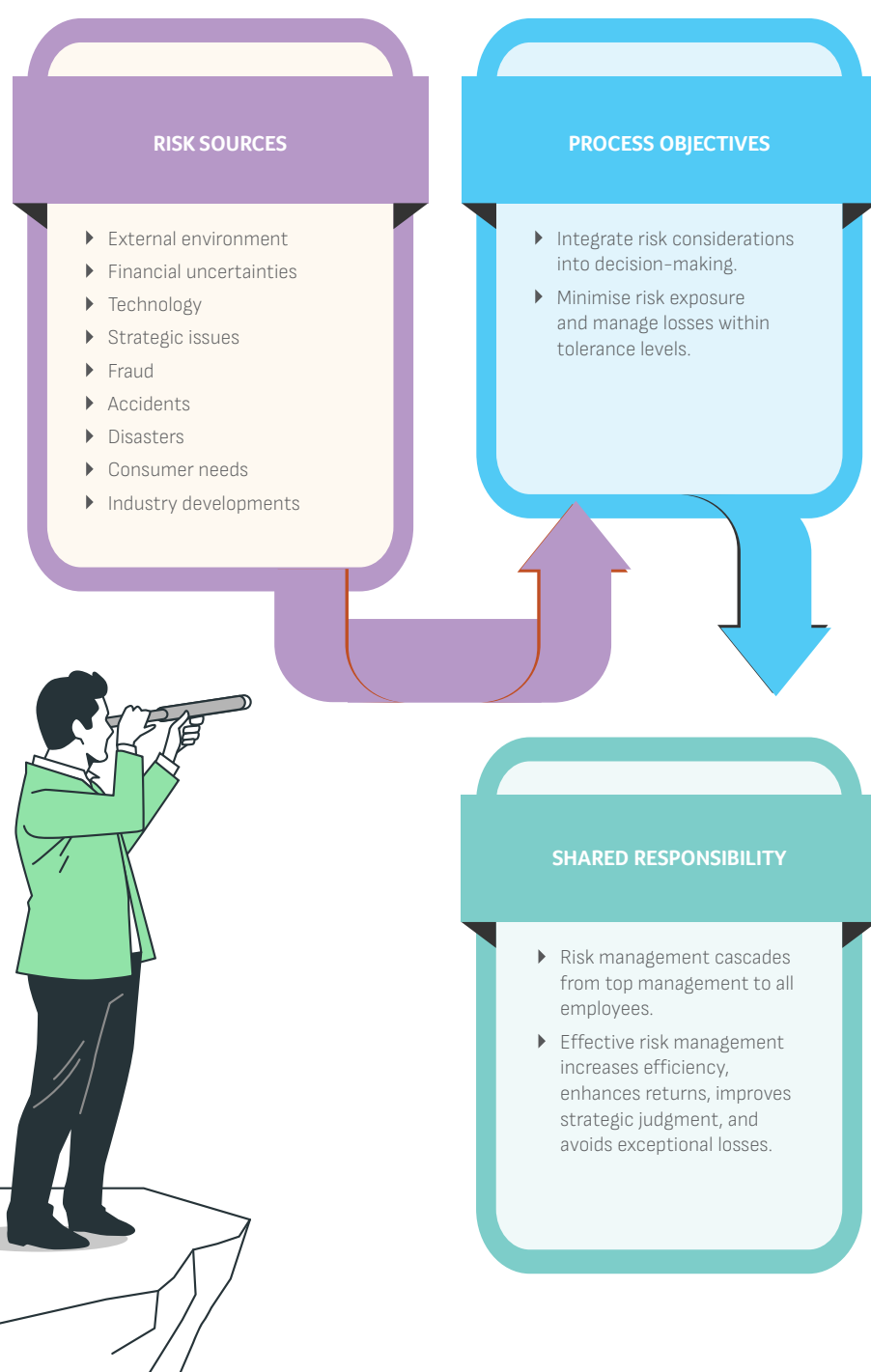
With our expertise and dedication, you can trust us to stand by your side, shielding you from risks and empowering you to face the future with confidence. Let us be your trusted partner in building a stronger, more secure tomorrow.

A Fundamental Imperative for Janashakthi Life

Risk Management Process

Risk management lies at the core of Janashakthi Life's operational ethos, serving as an indispensable component in navigating the dynamic landscape of the financial services industry.

As an organisation deeply committed to excellence and sustainability, we recognise the inherent uncertainties that accompany our daily operations and have thus embraced a comprehensive risk management framework to safeguard our interests and those of our stakeholders.



APPROACH TO RISK MANAGEMENT

Our approach to risk management transcends mere adherence to regulatory requirements; it embodies a proactive stance aimed at identifying, evaluating, and mitigating risks across all facets of our business. Through strategic deployment of resources and alignment with our risk appetite, we strive to not only protect our assets but also capitalise on emerging opportunities in a rapidly evolving market environment.

At Janashakthi Life, risk management is not confined to the boardroom; it permeates every level of our organisation, underscoring our collective responsibility to uphold the highest standards of integrity and resilience. By fostering a culture of risk awareness and accountability, we empower our employees to become vigilant guardians of our Company's reputation and financial well-being.

RISK MANAGEMENT PROCESS

Our risk management process is characterised by a three-tiered defence mechanism, comprising frontline business units, a dedicated risk and compliance unit, and internal audit functions. This layered approach ensures robust oversight and continuous improvement, enabling us to adapt swiftly to changing circumstances and emerging threats.

TIER 1: FRONTLINE BUSINESS UNITS

- ▶ Proactive risk identification and mitigation.
- ▶ Implement controls and risk management practices.
- ▶ Report risks to dedicated risk and compliance unit.

TIER 2: DEDICATED RISK & COMPLIANCE UNIT

- ▶ Independently assess and validate risks.
- ▶ Develop and implement enterprise-wide risk management strategies.
- ▶ Monitor and report on risk exposure and compliance.

TIER 3: INTERNAL AUDIT FUNCTION

- ▶ Conduct independent audits of risk management practices.
- ▶ Provide assurance on effectiveness of controls.
- ▶ Report findings and recommendations to management.

GOVERNANCE AND OVERSIGHT

The Board of Directors, through the dedicated Board Audit Committee, shoulders the ultimate responsibility for Janashakthi Life's risk management framework. To ensure transparency and informed decision-making, the risk and compliance division prepares and submits comprehensive risk assessment reports to the Board Audit Committee every quarter. These reports are meticulously reviewed and presented to the Board of Directors with relevant observations and recommendations, establishing a clear chain of accountability.

COLLABORATIVE RISK ASSESSMENT

The risk and compliance division spearheads the risk assessment process, fostering a collaborative approach with various departmental heads. This collaboration allows for the comprehensive identification of both existing and potential risks across different areas of the business. Recognising the critical need for independence, the risk and compliance function operates autonomously from business functions, providing an objective and unbiased perspective. This independent oversight strengthens the integrity and effectiveness of the entire risk management framework.

Furthermore, the framework defines "risk tolerance limits" to guide decision-making. Any identified risk exceeding these limits undergoes a rigorous mitigation process. This involves implementing appropriate measures to reduce the risk to an acceptable level within the Company's risk appetite, ensuring informed risk management and minimising potential losses.

KEY RISK AREAS

Janashakthi Life proactively addresses a spectrum of key risk factors, each with a potential impact on the Company's operations and performance. These key areas include:

Macroeconomic Risk

Fluctuations in the broader economic climate can significantly impact the business environment and require close monitoring and strategic adjustments.

Strategic Risk

Risks associated with the Company's business strategy, strategic objectives, and their implementation are carefully assessed and minimised.

Compliance Risk

Janashakthi Life remains vigilant in minimising the cost of non-compliance, potential regulatory sanctions, and litigation that could arise from regulatory breaches.

Credit Risk

The risk of financial loss due to loan defaults or investment failures is actively managed through robust creditworthiness evaluations and risk mitigation strategies.

Financial Risk

This encompasses various factors affecting the Company's financial stability, such as interest rate fluctuations and management of financial assets and liabilities.

Business Process Risk

The reliability and effectiveness of operational procedures are continuously evaluated and improved to minimise errors and disruptions.

Capital Management Risk

Maintaining adequate capital reserves, exceeding regulatory requirements, and incorporating an additional buffer, ensures the Company's ability to weather unforeseen losses and maintain financial stability.

By proactively addressing these diverse risk factors, Janashakthi Life establishes a robust and adaptable risk management framework, safeguarding its long-term sustainability and stakeholder value creation.

A Fundamental Imperative for Janashakthi Life

Risk Management

KEY RISKS FACED AND MITIGATION STRATEGIES TAKEN DURING THE YEAR

Key Risk Faced	Mitigation Action	Successful Management
Market Risks	Continuous and dynamic market risk management involves the monitoring of movements of key global and local economic indicators and frequent stress testing carried out as part of market risk mitigation, enabling the risk unit to pre-warn the Company on impacts arising from extreme volatilities of key economic indicators. Assessing the sensitivity to the said volatilities also enabled the Company to understand the resulting impacts on its: ▶ Investment Portfolio, ▶ Unrealised/realised losses via the same, ▶ Impacts via the existing asset and liability mismatch, ▶ Asset quality and potential credit risks, ▶ Capital Adequacy Ratio, and ▶ Solvency Ratio. The monitoring of movements of key global and local economic indicators and frequent stress testing carried out as part of Market Risk Mitigation, enabled the Risk Unit to pre-warn the Company on impacts arising from extreme volatilities of key economic indicators.	
Sovereign Risks	Resulting risks and impacts on the Company's exposure to Government securities were assessed under multiple scenarios. Based on the impact assessment, prudent and cautious treatment has been evaluated and decided through 2023.	
Interest Rate Risks	The dynamic Market Risk Management as detailed above has resulted in the Company understanding the strategies required to mitigate and allow for opportunities from varying interest rate scenarios. The continuous increase of rates through 2022/2023, resulted in the Company strategising on maximising the movement of rates, whilst fully understanding the factors and time frame of when the trend will reverse and preparing for the same.	
Lapse Risk	Scenario/stress testing and sensitivity analysis of key insurance risks allowed the Company to understand the impacts that could arise in the event of lapse risks owing to inflation and limited disposable income. This led to a concentrated renewal campaign and targeted KPIs on persistency that were closely monitored throughout 2023.	
Inflation Risk/Claims Risk	Throughout 2023, the Company witnessed a rise in its claim ratio, prompting a thorough analysis to pinpoint the factors contributing to this escalation, which revealed elevated medical inflation and heightened frequency of claims associated with Dengue and Lower Respiratory Tract Infections.	

OVERVIEW OF STRATEGIC RISKS

Economic and Political Risk	The Risk Unit performs a detailed economic analysis every quarter. The analysis details economic performance as well as expected economic performance and expected values of key economic indicators. A close watch is also kept on global industry trends.
Competitor Risk	▶ Constant monitoring and comparison of the Company's performance against peers. ▶ Implementation of a market intelligence force to ensure timely gathering of competitor activity. ▶ Product Implementation Committee to ensure that the Company's product portfolio remains competitive based on the above information.
Co-operation and awareness of common direction	▶ Clear communication of the Company's strategy and business objectives to all employees through interactive town hall sessions. ▶ Communication through 2023 was approached via a top-down method, where all employees were informed of the Company's plans through their Heads of Departments via e-flyers circulated through email and WhatsApp groups.
Minimum Capital Adequacy Ratio	▶ Capital Management Policy and Limits specific to capital adequacy. ▶ Forecasted internal capital model to ensure capital adequacy is above regulatory requirements. ▶ Monthly CAR calculations to understand trends of key driving factors
Increased Regulatory/ Compliance Requirements	▶ A close watch is kept on all potential regulatory directions by the Risk Unit. ▶ The Risk and Compliance Unit also informs of regulatory developments to the relevant business units to support such business teams to align business activities or report requirements with such regulatory developments. It also reports on the compliance status with relevant regulatory requirements to the Audit Committee every quarter.
Business Continuity	▶ The Company is equipped with a formal Business Continuity Plan, that details all services and systems that are considered critical for business continuity as well as their recovery time objectives. ▶ Knowledge sharing sessions and advanced Testing of the procedures are also carried out annually for teams identified as critical and ensure that Recovery Time Objectives can be fulfilled in the event of a disaster.
Business Continuity of Critical Systems	▶ The Company is also equipped with an independent Disaster Recovery Site for its servers. ▶ Disaster Recovery Simulation exercises are also conducted for all systems considered critical.
Internal Controls	▶ The Company's Internal Control environment is reviewed continuously as per the plan approved by the Audit Committee annually. Findings are reported to the Audit Committee as well as the Senior Management every month. ▶ The unit has also established both a • Claims Monitoring Unit and • A Fraud Detection Unit. ▶ The completion rate/adoption rate of all suggestions and recommendations remains at approximately 95%-100% as of the above date.
Staff Turnover	The following strategies were initiated to reduce Non-Sales Staff Turnover at the beginning of the year and have continued throughout the year. ▶ Identification of critical resources across all departments and submission of a detailed succession plan. ▶ Recruiting staff at branches with prior exposure to customer service and those that possess a higher set of skills. ▶ Utilising the Town Hall sessions conducted as a tool to identify issues faced by the staff and to provide relevant solutions.
Reputation Risk	▶ The Company's social media page is also monitored closely and all customer complaints directed through social media are handled and directed to the Customer Relationship Management Unit. ▶ All customer complaints are handled in line with the guidelines issued by IBSL on complaint management.

We've established a framework that ensures sustainable growth and ethical leadership.

Corporate Governance

Corporate Governance refers to the structures and processes that are established by a company for the direction and control of the organisation. It concerns the stewardship provided by the Board, relationship between the Board of Directors, Shareholders, Management and Other Stakeholders.

A strong corporate culture and ethics are vital for the survival and profitability of an organisation in a highly competitive market. Therefore, sound Corporate Governance practices have been put in place at Janashakthi Insurance to achieve its objectives while complying with statutory rules and regulations.

The Governance structure at Janashakthi Insurance is driven by the Board of Directors who set the tone at the top. The Board approves the strategy and set the corporate values and determines the risk appetite of the Company. It ensures that the Company operates within the regulatory framework and applicable laws and legislation and that appropriate internal controls are in place to comply with the regulations.

The Governance Framework at Janashakthi Insurance is driven by Board approved policies and procedures which are in place governing all aspects of operations. These policies ensure the compliance of the organisation with applicable laws and regulations.

The Company is in compliance with the following Directions relating to Corporate Governance

- ▶ Direction No. 17 on Corporate Governance issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL).
- ▶ Listing Rules issued by the Colombo Stock Exchange (CSE). and voluntarily complies with the Code of Best Practice on Corporate Governance (Code) issued jointly by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the Securities and Exchange Commission (SEC) of Sri Lanka to the extent possible

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Sec. 1	The Company		
A	Directors		
	The Board		
IRCSL Direction S. 1	The Board of an Insurer must be comprised of a minimum of two Directors who are citizens of Sri Lanka and also residents of Sri Lanka	Complied	As at 31st December 2023, the Board of JIPLC comprises of 08 Directors (of whom 06 are Non-Executive Directors). The requirement for residency and citizenship of Directors has been met.
Code A.1	The need for the Company to be headed by an effective Board, which should direct, lead and ensure effective controls for the Company.	Complied	The Company is headed by a dynamic Board with expertise in diverse fields. The Directors are well qualified and experienced with a thorough understanding of the business complexities and are prominent corporate personalities, with experience in different industries. Board responsibilities and other core functions are discussed in detail in this Report. The detailed individual profiles of Board members are provided on pages 52 to 57.

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code IA1.1	The Board should meet regularly. Board meetings should be held at least once every quarter of a financial year in order to effectively execute Board's responsibilities, while providing information to the Board on a structured and regular basis.	Complied	Board meetings are held every quarter and as and when the need arises. The Board met 10 times during the year 2023. In addition, Operational Board Meetings were held every quarter to apprise the Board Members on operational matters. The Board approved the Company's business strategy for the year 2023 and was actively involved in monitoring the performance of both financial and non-financial objectives and targets. The Board also reviewed and approved policies and procedures related to risk management. The core focus at Board meetings was to review and discuss the Company's performance and to review achievement of strategy and to ensure target expectations are being met and to make relevant decisions at the highest level. In addition, the Board Sub-Committees were convened in relation to matters falling under the purview of each sub-committee. The Board Papers are forwarded to the Directors in advance of the meeting. Any additional information requested by the Board has always been provided within a short period in order for the Board to be prepared in making decisions at the meetings.
IRC SL Direction S. 2 (a)	The total period of service of a Director of an Insurer, other than an Executive Director, shall not exceed 9 years and such period in office shall be inclusive of the total period of service served by such Director up-to 01st July 2019	Complied	The total period of service each Non-Executive Director did not exceed 9 years of service.
IRC SL Direction S. 3	The age of a person who serves as a Director shall not exceed 70 years	Complied	The age of any of the Directors did not exceed 70 years.
IRC SL Direction S. 4	The Board of an Insurer must adhere to Section 7.10 of the Listing Rules of the Colombo Stock Exchange (or any amendments made thereto), pertaining to Corporate Governance	Complied	JPLC has complied with the currently applicable provisions of Section 9 of the new CSE Listing Rules, as well as most of the requirements that will be effective on future dates.
IRC SL Direction S. 5	A person shall be disqualified to be a Director of an Insurer if such person is a Director of more than 20 companies, inclusive of subsidiaries or associate companies of the Insurer. Of such 20 companies, not more than 10 companies shall be classified as Specified Business Entities.	Complied	As at 31.12.2023, none of the Directors have exceeded the limit on Directorships specified in the IRC SL Direction. During the year, 02 Directors who exceeded the permitted number of directorships stepped down from the Board, so that the Company could be compliant with the requirement.

We've established a framework that ensures sustainable growth and ethical leadership.

Corporate Governance

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code A.1.2	The Board's role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. In performing its role, the Board should be responsible for matters including:		
	Formulation and implementation of sound business strategy	Complied	The Board, in principle, is responsible for approving the business strategy and guiding the business operations of the Company in line with such strategy and ensuring that the management team possesses the expertise to implement same. Strategies formulated are implemented through the Chief Executive Officer and the Senior Management Team.
	Appointing the Chair and the Senior Independent Director, if relevant	Complied	The position of Board Chairperson is currently vacant and the Deputy Chairman acts as the Chair. Since the Deputy Chairman is a non-independent Director, a Senior Independent Director (SID) has been appointed, in line with the governance requirements.
	Ensuring that the Chief Executive Officer (CEO) and management team possesses the skills, experience and knowledge to implement the strategy	Complied	The Company is steered by a team of multi-disciplinary professionals (Profiles of Senior Management Team is provided on page 62), led by a CEO with diversified qualifications and experience, who reports to the Board of Directors. The senior management team possess the necessary qualifications and skills to perform their respective roles.
	Ensuring the adoption of an effective CEO and Key Management Personnel succession strategy;	Complied	JPLC has a succession planning process in place for identifying and grooming staff for key positions within the Company, in order to ensure the continuity of its operations.
	Approving budgets and major capital expenditure	Complied	The annual budget, prepared by the Management is submitted to the Board for its review and approval.
	Any major capital expenditure items are submitted to the Board for approval.	Complied	
	Determining the matters expressly reserved for the Board and those delegated to the Management including limits of authority and financial delegation	Complied	The matters specifically reserved for the Board are specified in the Corporate Governance Framework of JPLC. Other matters that are delegated to the Management are determined by the Board, from time to time.

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
	Ensuring effective systems to secure integrity of information, internal controls, cyber security and business continuity and Risk Management;	Complied	Integrity of information, internal controls, information security and cyber security are considered a key factor in JIPLC's operations. Such systems are continuously monitored by the management and verified by the internal and external auditors. Any breaches identified are reported to the Board Audit Committee periodically and the remedial action taken is reported to the Board for their decisions. Effective mechanisms are also in place to identify, assess and manage/mitigate risks faced by the Company which are discussed in detail in the Risk Management Report on pages 64 to 67. JIPLC duly reviews and updates its Business Continuity Plan to ensure the sustainability of operations.
	Ensuring compliance with laws, regulations and ethical standards	Complied	Compliance with regulatory requirements and applicable laws is considered a high priority in the governance framework of JIPLC. New regulatory requirements are promptly disseminated to the relevant business/operational divisions for implementation by the Risk Management and Compliance Division. The compliance status pertaining to the applicable laws and regulations are submitted for the information of the Board, thus ensuring the commitment of the highest governing body of the Company. Further, the monthly status of compliance with statutory requirements is monitored by the Risk Management and Compliance Division and is informed to the Board on a quarterly basis. This process also ensures that the Board is updated on all Compliance aspects of the Company.
	Ensuring that all stakeholder interests are considered in corporate decisions	Complied	JIPLC has established a strong set of values within the Company and adhering to these values and principles are encouraged at all times. The Board evaluates the impact on all the key stakeholders of the Company before arriving at any key business decision.
	Recognising sustainable business development and ESG Risk in Corporate Strategy, decisions and activities and consider the need for integrated reporting;	Complied	The Board is mindful of sustainable business development and has always taken a long-term approach to insurance business development with enhanced focus on sustainability. The annual report of the Company is prepared as an integrated report.

We've established a framework that ensures sustainable growth and ethical leadership.

Corporate Governance

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
	Ensuring that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations	Complied	The Board comprises of professionals from various backgrounds, including finance and many years of experience and exposure to financial regulations. The Board Audit Committee reviews the Accounting Policies and the Financial Statements to ensure that highest ethical standards in adopting accounting policies are adopted. The Company's accounting policies are in adherence to Sri Lanka Accounting Standards (SLFRS/LKAS). In addition to the above, the accounting policies are reviewed on a frequent basis to ensure they are in line with the changing business and best practices in the industry. The adoption of proper accounting standards and policies are embedded in the Company's values and ethical standards.
	Fulfilling other Board functions as are vital to the organization, given the nature, scale and complexity of the organisation	Complied	During the year, the Board endeavoured to fulfil their stewardship obligations on behalf of all stakeholders and dealt with issues that came up during the year.
A1.3	Procedure to obtain independent professional advice where necessary	Complied	The Board and its Sub-Committees have the authority, to obtain independent professional advice, legal counsel, consultants or other external expert advisors as and when deemed necessary, at the Company's expense. This is embedded in the Corporate Governance Policy of the Company.
A1.4	All Directors have access to the advice and services of the Company Secretary	Complied	Janashakthi Corporate Services Ltd. serves as the Company Secretary for JIPLC, who ensures compliance with Board procedures, Companies Act & CSE regulations. All Directors have access to the Company Secretary on any relevant matter. The Company Secretaries do not perform any functions that give rise to a conflict of interest.
	Fulfilling other Board functions as are vital to the organization, given the nature, scale and complexity of the organisation	Complied	During the year, the Board endeavoured to fulfil their stewardship obligations on behalf of all stakeholders and dealt with issues that came up during the year.

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
A1.5	All Directors should bring independent judgment to bear on issues of strategy, performance, resources and standards of business conduct.	Complied	The Directors of JIPLC are well qualified and experienced in their fields of expertise. They bring their independent judgment into matters relating to the Company and are conscious of avoiding matters of potential or actual conflicts of interests. Further, all directors use independent judgment in choices made by the Board on matters of strategy, performance, resource distribution and the conduct of operations. These view-points are discussed at Board meetings and decisions are arrived at. Each year various executive officers meet with the Board Members to review the previous year's results and progress to focus on goals and challenges of the upcoming year. Management also periodically updates the Board on progression of the business unit's focus goals.
A1.6	Every Director should dedicate adequate time and efforts to matters of the Board and the Company.	Complied	Board papers for discussion at a given meeting are circulated in advance of the said meeting, to provide Board members with sufficient time to study the material and request any additional information deemed necessary for the discussions. Board papers are discussed in detail and debated at the Board meeting before a final decision is made. Members of the Executive Committees are also requested to make presentations when needed to obtain clarity in order to analyse a given situation. Directors' time was spent on strategy evaluation, performance review and directing corrective measures for fine tuning areas where it was deemed required. During 2023, the Directors allocated a significant amount of time to address the strategies to meet the economic conditions that prevailed during the year and strategies to overcome the risks posed by the economic challenges.
A1.7	One third of Directors can call for a resolution to be presented to the Board	Complied	This is accommodated through the Corporate Governance Policy.
A1.8	Every Director should receive appropriate training when first appointed to the Board and subsequently as necessary. The Board should regularly review and agree on the training and development needs of the Directors.	Complied	New Directors joining the Board are provided an induction to brief them on Company and industry specific matters as well as the regulatory environment. The Directors' knowledge and understanding of new areas relating to the matters of the Company is refreshed with briefings as necessary on relevant topics.

We've established a framework that ensures sustainable growth and ethical leadership.

Corporate Governance

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
CSE 9.3	Board Committees		
CSE 9.3.1	The following Board committees to be established and maintained at a minimum and are functioning effectively: ▶ Nomination & Governance Committee ▶ Remuneration Committee ▶ Audit Committee ▶ Related Party Transactions Review Committee	Complied	The said Committees have been established with written Terms of Reference and the composition in line with the requirements under the Rules.
CSE 9.6/A2	Chairperson & CEO		
	The Chairperson shall be a Non-Executive Director and the position of Chairperson and CEO shall not be held by the same person. There should be a clear division of responsibilities at the head of the Company, which will ensure a balance of power & authority so that no individual has unfettered power.	The position of Chairperson is currently vacant and the Deputy Chairperson acts in the capacity of the Chairperson. Complied with, as provided in the Rules.	There is a clear division of responsibilities between the position of Chairperson and the CEO. Currently, the position of Chairperson is vacant and the Deputy Chairman performs the role of the Chairperson. A Senior Independent Director has been appointed since the Deputy Chairman is an Executive Director. The Chair ensures Board governance and that stakeholder expectations are met, while the CEO makes decisions on day-to-day operational matters of the Company. At the same time, the Chairman and CEO maintain an excellent working relationship facilitating the distinction between conduct of business operations and governance and authority.
A2.1	A decision to combine the posts of Chairman and the CEO as one person should be highlighted and justified.	Not Applicable	The Chairman and CEO positions are held by different individuals.
A3	Chairman's Role		
	As the person responsible for running the Board, the Chairman should preserve order and facilitate the effective discharge of Board Functions	Complied	The Chairman is responsible for leadership of the Board, ensuring its effectiveness on all aspects of the Company's business and to the best interests of all stakeholders. The Chairman also ensures that the Directors receive accurate, timely and clear information and facilitates constructive relations between Executive and Non- Executive Directors.
A3.1	The Chairman conducts Board proceedings in a proper manner.	Complied	The Chairman ensures effective participation of both Executive and Non- Executive Directors in the conduct of Board meetings.
A4	Financial Acumen		
	The Board should ensure that the availability within it of those with sufficient financial acumen & knowledge to offer guidance on matters of finance.	Complied	The Board comprises of three members with professional accounting qualifications and collectively possess a strong financial acumen and capability to assess the integrity of the Company's financial reporting systems & controls, continually review and critique these systems and make changes to them as necessary.

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
CSE 9.5	Policy on Matters Relating to the Board of Directors		
CSE 9.5.1	The Company to maintain a formal policy on matters relating to the Board of Directors	Complied	The Board has approved a policy on Corporate Governance, which encompasses the requirements under the Rules. The desired balance of skills, expertise and qualifications on the Board is monitored and ensured by the Nomination and Governance Committee. In terms of the Framework of Corporate Governance, the maximum number of Directors on the Board of JIPLC has been specified as 11, which would accommodate the range of skills and expertise required on the Board in terms of the size and complexity of operations of JIPLC. The Board meetings are held on a quarterly basis, at the minimum or as often as necessary. In line with the IRCSL Direction on Corporate Governance, the maximum number of directorships that a director of JIPLC can hold, has been specified as 20. The Corporate Governance Framework also requires a Director to participate in at least 50% of the meetings held in a year, in order to ensure consistent attendance at Board Meetings. Participation via audio-visual means and acceptance of such attendance when deciding on the quorum is included in the Governance framework.
CSE 9.5.1 (a)/ Code A5	Board Balance A balance of Executive and Non-Executive Directors such that no individual or small group of individuals dominate the Board Meetings.	Complied	The views of all Directors are taken into consideration at Board Meetings and no individual or group of individuals dominate.
A5.1	The Board should include at least three Non-Executive Directors or such number of one third of total number of Directors, whichever is higher.	Complied	As at 31st December 2023, the Board comprised of six Non-Executive Directors, out of a total of eight Directors. This provides a desirable mix of Executive and Non-Executive Directors and the majority is Non-Executive Directors.
A5.2	Three or two-thirds of the Non-Executive Directors appointed to the Board, whichever is higher, should be independent.	Complied	There were 5 Independent Directors out of the six Non-Executive Directors as at 31st December 2023. This has further improved with the appointment of an additional independent director in January, 2024.
A5.3	Criteria for a Director to be deemed independent.	Complied	The independence of Non-Executive Directors is determined in line with the Listing Rules of Colombo Stock Exchange.

We've established a framework that ensures sustainable growth and ethical leadership.

Corporate Governance

Reference to Section in IRC SL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
CSE 9.8.5/ Code A5.4,	Non-Executive Directors should submit a signed declaration of their independence or non-independence.	Complied	Non-Executive Directors have submitted the declaration to determine their independence or non-independence, records of which is maintained by the Company Secretaries.
CSE 9.8.5 (b)/ Code A 5.5	The Board should make a determination annually as to the independence or non-independence of Directors and set out in the Annual Report the names of Directors.	Complied	Non-Executive Directors have submitted the declaration to determine their independence or non-independence, records of which is maintained by the Company Secretaries.
CSE 9.8.5 (b)/ Code A 5.5	The Board should make a determination annually as to the independence or non-independence of Directors and set out in the Annual Report the names of Directors.	Complied	The Board has made a determination of the independency of the Directors. The information is disclosed in page 52 to 57.
CSE 9.10.4	The Board to publish in its annual report a brief profile of each Director which includes information on the nature of his/her qualifications, expertise in relevant functional areas etc.	Complied	Please refer the details of Directors in page 52 to 57.
CSE 9.10.2	Make a Market Announcement on details of new Directors appointed to the Board	Complied	Market Announcements have been made, including the required details, at the time of appointment of new Directors.
CSE 9.6	Chairperson and CEO		
CSE 9.6.1	Chairperson to be a Non-Executive Director and the position of Chairperson and CEO shall not be held by the same individual.	Complied	The roles of the Chairperson and the CEO of JIPLC are held by different individuals. However, at this point in time, the position of the Chairperson is vacant and the Deputy Chairman (Mr P Schaffter) acts in the capacity of the Chairperson.
CSE 9.6.2/9.6.3	If unable to comply with Rule 9.6.1 above, make a Market Announcement and appoint a Senior Independent Director.	Complied	Since the Deputy Chairman, who acts as the Chairperson is an Executive Director, a Market Announcement has been made and an Independent Director (Mr. S. Renganathan) has been appointed as the Senior independent Director.
Code A5.10	Recording of Directors concerns on Board meetings in matters, which cannot be unanimously resolved.	Complied	Any significant concerns raised by the directors at the Board Meetings, are recorded in the Minutes of the Board Meetings.
Cide A6	Supply of Information The Board should be provided with timely information in a form and of a quality appropriate to enable it discharge its duties	Complied	The Board receives a standard set of timely, accurate and reliable information regularly. These include both financial and non-financial data and the Board at any given time could request for additional information in order to clarify or make a reliable judgment and discharge its duties effectively. The papers for each meeting is uploaded in advance enabling the Directors to prepare for the discussion at Board Meetings and to request for any additional information.

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code A6.2	The minutes, agenda and papers required for a Board meeting ordinarily be provided to Directors at least seven days before the meeting and the minutes of the meeting should be provided at least two weeks after the meeting date.	Complied	The Board is provided with materials in advance of any meeting for review and study. Members of management, depending upon items to be considered at the meeting, compile most material and submit seven days prior to a meeting.
CSE 9.7	Fitness of Directors and CEO		
CSE 9.7.1	Ensure the Directors and the CEO are, at all times, fit and proper persons as required in the Rules.	Complied	The fitness and propriety of Directors are reviewed by the Nomination and Governance Committee. The criteria specified under the Rules are also applied in the approval of any new Directors by the IRCSL. In terms of the Regulation of Insurance Industry Act, all appointments of Directors and the CEO are approved by the IRCSL.
CSE 9.11.1	Appointments to the Board	Complied. Although this requirement comes into effect from 01.10.2024, JIPLC is in compliance with the requirement in advance. The composition of the Committee has been reconstituted in order to fall in line with the requirements under the Rules.	The Board Nomination and Governance Committee is in place with the mandate of ensuring the right balance of skills and knowledge on the Board. Names of Chairman and members of the Nomination Committee and details of meetings is available on page 147.
Code A.7	To establish a Nomination & Governance Committee that conforms to the requirements under the Rules. There should be a formal and transparent procedure for the appointment of new Directors to the Board		
A7.1	A Nomination Committee comprising of a minimum of 3 members should be established to make recommendations to the Board on all new appointments. The Chairman and Members of the Nomination Committee should be disclosed in the Annual Report.		
Code A7.2	The Nomination Committee should annually assess Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands of the Company.	Complied	The strength and composition of the Board is assessed by the Nomination Committee to ensure that their knowledge and experience complement the vision and strategy of the Company.
Code A8	Re-election	Complied	The Non-Executive Directors are subject to re-election by shareholders at the first AGM after their appointment and to re-election thereafter at intervals. This is ensured through the Company's Articles of Association.
	All Directors should be required to submit themselves for re- election at regular intervals and at least once in every three years		

We've established a framework that ensures sustainable growth and ethical leadership.

Corporate Governance

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code A8.1	Non-Executive Directors should be appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director and their re-appointment should not be automatic.	Complied	One third of the total number of Directors commencing with the longest in office since their last election shall retire each year by rotation.
Code A8.2	All Directors including the Chairman of the Board should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals of no more than three years.	Complied	This procedure is in place in the Articles of Association and is practiced.
Code A8.3	Resignation In the event of a resignation of the Director prior to completion of his appointed term, the Director should provide a written communication to the Board of his reasons for resignation.	Complied	The Directors who resigned during the year have provided written communication to the Board.
A9	Appraisal of Board Performance Boards should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.		
A9.1	The Board should annually appraise itself on its performance in its key responsibilities.	Complied	The performance of the Board was assessed with regard to the performance of its key responsibilities.
A9.2	An annual self-evaluation of its own performance and that of its committees.	Complied	The Board Members carry out an annual self-assessment of the performance of the Board and of the sub-committees.
A9.3	The Board should have a process to review the participation, contribution and engagement of each Director at the time of re-election	Complied	The Company Secretary maintains records of participation and engagement of each director.
A9.4	Disclosure regarding the performance evaluation in the Annual Report.	Complied	A formal evaluation of the Board is currently conducted. and disclosed in page 152.
A.11	Appraisal of CEO The Board should be required, at least annually, to assess the performance of the CEO.	Complied	The Board assesses the performance of the CEO annually in keeping with Board stipulated guidelines.

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
A11.1	The Board in consultation with the CEO, should set, financial and non-financial targets that should be met by the CEO	Complied	The Board ensures that a business performance plan is compiled by the Management which is discussed and approved by the Board for each year of operation. This plan is developed to tie up with the corporate plan of the Company and Key Performance Indicators (KPIs) are drawn up to monitor the success of operations. The overall KPIs are used to evaluate the performance of the CEO against results achieved by the Company.
A11.2	The Board at the end of each fiscal year should evaluate the performance of the CEO.	Complied	The Board carries out this evaluation and submits their briefing to the Board, for any further discussion required.
B	Directors' Remuneration		
B1	Remuneration Procedure Companies should establish a formal and transparent procedure for developing policy on executive remuneration	Complied	The Board has implemented a formal & transparent procedure for developing policies on remuneration by setting up a Human Resources and Remuneration Committee. The Committee is responsible for the development of executive remuneration and no Director is involved in deciding his/her own remuneration. The purpose of the Committee is to assist the Board in matters of compensation of the Company's Executive Directors, Corporate Management Team and other employees as determined by the Committee.
Code B2.1	Board should set up a Remuneration Committee	Complied	A Human Resources and Remuneration Committee has been established in this regard and functions within agreed terms of reference is disclosed on page 145 to 146.
Code B2.2	The committee should consist exclusively of Non-Executive Directors with a minimum of 3 Non-Executive Directors of whom the majority should be independent.	Complied	The Remuneration Committee consists of Non-Executive Directors, the majority of whom are Independent. Please refer Remuneration Committee Report on page 145 to 146.
Code B 2.3	Consultation of Chairman/CEO in deciding the remuneration of Executive Directors and senior management and access to professional advice	Complied	The Remuneration Committee consults the Chairman and CEO where necessary and has access to professional advice within and outside the Company

We've established a framework that ensures sustainable growth and ethical leadership.

Corporate Governance

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code B2.4	The Remuneration Committee should provide the packages needed to attract & retain Executive Directors and the Chief Executive Officer	Complied	The Remuneration Committee reviews the market practices and industry remuneration levels and most importantly the Company performance in determining the remuneration of the Executive Directors and Senior Management Team.
Code B2.5	Executive Director's remuneration should be designed to promote the short, medium and long-term performance of the Company	Complied	The remuneration levels are designed to attract and retain the best talent to ensure the optimal performance and sustainability of business in the short, medium and long term.
Code B2.15	The Chairman and members of the Remuneration Committee should be listed in the Annual Report.	Complied	Details of the Remuneration Committee are provided in the on page 145 to 146.
C	Relations with shareholders Boards should use the AGM to communicate with shareholders and should encourage their participation.		
C.1	Constructive use of the AGM and conduct of General Meetings	Complied	All steps have been taken to protect shareholder rights at the AGM, including the receipt of notice of the AGM within the specified period, raising questions to the Board and various other committees, voting for the election of new Directors or any other issue of materiality that requires a shareholder resolution.
C.2	Communication with Share Holders -The Board should implement effective communication with shareholders	Complied	All information with regard to the Annual Report is disseminated through chief financial officer and all other changes through the Company Secretary – Janashakthi Corporate Services (Pvt) Ltd.
C.2.1	There should be a channel to reach all shareholders of the Company in order to disseminate timely information	Complied	
C3	Major Material Transactions Further to complying with the requirements under the Companies Act, Securities and Exchange Commission law and Colombo Stock Exchange regulations; as applicable, Directors should disclose to shareholders all proposed material transactions, which if entered into, would materially alter/vary the Company's net asset base		
D	Accountability & Audit		
D.1	Financial Reporting The Board should present a balanced & understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities and prospects.	Complied	The Directors have taken all reasonable steps in ensuring the accuracy and timeliness of published information and in presenting a true & balanced assessment of the Company's position. The financial information is reviewed by the Board Audit Committee and the Board, prior to publishing. Company's position and future direction is discussed in detail in Chairman's & CEO's Reviews on pages 44 to 51 and Management Discussion & Analysis on pages 96 to 141.

Reference to Section in IRCSL Direction/CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
D.2	Risk Management & Internal Control The Board should establish a policy for determining the nature and extent of the principal risks it is willing to undertake in achieving its strategic objectives. Have a process of Risk Management and a sound system of internal controls to safeguard shareholders' investments and the Company's assets.	Complied	The Board and the Board Audit Committee have the overall oversight of the system of internal control and of monitoring its effectiveness, while the implementation of the internal control system is the responsibility of the Risk & Compliance Team. The detailed Risk Management Report is provided on pages 64 to 67.
Code D.2.2.2	Companies should have an internal audit function	Complied	The Company has an internal audit function, which acts as the third line of defense in the risk management process.
Code D.3	Audit Committee The Board should establish formal and transparent arrangements for selecting and applying accounting policies for financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management, ensure compliance with laws and regulations and ensuring the independence of the Company's auditors	Complied	The Board has delegated their responsibility with regard to financial reporting, internal controls and maintaining appropriate relationships with External auditors to the Board Audit Committee. The Terms of Reference of the Audit Committee entrust the required responsibility to it.
Code D.3.1	Composition should be exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors, of whom at least two should be independent.	Complied	The Audit Committee comprises of three Independent Non-Executive Directors. The composition of the Audit Committee is provided on pages 142 to 144.
Code D.5	Related Party Transactions Review Committee		
Principle D.5	The Board should establish a procedure to ensure that the Company does not engage in transactions with 'related parties' in a manner that would grant such parties 'more favourable treatment' than that accorded to third parties in the normal course of business.	Complied	This is achieved by having the Related Party Transactions Review Committee with an approved TOR in place.

We've established a framework that ensures sustainable growth and ethical leadership.

Corporate Governance

Compliance with Solvency Requirements and Regulations Governing Investments

The Company solvency requirements are governed by the RII Act rules 2002 (Life) and subsequent amendments thereafter. These have been strictly adhered to during the year 2020 and the Company's Solvency Statement is provided on pages 222.

Management Investment Committee

The Management Investment Committee has the responsibility of setting guidelines for investment of the Company's assets and finances, ensuring that all investments earn the optimum return to the Company while adhering to all statutory requirements. The ultimate authority on investment decisions lie with the Management Investment Committee.

The Company also updated its internal Company investment guidelines to secure and strengthen the Company's investment worth. A process of carrying out a detailed evaluation/ check list on the risk profile of the investment is carried out as a result.

Internal Self-Assessment Certification

A monthly Self-Assessment Questionnaire has been established as a new procedure in each Operating Division of the Company. This certification includes a Corporate Compliance Checklist and a Certification by the Head of Division that all Statutory and Regulatory Compliance Requirements have been met in full. The due dates and actual dates of submission of returns and/or reports specified by the checklist are also included.

This procedure has been introduced to ensure that all compliance requirements statutory and non-statutory are complied with and any failure to comply is immediately brought to the notice of the senior management group which can take immediate action as needed. This certification is forwarded to the CEO who also has to sign-off thereon.

In a rare event of non-compliance, the reasons for such non-compliance as well as steps being taken to ensure compliance must be stated. All such reports are then compiled together, summarised and submitted for the next meeting of the Board of Directors, where it is a fixed agenda item.

A summary of the Compliance Status with regard to all statutory requirements are provided in the table below; It is believed that this process significantly enhances the Corporate Governance mindset, procedures and ensures company-wide compliance with all Regulatory, Statutory and Non-Statutory internal deliverables. This collectively contributes to developing high standards of Corporate Governance in the company.

Compliance Status of Requirements — Janashakthi Insurance PLC

During the year 2023, JIPLC was in compliance with the applicable rules and regulations issued by various regulatory authorities.

CONCLUSION

Corporate Governance is of paramount importance to a company and is virtually as important as its major business strategies. It augments a company's image in the public eye as a self-policing company that is accountable and worthy of shareholder and debt holder capital. It dictates the collective philosophy, practices and culture of an organisation and its employees. At JIPLC, Corporate Governance plays a strong role in all its principal activities. JIPLC strives to further enhance its governance structure to identify Corporate Governance practices that can effectively bring about a culture of sustainability within the business entity. In 2022, JIPLC continued to stand strong with a resilient governance structure to face the challenges the year brought about.

During 2023, JIPLC was in compliance with the Direction on Corporate Governance issued by the Insurance Regulatory Commission of Sri Lanka and the Corporate Governance requirements of the Listing Rules of the Colombo Stock Exchange and to a great extent with the Code of Best Practice on Corporate Governance issued by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants.

Statement/Report	Regulatory Body	Relevant Act	Current Status
Motor Levy	Department of Motor Traffic	Finance Act No 16 of 1995	Complied
SRCC/TC/FUND	Ministry of Finance	Cabinet Memorandum	Complied
VAT	Department of Inland Revenue	VAT Act No 14 of 2002	Complied
Road Safety Fund	National Council of Road Safety	Gazette No:1368/18/_2004.11.24	Complied
Returns to IBSL(Quartely /Annual / Further Returns / Acturial Returns / Circular / Management Letter)	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Annual Fee to IBSL	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Remittance of CESS	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Reinsurance Arrangements to the Controller	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Copy of Register of Insurance Agents Registered with JIPLC	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Nations Building Tax	Department of Inland Revenue	Nations Building Tax Act No 9 of 2009	Complied
Economic Services Charge	Department of Inland Revenue	Economic Services Charge Act No 13 of 2006	Complied
Stamp Duty	Department of Inland Revenue	Stamp Duty (Special Provisions) Act No 12 of 2006	Complied
Withholding Tax	Department of Inland Revenue	Inland Revenue Act No 10 of 2006	Complied
Dividend Tax	Department of Inland Revenue	Inland Revenue Act No 10 of 2006	Complied
CSE Half Yearly Returns	Colombo Stock Exchange	CSE Listing Rules	Complied
Anti-Money Laundering Statements	Financial Intelligence Unit- Central Bank of Sri Lanka	Financial Transactions Reporting Act No 6 of 2006	Complied
EPF & ETF	Central Bank of Sri Lanka / ETF Board	EPF Act No 15 of 1958 & ETF Act No 46 of 1980	Complied
Renewal of Insurance License with Commissioner for Workmen's Compensation	Commissioner General for Workmen's Compensation	Workmen's Compensation Ordinance of 1934	Complied
Legal Interest	Monetary Board	Civil Procedure Code	Complied
Annual Return to the Registrar of Companies	Registrar General of Companies	Company's Act No 7 of 2007	Complied
Maintenance of Registers (Registers of Charges, Directors, Shareholder Minutes, Directors Interest & Minutes of meetings held)	Registrar General of Companies	Company's Act No 7 of 2007	Complied
Annual reports	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Audited Accounts	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Income Tax Return	Registrar General of Companies Department of Inland Revenue	Company's Act No 7 of 2007 Inland Revenue Act No 10 of 2006	Complied
Reporting on Accident,Dangerous Occurrences and Industrial Diseases	Labour Department	Factories Ordinance No 45 of 1942 & Factories Amendment Act No 33 of 2000	Complied
Crop Insurance Levy	National Insurance Trust Fund	Finance Act No 12 of 2013	Complied

Harmony in Dialogue

Nurturing Connections with Our Stakeholders

Janashakthi Life recognises the fundamental role of stakeholder engagement in creating long-term stakeholder relationships in its sustained success.

We believe in fostering constructive and continuous dialogue with all stakeholders, understanding their concerns, and integrating their needs into our strategic decision-making. This commitment aligns with the principles of GRI and Integrated Reporting, promoting transparency and accountability for our impact on various stakeholder groups.

OUR ENGAGEMENT PROCESS



The mechanism used by the Company to ensure effective stakeholder engagement.

STAKEHOLDER MAPPING AND MATERIALITY ASSESSMENT

For the year under review, we have identified and prioritised key stakeholder groups based on their direct and indirect influence on our business.



Using various engagement channels, we gather and assess their material concerns and expectations, prioritising those of critical relevance to our long-term sustainability and value creation.



STAKEHOLDER VALUE CREATION SUMMARY

Stakeholder Group	Role	Value Created	Key Satisfaction Factors
 Shareholders	Owners of the Company	Financial Capital (through adequate returns)	▶ Dividend payouts ▶ Capital appreciation ▶ Transparency ▶ Good governance
 Employees	Provide expertise and drive business goals	Human Capital (skills, knowledge) Intellectual Capital (innovation)	▶ Competitive compensation ▶ Career development opportunities ▶ Positive work environment
 Policyholders	Customers entrusting us with their financial security	Relationship Capital (trust, loyalty) Intellectual Capital (product development)	▶ Diverse product offerings ▶ Efficient service ▶ Claims settlement
 Investors/Bankers	Financial partners and service providers	Financial Capital (funding, access to markets)	▶ Timely payments ▶ Strong financial performance ▶ Ethical business practices
 Regulatory Bodies	Ensure fair and transparent market practices	Social Capital (public trust) Relationship Capital (compliance) Intellectual Capital (regulation)	▶ Regulatory compliance ▶ Ethical conduct ▶ Transparency
 Reinsurers	Share risk and maintain financial stability	Financial Capital (risk mitigation) Relationship Capital (partnership)	▶ Transparent communication ▶ Timely payments ▶ Strong financial management
 Suppliers	Provide essential goods and services	Social Capital (fair treatment) Relationship Capital (partnership)	▶ Timely payment ▶ Fair contracts ▶ Ethical procurement practices
 Community/Society	Source of future customers and employees, broader social environment	Social Capital (corporate responsibility) Relationship Capital (trust)	▶ Ethical business practices ▶ Social responsibility initiatives ▶ Community engagement
 Ecosystem	Provides natural resources for business operations	Natural Capital (environmental sustainability)	▶ Resource conservation ▶ Environmental protection ▶ Sustainable practices

Nurturing Connections with Our Stakeholders

ENGAGEMENT CHANNELS AND FREQUENCY

We employ diverse communication channels to facilitate regular and meaningful engagement with each stakeholder group, tailoring approaches to their specific needs and preferences. The frequency of engagement also varies depending on the materiality of their concerns and the nature of the information exchanged. For instance, shareholders receive annual reports and attend general meetings, while employees engage through HR information systems and open-door policies.

ADDRESSING STAKEHOLDER CONCERNS

We actively address stakeholder concerns in the following ways:



CHALLENGES AND OPPORTUNITIES

We acknowledge the existence of challenges in meeting stakeholder expectations, particularly during difficult economic conditions. In 2023, the prevailing economic conditions impacted our ability to increase our customer base and achieve targeted sales growth. However, we remain committed to balancing stakeholder needs with responsible business practices, seeking innovative solutions to overcome such challenges.

COMMITMENT TO CONTINUOUS IMPROVEMENT

Janashakthi Life is dedicated to continuously improving our stakeholder engagement practices. We regularly review and refine our engagement strategy, utilising feedback from stakeholders to ensure its effectiveness and alignment with evolving priorities. We believe that strong stakeholder relationships are essential for driving our long-term success and fostering a shared vision for a sustainable future.

INSIGHTS GAINED & ACTIONS TAKEN: A SUMMARY OF STAKEHOLDER ENGAGEMENT

Overview of the results of the stakeholder engagement process and the Company's use of information obtained.

Stakeholder(s)	Key Stakeholder Concerns/Expectations	Method(s) of Engagement	Frequency of Engagement	Company Approach to Satisfy Stakeholder Concerns/Expectations	Challenges Faced by the Company in 2023
 Shareholders	▶ Wealth maximisation ▶ Higher return on investment ▶ Risk management ▶ Transparent and ethical business conduct ▶ Increasing market capitalisation ▶ Increasing market price per share	▶ Annual Report ▶ Interim Financial Statements ▶ Annual General Meeting ▶ Shareholder circulars and other notices ▶ Extraordinary General Meeting	- Annually - Quarterly - Annually - When required - When required	▶ Meeting business goals and objectives ▶ Year-on-year growth in financial performance ▶ Minimising market, credit, life, and operational risks to build a sustainable business model ▶ Maintaining best-in-class governance practices ▶ Business Continuity Planning (BCP) ▶ Growth in shareholder returns	▶ Continuing impacts from the economic crisis of 2022
 Employees	▶ Competitive remuneration ▶ Job satisfaction ▶ Job security ▶ Health and well-being ▶ Training and development ▶ Equal opportunity employment ▶ Career development ▶ Recognition in decision making	▶ HR Information System ▶ Open door policy ▶ Recognition and Awards ▶ Grievance Handling Mechanism ▶ Emails/Letters/Memos ▶ Team/Dept Meetings	- On-going - Quarterly - Annually - When required - When required - On-going	▶ Up-to-date HR policies ▶ Offering non-monetary rewards ▶ Annual promotions ▶ Annual increments ▶ Opportunities to represent the company in Mercantile Sports Tournaments ▶ Employee-led welfare committee ▶ Offering continuous training and development opportunities ▶ Medical insurance cover ▶ Offering advice and guidance on career development	▶ Employee retention ▶ Mass migrations reducing the available pool of skilled professionals

Nurturing Connections with Our Stakeholders

Stakeholder(s)	Key Stakeholder Concerns/Expectations	Method(s) of Engagement	Frequency of Engagement	Company Approach to Satisfy Stakeholder Concerns/Expectations	Challenges Faced by the Company in 2023
 Policyholders	▶ Mitigation of risks ▶ Maximise the performance of funds ▶ Easy processing ▶ Easy access ▶ Service satisfaction ▶ Product quality ▶ Trustworthiness ▶ Benefits of policies compared to other insurers	▶ Customer feedback forms ▶ One-on-one meetings ▶ Customer satisfaction survey ▶ Media advertisements and promotions ▶ Random calls to customers ▶ Dedicated customer complaints management unit ▶ Social media ▶ Press releases ▶ Product and service information sharing	- Annually - When required - Semi-annually - When required - On-going - When required - On-going - When required - On-going	▶ Multi-delivery model strategy ▶ Adoption & enhancement of customer relationship management model ▶ Offering value-added services ▶ Offering new and innovative products ▶ Offering digital channels to conduct business ▶ Complaints Management Policy	▶ Frequent changes in needs and wants ▶ Changing consumer trends ▶ Adoption of digital technology ▶ Changes in the domestic economic conditions ▶ Continuing impacts of the economic crisis which resulted in high inflation and a loss of purchasing power
 Investors/ Bankers	▶ Organisational stability ▶ Financial resilience ▶ Adoption of good governance practices	▶ Meetings ▶ Letters/Notices ▶ Calls/Emails ▶ Annual Reports ▶ Interim Financial Statements	- When required - On-going - On-going - Annually - Quarterly	▶ Prudent management of financial resources, assets, and liabilities ▶ Management of foreign currency risks ▶ Conduct regular meetings to match the assets position with liabilities (ALM)	▶ Credit Risk ▶ Competition from other investors ▶ Technology disruption ▶ Macro – economic Factors.

Stakeholder(s)	Key Stakeholder Concerns/Expectations	Method(s) of Engagement	Frequency of Engagement	Company Approach to Satisfy Stakeholder Concerns/ Expectations	Challenges Faced by the Company in 2023
 Regulatory Bodies	- Adherence to rules and regulations - Contribution to government revenue streams - Fair business conduct - Governance practices	- Letters/Notices - Calls/Emails - One-on-one meetings - Press releases - Annual Reports - Interim Financial Statements - Other submissions	- When required - When required - When required - Annually - Quarterly - Weekly/ Monthly/ Quarterly/	- Diligently follow the requirements as set out by insurance and stock exchange regulators - Fulfilling requirements as set out by the different governing bodies - Making timely statutory payments - Maintaining best governance practices - Obey the law of the country	- Compliance complexity - Cost of Compliance - Regulatory Changes
 Reinsurers	- Future business opportunities - Growth potential	- One-on-one meetings - Letters/Notices - Calls/Emails	- When required - When required - When required	- Providing accurate and timely information - Making timely payments - Appropriate and on-time communications	- Regulatory Compliance - Investment Risk - Market Competition
 Suppliers	- Timely settlements - Compliance with agreed terms and conditions - Fair and ethical business dealings - Future business opportunities	- Supplier meetings - Emails/Letters - One-on-one meetings - Bids - Formal agreements - On-site visits	- When required - When required - When required - When required - When required - When required	- Adhering to the policies and strategies of the procurement process - Periodic reviews of supplier contracts to meet current market conditions - Implementing robust internal control systems to ensure fair dealings and on-time payments	- Technology adoption - Logistical Challenges - Regulatory compliance
 Community/ Society	- Job opportunities - Corporate Social Responsibility (CSR) projects - Contribution to uplifting the society - Safeguarding the health of society - Ethical business conduct	- Social media - Website - Press releases - Townhall meetings - Surveys - Market research - Annual Report	- On-going - On-going - When required - When required - Quarterly - Semi-annually - Annually	- Sponsoring community projects - Participating in community activities - Assisting in the upliftment of underprivileged groups within the society - Employment opportunities - New product development - Strictly adhering to ethical business conduct	- Cost fluctuations - Discrimination and social Exclusion - Environmental Degradation.
 Ecosystem	- Adoption of sustainable business practices - Reducing carbon footprint - Environmental conservation	- Integrating core concepts of sustainability within the business - Considering impacts on the environment when formulating business strategies	- On-going - On-going	- Making business processes environment friendly - Investing in environmental conservation projects - Adopting systems to conserve natural resources (water, electricity, fossil fuel) - Adopting the 3R concept of waste management	Balancing the goals of profitability and business growth with controlling the use of natural resources

Navigating the Currents of Change

Identifying Material Issues

At Janashakthi Life, we know that our success is intricately linked to the well-being of our stakeholders and the planet. Thus, we prioritise understanding and addressing the sustainability issues that matter most to our stakeholders and business. Our robust materiality assessment process plays a pivotal role in this journey.



Our materiality assessment is a continuous process that helps us identify and prioritise topics of concern, focus our resources, and enhance transparency and communication.

As such, we delve into the concerns of our diverse stakeholders, from investors and regulators to policyholders and local communities. This deep understanding allows us to pinpoint the most critical sustainability issues impacting our operations and their needs.

Working with limited resources makes it essential to be strategic. Assessment of our resources helps us direct our efforts toward issues with the highest potential for positive impact, both financially and socially.

By clearly outlining our material topics, we increase stakeholder trust and confidence in our commitment to sustainability. Our annual report reflects this transparency, showcasing our progress on these priority issues.

OUR MATERIALITY ASSESSMENT PROCESS



NAVIGATING A CHANGING LANDSCAPE

The Company's operating environment is constantly evolving, and the changes must be reflected in our materiality concerns. While we continue to report on the previously identified topics, we also address new challenges as they emerge.

During the year under review, Economic Stability, Financial Stability, and Scarcity of Resources, which were identified in 2022, continued to remain key concerns for the Janashakthi Life. A new material issue was identified in 2023, Talent Shortage, mainly due to the loss of skilled employees through migrations.

CHARTING A SUSTAINABLE COURSE

By focusing on these material topics, the Company aims to:

- ▶ Develop targeted sustainability strategies: Each topic will have a dedicated strategy outlining specific goals, initiatives, and performance metrics.
- ▶ Strengthen stakeholder engagement: We will continue to involve our stakeholders in shaping our sustainability efforts and monitoring progress.
- ▶ Drive meaningful impact: Our ultimate goal is to create lasting positive change, both for our business and the world around us.

ONGOING DIALOGUE

This materiality assessment is not a one-off exercise. Janashakthi Life remains committed to continuously refining our process and incorporating new developments as they arise. We invite our stakeholders to join us on this journey of sustainable transformation.

TABLE OF MATERIAL TOPICS

Topic	Rationale	Priority: 1 to 5 (1 = lowest and 5 = highest)	Stakeholders Impacted	Addressed Within
Shareholders' wealth maximisation	Holds a foundational role in corporate governance, influences market dynamics, and aligns with the interests of a critical stakeholder group.	5	▶ Shareholders	Financial Capital
Higher return on investment	Fostering increased financial gains and profitability, increases share value and dividends, and attracts future investments.	5	▶ Shareholders ▶ Investors ▶ Bankers	Financial Capital
Talent shortage	Can significantly impact competitiveness, innovation, and overall performance.	5	▶ Employees ▶ Customers	Human Capital
Economic stability	Fluctuations impact operations, profitability, investor confidence, employee satisfaction and motivation, and policyholder security.	5	▶ All Stakeholders	Throughout the annual report, as relevant
Financial stability of the Company	Strong finances foster trust, attract investment, and ensure our ability to fulfil our commitments.	5	▶ All Stakeholders	Throughout the annual report, as relevant
Scarcity of Resources	Resource management protects against price hikes and operational disruptions, and enables long-term sustainability.	5	▶ All Stakeholders	Throughout the annual report, as relevant
Managing identified and emerging risks	A robust risk management system mitigates financial losses, operational disruptions, and reputational damage, ensuring long-term sustainability.	5	▶ All Stakeholders	Risk Management
Maximising policyholders' fund performance	Strong investment performance enhances brand reputation, attracts new policyholders, retains existing policyholders, and contributes to financial stability.	5	▶ Policyholders	Social and Relationship Capital

Navigating the Currents of Change

Identifying Material Issues

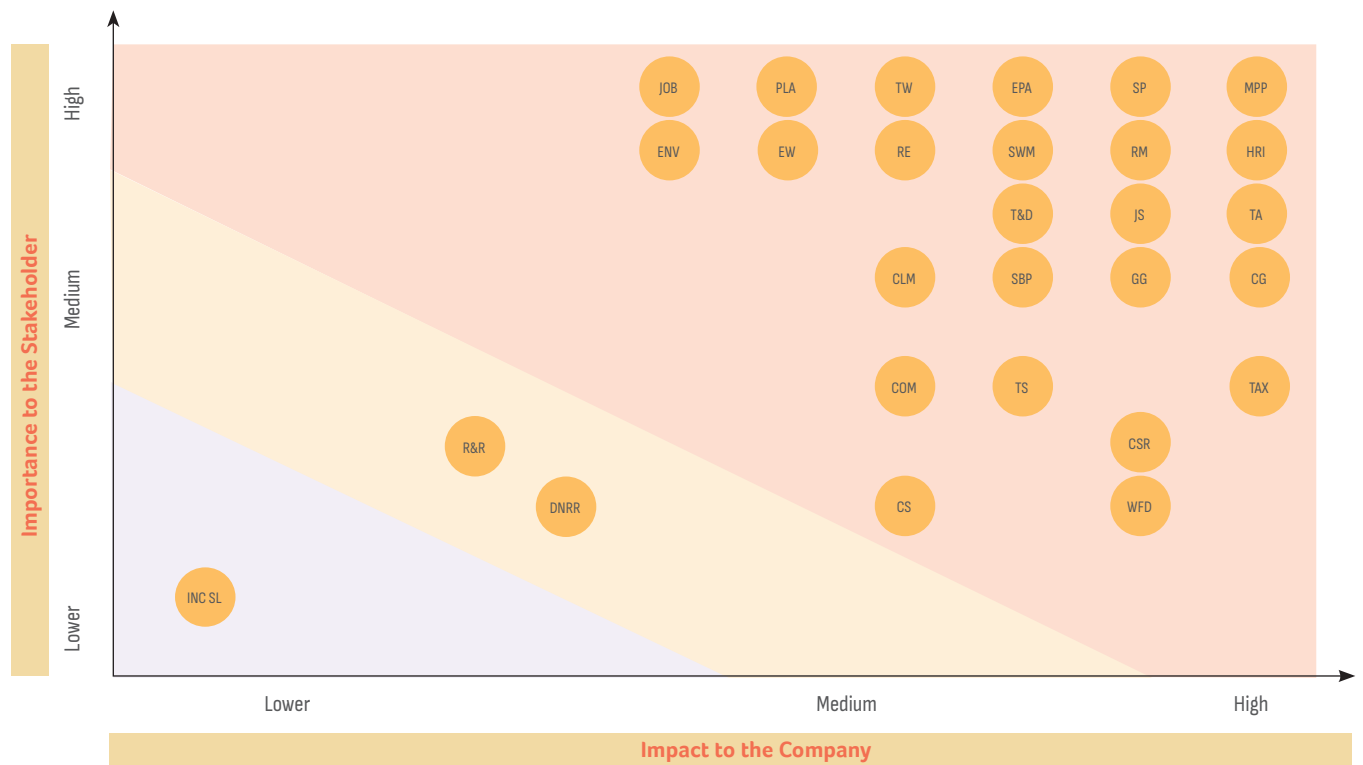
Topic	Rationale	Priority: 1 to 5 (1 = lowest and 5 = highest)	Stakeholders Impacted	Addressed Within
Contribution to government revenue – tax	Responsible tax contributions build trust, showcasing the Company's ethical commitment and social responsibility.	5	► Regulators	Financial Capital
Governance practices	Demonstrates commitment to transparency, accountability, and ethical business practices.	5	► Investors ► Bankers ► Shareholders ► Reinsurers ► Regulators	Corporate Governance Report
Compliance with agreed terms and conditions	Compliance safeguards promised benefits and strengthens trust, ensuring stability for all stakeholders while avoiding legal disputes and attracting capital.	5	► Policyholders ► Investors ► Bankers ► Suppliers ► Reinsurers	Social and Relationship Capital
Transparency of business operations	Open communication builds trust and allows stakeholders to make informed decisions about Janashakthi.	5	► Investors ► Bankers ► Reinsurers ► Regulatory Authorities	Corporate Governance Report Other Reviews and Reports
Attractive remuneration packages	Investing in employee well-being attracts and retains skilled talent, leading to higher productivity and innovation, and reducing employee turnover.	5	► Employees	Human Capital
Job satisfaction and security	Attracts and retains talent, fuelling innovation and loyalty for sustainable growth.	5	► Employees	Human Capital
Health, safety, and welfare	Prioritising health, safety, and welfare protects employees, ensures customer well-being during interactions, and builds trust with suppliers through responsible sourcing practices.	5	► Employees ► Customers ► Suppliers	Human Capital Social and Relationship Capital
Training and development	Enhances employee skills, innovation, adaptability, and problem-solving skills leading to competitive advantage.	5	► Employees	Human Capital
Recognition in decision-making	Empowers employees, increases engagement, and improves the quality of decisions.	3	► Employees	Human Capital
Easy processing and access	Improves stakeholder experience of working with the Company and brand image.	5	► All Stakeholders	Social and Relationship Capital
Service satisfaction and product quality	Creates a positive customer experience, building loyalty and trust.	5	► Policyholders	Social and Relationship Capital

Topic	Rationale	Priority: 1 to 5 (1 = lowest and 5 = highest)	Stakeholders Impacted	Addressed Within
Trustworthiness	Enhances competitive advantage, attracts new customers, enables easier sourcing of goods and funding, and increases market share.	5	▶ Policyholders ▶ Suppliers ▶ Bankers	Social and Relationship Capital Corporate Governance
Benefits of policies compared to other insurers	Building trust and offering competitive benefits differentiates Janashakthi from other insurers.	5	▶ Policyholders	Social and Relationship Capital
Adherence to rules and regulations	Builds trust, ensures operational legitimacy, and demonstrates responsible business practices.	5	▶ Investors ▶ Bankers ▶ Shareholders ▶ Reinsurers ▶ Regulators	Corporate Governance
Job opportunities for the community	Contributes to local development, builds positive community relationships, and enhances brand image.	5	▶ Community	Social and Relationship Capital
Corporate social responsibility projects	Investing in local communities and social causes builds goodwill, enhances brand image, and strengthens community relationships.	5	▶ Community	Social and Relationship Capital
Equal opportunities	Championing diversity and inclusion promotes a fair and ethical workplace, attracting talent and contributing to social progress.	5	▶ Employees ▶ Regulators	Human Capital Social and Relationship Capital
Initiatives to uplift society	Creates a positive social impact, strengthens community relationships, and enhances brand image.	5	▶ Community	Social and Relationship Capital
Sustainable business practices	Has a significant impact on both stakeholders and the Company's long-term success.	5	▶ All Stakeholders	All Capital Reports
Reduction of our carbon footprint	Contributes to climate change mitigation, protects biodiversity, and aligns with regulatory goals.	5	▶ Ecosystem ▶ Community ▶ Regulators	Natural Capital
Projects to protect the environment	Protecting the environment demonstrates responsible business practices and contributes to a sustainable future.	5	▶ Ecosystem ▶ Community	Natural Capital

Navigating the Currents of Change

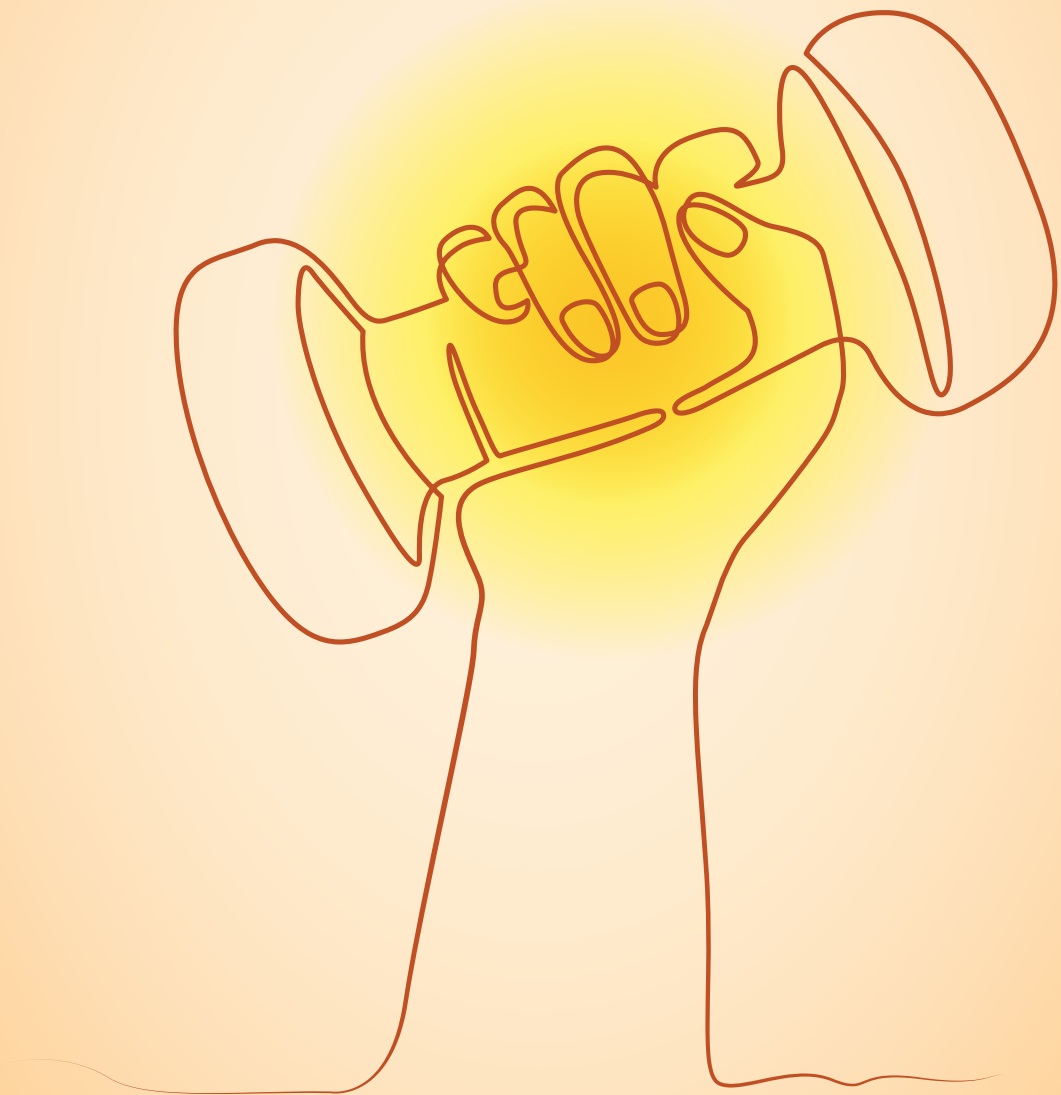
Identifying Material Issues

MATERIALITY MATRIX



PLA	- Projects to protect the environment	RM	- Risk Management	TS	- Timely settlements to suppliers
TW	- Trustworthiness	HRI	- Higher return on investment	TAX	- Contribution to government revenue - tax
EPA	- Easy processing and access	T&D	- Training and development for employees	CSR	- Corporate social responsibility projects
SP	- Service satisfaction - Product quality	JS	- Job satisfaction and security	CS	- Contribution to uplift the society
MPP	- Maximising the performance of policyholders' funds	TA	- Transparency of affairs	WFD	- Equal opportunity for workforce
SP	- Sustainable business practices	CLM	- Benefits of policies compared to other insurers	DNRR	- Development in new rules and regulation
MPP	- Maximising the performance of policyholders' funds	SBP	- Sustainable business practices	INC SL	- Incidents occurred outside Sri Lanka
ENV	- Reduce carbon footprint	GG	- Adherence to rules and regulations	JOB	- Job opportunities for community
EW	- Employee welfare	CG	- Corporate Governance		
RE	- Competitive remuneration package for employees	R&R	- Employee recognition in decision making		
SWM	- Shareholders' wealth maximisation	COM	- Compliance to agreed terms and conditions		

Strength and Dependability



MD & A

With a foundation built on strength and dependability, we epitomise reliability and resilience in every aspect of our service. Trust us to be your rock-solid partner, empowering you to navigate life's challenges with confidence and peace of mind.



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF JANASHAKTHI INSURANCE PLC ON THE INTEGRATED ANNUAL REPORT 2023

Scope

We have been engaged by Janashakthi Insurance PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Janashakthi Insurance PLC's Information on how its strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in Janashakthi Insurance PLC's (the "Entity's") Integrated Annual Report for the year ended 31st December 2023 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Janashakthi Insurance PLC

In preparing the Subject Matter, Janashakthi Insurance PLC applied the Integrated Reporting Framework (<IR> Framework) issued by the International Integrated Reporting Council (IIRC) ("Criteria"):

Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Janashakthi Insurance PLC's responsibilities

Janashakthi Insurance PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised)), and the terms of reference for this engagement as agreed with the Janashakthi Insurance PLC on 06 February 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakhivel B.Com (Sp)

A member firm of Ernst & Young Global Limited



EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.

- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organization's strategy and how the organization creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.
- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.
- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of Janashakthi Insurance PLC for the year ended 31st December 2023, in order for it to be in accordance with the Criteria.

5th March 2024
Colombo

Mastering Complexity of the Financial Landscape

A Financial Capital Report

Janashakthi Life prioritizes ethical and transparent financial management. We adhere to industry and national regulations, implement robust control systems, and adopt best practices. This unwavering commitment enables us to deliver on our stakeholders' diverse needs, even in challenging times.



GOAL



ACHIEVEMENT



STRATEGY PURSUED

Growth In Profit After Tax	Significant increase in profitability during the year compared to previous years.	- Investment policies and mechanisms are structured to minimize the duration mismatch of our assets and liabilities in order to minimize risk of our investment portfolios. - We do not practice risk averse investment strategy but we practice risk neutral investment strategies which is within our ALM portfolio and we consciously monitor the risk limit sets in terms of Stock lost limits, PVBP, Capital adequacy limits and capitalize the opportunities that arising the market. - We always make sure ALM mismatch of the organization is within the risk appetite of the ALCO.
Growth in Investment Income	- High surplus level during the year. - Historically high Investment income during the year. - Capturing very high interest rates bonds. - We were able to capitalize on the interest rate reduction on the liability side of the balance sheet.	
Growth in Net Asset	Significant increase in net assets during the year.	
Reduce Underwriting and Net Acquisition Cost	Underwriting and acquisition cost were very low because they function through our sales and we deliberately grow down our acquisition cost to ensure that the acquisition cost numbers of the organization are sustainable.	

HIGHLIGHTS FOR 2023

- Highest recorded claims ratio in the industry at 78%.
- Highest Profit After Tax (PAT) of LKR 4.1 Bn.
- Highest Investment Income of LKR 4.594 Bn.
- Asset expansion recorded an impressive 44% increase in total assets.

- Industry-leading Capital Adequacy Ratio (CAR) of 272%.
- Highest share price in our history at LKR 38.5.
- Highest earnings per share recorded for 2023 of LKR 18.25.



OUR APPROACH TO MANAGING FINANCIAL CAPITAL

Janashakthi Life, recognised for its unwavering commitment to ethical and transparent financial practices continued to weather challenging economic conditions while creating sustainable value for our shareholders. At the heart of this success lies our comprehensive financial management strategy, meticulously crafted to optimise cash flow, minimise market risk, and capitalise on changing economic trends.

This is made possible due to the guidance provided by a dynamic Asset and Liability Management (ALM) framework. This robust approach goes beyond simply managing cash flow; it's a comprehensive protection against market risks and a springboard for seizing opportune moments.

Our ALM framework rests on three pillars: meticulous risk management, strategic asset allocation, a stringent pricing based within ALM limits and Liability valuation assumptions within an overall ALM framework. We define clear risk appetites, meticulously stress test our portfolio, and develop diverse economic scenarios to ensure we are prepared for any unexpected external market developments. Our asset allocation meticulously matches liabilities, prioritising diversification across

asset classes and sectors to mitigate concentrated risks while maximising returns. When favourable market conditions arise, our finance team expertly identifies value-driven opportunities, allowing us to time the market with strategic precision.

This meticulous approach is underpinned by a clearly defined ALM policy, serving as a transparent roadmap for our risk management framework, investment guidelines, and market timing strategies. We continuously update this policy to stay ahead of market evolutions and regulatory shifts, all under the watchful eye of an independent ALM Committee that ensures adherence and provides strategic guidance.

The efficacy of this approach speaks for itself. By consistently exceeding industry benchmarks and delivering consistent shareholder value, Janashakthi Life has established itself as a leader in financial performance. We navigate economic currents with agility and foresight, not by chance, but by design, empowered by our proactive and meticulously crafted ALM framework.

NAVIGATING UNCERTAINTY IN 2023

Janashakthi Life's Financial Journey

Sri Lanka's economic turbulence in 2023 presented unprecedented challenges for financial institutions. Janashakthi Life navigated this volatile landscape by prioritising strategic investments, meticulous cost reduction, and a prudent approach to risk management.

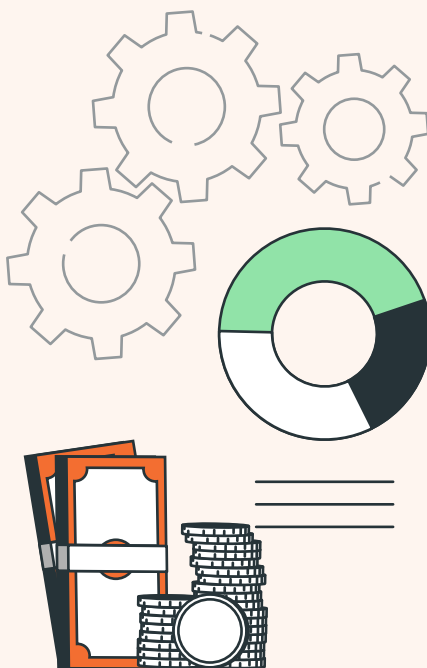
A key focus remained on investing for the future. While recognising the eroded purchasing power and evolving priorities of Sri Lankans, the Company strategically deployed capital in products addressing immediate needs. This ensured business continuity while adapting to changing consumer behaviour.

Navigating uncertainty was another focus area. Deciding when and where to invest posed a significant challenge amidst the Domestic Debt Restructuring (DDR). Through rigorous analysis and scenario planning, we identified viable opportunities, balancing risk, and potential returns.

Despite navigating a challenging economic climate in 2023, the Company successfully upheld its commitment to capital adequacy. Our meticulous management of assets and liabilities ensured a healthy Capital Adequacy Ratio (CAR), safeguarding both financial stability and stakeholder interests.

Furthermore, the Company's management successfully recognised the shifting risk landscape and we carefully re-evaluated and adjusted our risk tolerance levels to adapt to external challenges. This ensured prudent decision-making while adapting to the dynamic economic environment.

By strategically managing investments, meticulously controlling costs, and adapting our risk framework, Janashakthi Life successfully navigated the complexities of 2023. We remain committed to fostering financial security and value creation for all stakeholders, even in challenging times.



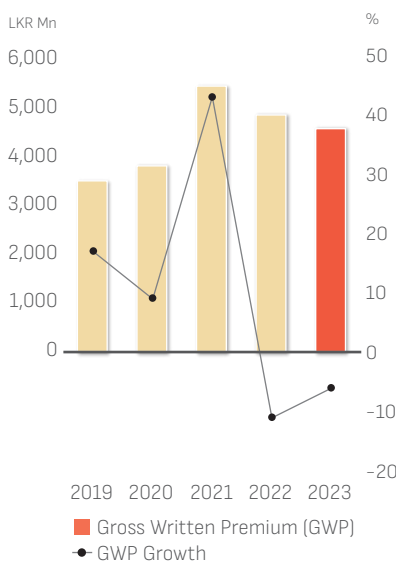
Mastering Complexity of the Financial Landscape

A Financial Capital Report

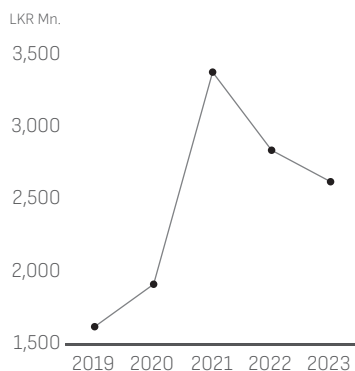
GROSS WRITTEN PREMIUM (GWP)

Despite enduring economic crises and political instability throughout 2023, the Company achieved a Gross Written Premium (GWP) of 4.6 Bn. This figure represents the total of the First Year Premium (FYP) and the Renewal Premium (RP). More detailed information can be found on page 207 of this report.

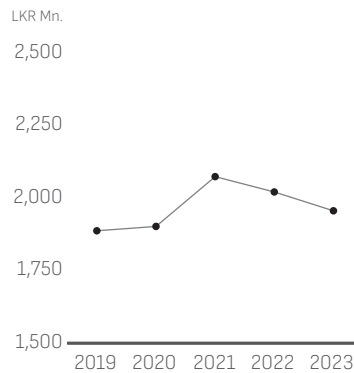
GWP & GWP Growth



FYP Attainment



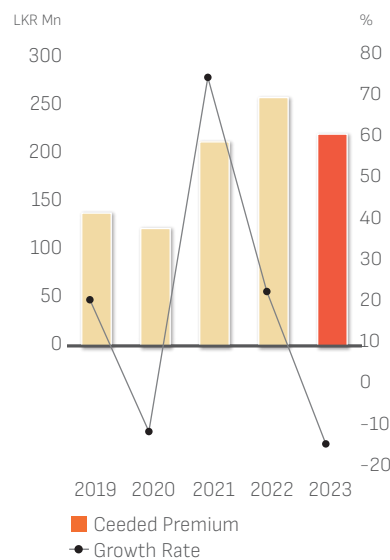
RP Attainment



PREMIUM CEDED TO REINSURERS

During the fiscal year, the premium ceded to reinsurers decreased from LKR 258 Mn in 2022 to LKR 220 Mn in 2023, maintaining a consistent 5% of the GWP for both years. This reduction is attributed to an increase in the Retention Ratio as a risk mitigation measure.

Ceded Premium and Growth Rate

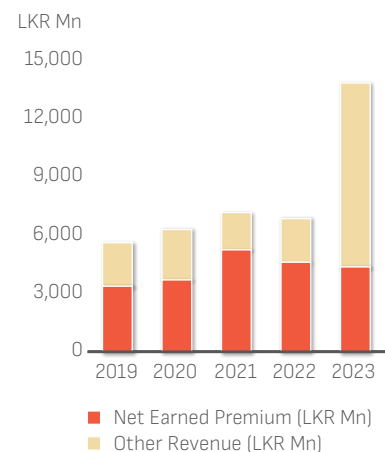


TOTAL OTHER REVENUE

Other revenue sources include investment income, realised gains and losses, fair value gains and losses, fee and commission income, and other operating revenue.

The Company demonstrated strategic foresight in managing interest rate risks, resulting in a significant increase in investment income from LKR 2.841 Bn in 2022 to LKR 4.594 Bn in 2023, representing a 62% increase. Despite operating in a challenging environment, timely and informed decisions contributed to the most robust bottom line in the Company's history.

Company Revenue

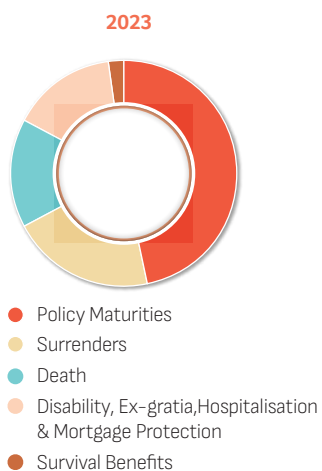
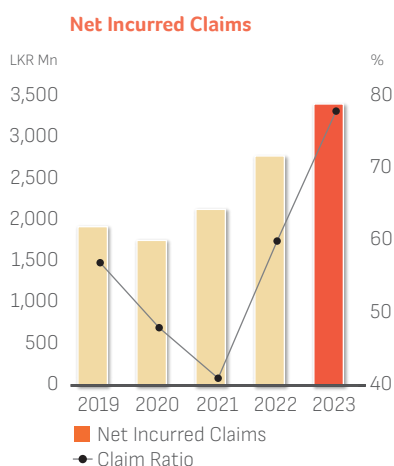


FAIR VALUE GAINS AND LOSSES OTHER OPERATING REVENUE

The increase in fair value gains and losses is attributed to investments in high-yield government securities. As market rates declined during the fiscal year, the Mark to Market gain experienced an uptick. The 90% reduction in other operating income is primarily due to the loss of investment property rentals.

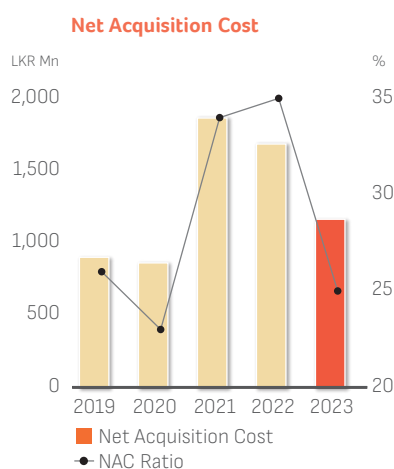
NET INSURANCE CLAIMS AND BENEFITS

The Company witnessed its highest claims period in the past decade, with a Claims Ratio of 78% in 2023. Net incurred claims increased by 23% to LKR 3.411 Bn compared to LKR 2.781 Bn in 2022. Policy Maturity recorded a 48% of the total claims during the year under review.



UNDERWRITING AND NET ACQUISITION COST

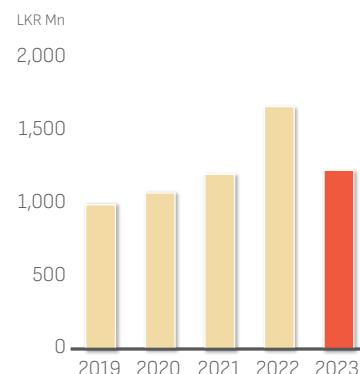
Underwriting and net acquisition cost decreased by 31% to LKR 1.163 Bn during the fiscal year, primarily due to a reduction in GWP, which had a significant impact. The ratio of underwriting and net acquisition cost to GWP decreased from 35% in 2022 to 25% in 2023.



OPERATING AND ADMINISTRATION EXPENSES

The Company's other operating and administrative expenses recorded an overall decrease of 20% to LKR 1.330 Bn in 2023 compared to LKR 1.662 Bn in 2022. This represents 29% of the GWP compared to 34% in the previous year. A significant portion of this reduction can be linked to the legal costs associated with the Singapore arbitration case, which concluded in favour of Janashakthi Life in 2022, resulting in the receipt of LKR 296 Mn in 2023.

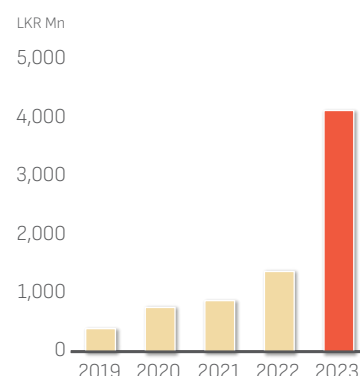
Operating Expenses - LKR Mn



PROFIT AFTER TAX

The Company recorded a profit after tax of LKR 4.135 Bn, marking a 201% growth compared to the previous year, primarily driven by substantial investment income.

Profit for the Year



BALANCE SHEET REVIEW

From a financial perspective, the balance sheet for the financial year ended 2023 reflects notable growth and strategic allocation of resources. Total assets surged by an impressive 44%, reaching LKR 36.192 Bn compared to the previous financial year. This substantial increase underscores the Company's robust financial performance and effective asset management strategies.

Mastering Complexity of the Financial Landscape

A Financial Capital Report

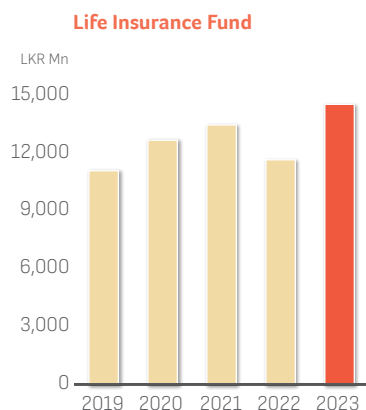
A key driver behind this notable growth was the deliberate investment in associates, which played a significant role in augmenting the Company's asset base. By strategically aligning with trusted partners and ventures, Janashakthi Life capitalised on opportunities for growth and diversification, thereby enhancing its overall financial position.

Additionally, the increase in financial investments contributed substantially to the increase in total assets. Through prudent allocation of funds into various financial instruments such as bonds and other securities, the Janashakthi Life maximised returns and minimised risks, thereby strengthening our asset portfolio. This strategic approach to financial investments not only generated favourable returns but also positioned the Company for long-term sustainability and resilience in prevailing market conditions.

LIFE INSURANCE FUND

The Life Fund, which represents the Company's insurance contract liabilities for its long-term insurance business, is an important indicator of its financial strength and stability, as mandated by the Insurance Industry Act, No. 43 of 2000. A larger life fund typically indicates a stronger insurance company.

The Company's life insurance fund as of December 31, 2023, was LKR 14.544 Bn, reflecting a 25% increase compared to the previous fiscal year.

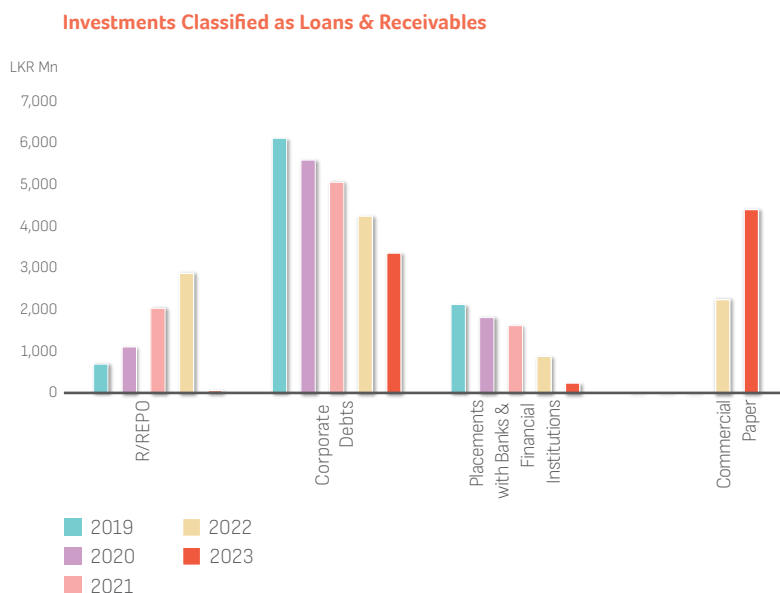


The Life Fund, which represents the Company's insurance contract liabilities for its long-term insurance business, is an important indicator of its financial strength and stability, as mandated by the Insurance Industry Act, No. 43 of 2000. A larger life fund typically indicates a stronger insurance company.

FINANCIAL INVESTMENTS

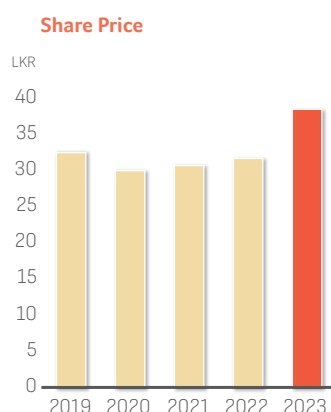
The Company's financial investments, which include loans, receivables, and marketable securities; accounted for 78% of the total asset base.

The Company's marketable securities consist of two components: available-for-sale investments and fair value through profit or loss investments. As Mark-to-Market gains are influenced by high fair values, especially in an environment of declining interest rates. The fair value through profit or loss investments recorded a substantial increase by 210% amounting to LKR 16 Bn compared to LKR 5.1 Bn in the previous financial year. However, the available-for-sale investments declined to 15% of the total portfolio, amounting to LKR 4 Bn compared to LKR 5 Bn in the previous financial year.



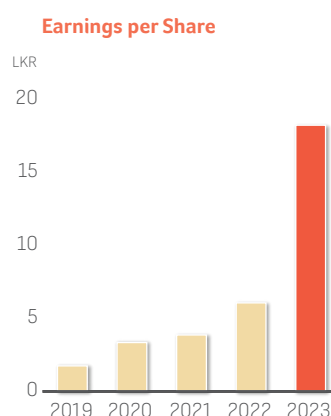
SHARE PRICE

With a 21% price increase, Janashakthi Life's share reached LKR 38.5 as of December 31, 2023, attributed to the ALM strategy resulting in the highest return on the investment portfolio.



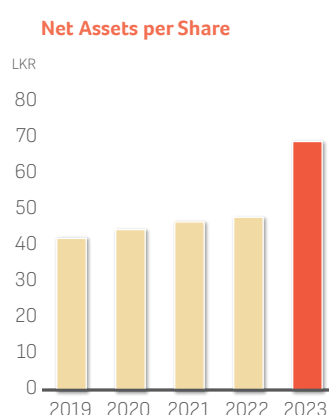
EARNINGS PER SHARE

Despite economic challenges, the company achieved a 201% growth in earnings per share (EPS) in 2023, recording 18.25 as of December 31, 2023, compared to 6.07 in 2022. This was primarily propelled by the Company achieving its highest-ever bottom line in our history.



NET ASSET PER SHARE

The net asset value per share represents the net worth of a company divided by its total number of shares outstanding, serving as a key metric for evaluating profitability. In 2023, Janashakthi Life's net asset value per share increased by 44% to LKR 68.83, compared to LKR 47.95 in 2022. This remarkable growth can be attributed to the Company's increased profitability during the financial year 2023.



RETURN ON EQUITY

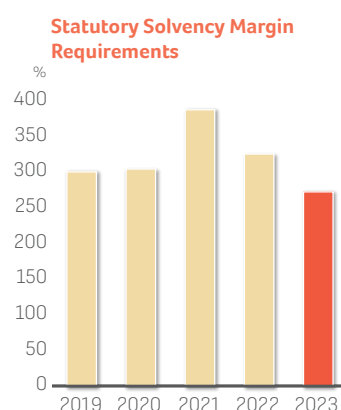
The return on equity (ROE) stood at 27% in 2023 compared to 12% in 2022, driven by the highest profit after tax.

STATUTORY SOLVENCY MARGIN REQUIREMENTS

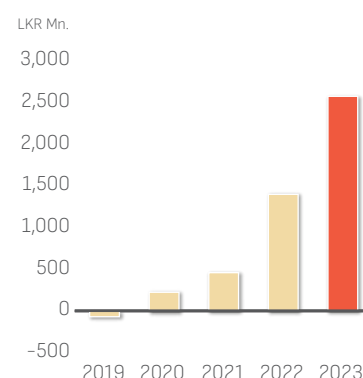
The Insurance Regulatory Commission implemented the Solvency Margin (Risk-Based Capital) Rules effective January 1st, 2016. This regulatory framework, based on Risk-Based Capital (RBC), evaluates the sufficiency of Total Available Capital in comparison to the required Risk Capital, gauging insurers' capacity to absorb risk relative to their capital reserves.

Under the RBC Rules, insurers must uphold a minimum Total Available Capital (TAC) of LKR 500 Mn and maintain a Capital Adequacy Ratio (CAR) of 120% to ensure compliance with capital adequacy standards.

The Company has effectively always met the minimum capital requirement. As at 31st December 2023, the Company boasts a robust capital adequacy ratio of 272%, surpassing the IRC guideline of 120%.



SURPLUS GENERATION



Beyond Bricks and Mortar

A Manufactured Capital Report

At Janashakthi Life, we believe that a strong foundation is essential for a towering future. That's why we invest heavily in manufactured capital – the physical assets that drive our operations and enable us to deliver exceptional value to all our stakeholders.

However, in today's tech-driven world, these structures go beyond brick and mortar, they are not just physical structures; they are the tools that empower our people, enhance customer experience, and drive sustainable growth. Every investment in manufactured capital is carefully considered, ensuring it aligns with our business objectives and creates value across all capitals, and stakeholder groups.



Key Strategies and Goals of 2023

GOAL	ACHIEVEMENT	STRATEGY PURSUED
Expand physical and virtual geographical footprint.	80% increase in mobile app usage.	▶ Increase access to insurance services throughout Sri Lanka by opening new branches and expanding existing ones. ▶ Expand the virtual reach to tech-savvy consumers using the latest technology
Upgrade branch facilities	Upgraded training rooms in 40+ branches.	▶ Enhance customer experience and operational efficiency by relocating and refurbishing branches
Increase workflow automation	Automated 25 manual processes to digital formats.	▶ Improve internal processes, customer service, and data management through investments in IT hardware and software.
Boost industry infrastructure	Launch of the Janashakthi Life Referral Management Solution	▶ Indirectly contribute to the development of the Sri Lankan insurance sector by setting high standards and offering innovative solutions.

HIGHLIGHTS FOR 2023

- We have established 75 branches nationwide to cater to our devoted customer community.
- Janashakthi Life Referral Management System won the Bronze Award in the Indigenous and Community Services in Inclusion and Community Services Category at the 25th National ICT Awards — NBQSA 2023.

- Rs. 301 Mn allocated for IT hardware and software enhancements.
- Invested Rs. 166 Mn to increase our asset base.



OUR APPROACH TO MANAGING MANUFACTURED CAPITAL

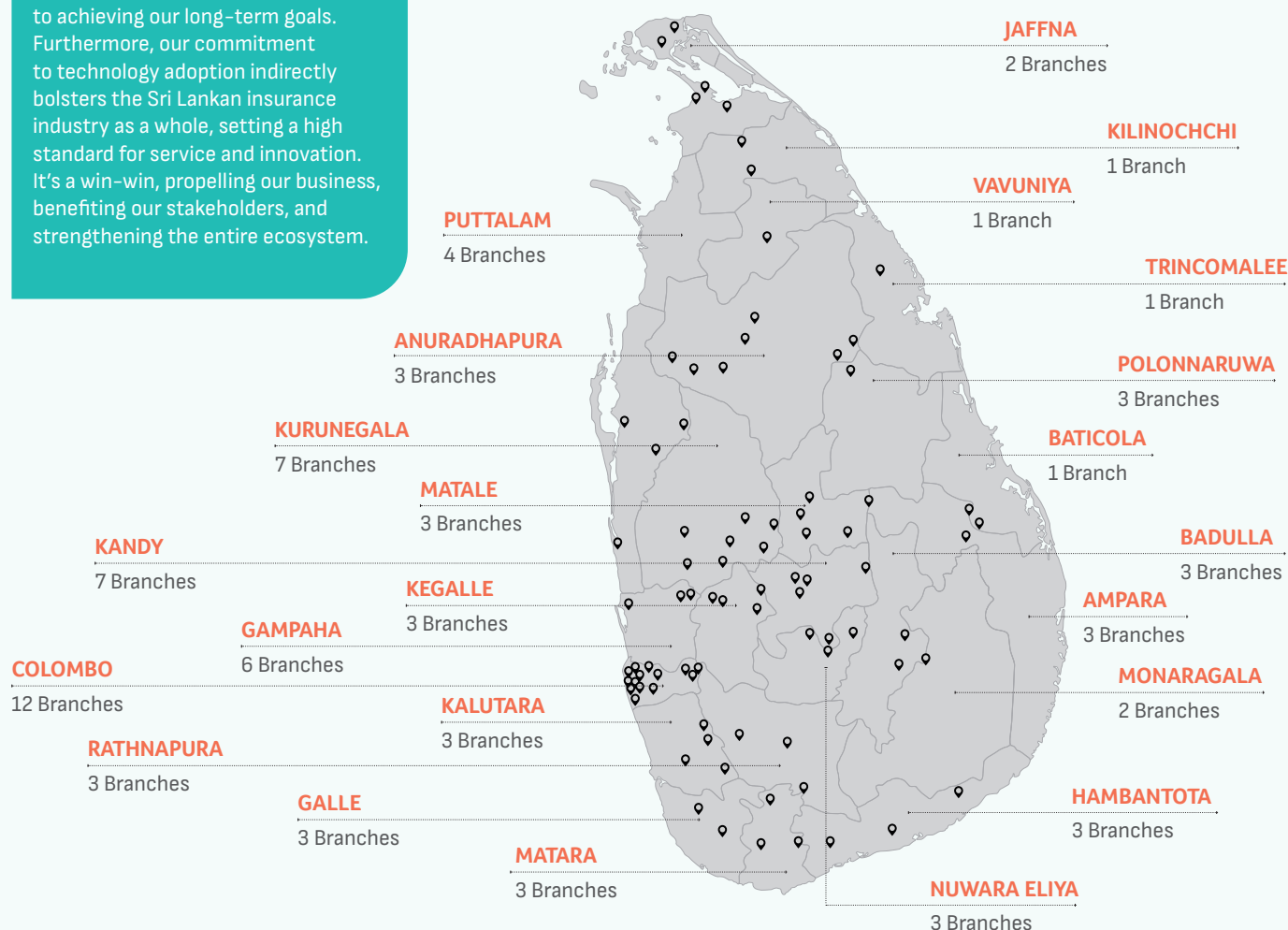
Janashakthi's approach to manufactured capital demonstrates its commitment to integrated thinking, considering the interconnectedness between financial, social, and environmental capitals. Accordingly, we emphasise the strategic use of manufactured capital assets to drive business growth, digitalisation, and stakeholder value creation. Investments in our IT infrastructure and branch network not only expand our reach and address evolving customer needs but also keep us ahead of in a competitive market. Modern facilities and digital platforms empower our employees with efficient tools, boost customer satisfaction, and contribute to achieving our long-term goals. Furthermore, our commitment to technology adoption indirectly bolsters the Sri Lankan insurance industry as a whole, setting a high standard for service and innovation. It's a win-win, propelling our business, benefiting our stakeholders, and strengthening the entire ecosystem.

GEOGRAPHICAL PRESENCE

Janashakthi Life stretches its helping hand across Sri Lanka, with 75 branches across the island like a trusted companion. Whether our customers reside in a bustling city or a remote village, The Company is within reach, ready to bring insurance services to our customer's doorstep. For our younger tech-savvy customers, who prefer digital ease, our online and mobile app portals offer 24/7 access to our comprehensive insurance solutions. Wherever individuals may be and regardless of their requirements, Janashakthi Life is merely a click or a visit away, ready to assist and provide a truly Sri Lankan insurance solution.

CAPITAL INVESTMENTS IN THE BRANCH NETWORK

In the context of 2023, capital investments for our Branch Network were focussed on enhancements of branch training rooms. The objective was to modernise these facilities, ensuring they meet contemporary standards and offer a comprehensive, comfortable, and effective training experience for our employees. This upgrade is designed to align our training infrastructure with the latest industry practices, creating an environment conducive to skill development and knowledge transfer. By investing in the modernisation of our branch training rooms, our goal is to enhance the overall training experience for our employees. This endeavour is envisioned to not only foster their professional growth but also bolster the success of our organisation. Consequently, this initiative will lead to a tangible addition of value in terms of enriched intellectual capital within the Company.



Beyond Bricks and Mortar

A Manufactured Capital Report



INFORMATION TECHNOLOGY INVESTMENTS

In the fast-paced world of insurance, robust Information Technology (IT) investments are no longer just an advantage, they're a manufactured capital cornerstone. These investments represent the very foundation of streamlined operations, enhanced customer experience, and ultimately, business success.

Modern hardware and software ensure efficient data processing, allowing for faster policy issuance, claims handling, and risk assessment. This translates to reduced operational costs and increased customer satisfaction, with minimal delays and hassle-free administrative tasks.

However, IT impact extends beyond internal efficiency. A robust online presence through mobile apps and user-friendly portals empowers customers with self-service options, 24/7 access to policy information, and a seamless claims reporting process. This builds trust and loyalty, driving customer retention and acquisition.

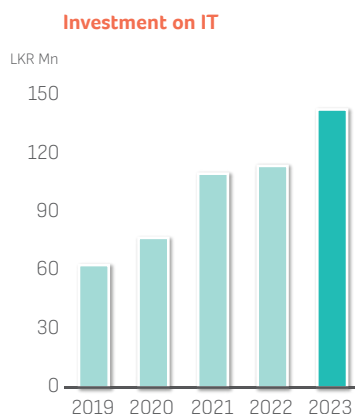
In line with this thinking, Janashakthi Life has continued to prioritise and make timely investments in upgrading and enhancing IT within the Company over the years. Demonstrating our unwavering commitment to technology-driven progress, Janashakthi Life invested Rs. 143 Mn in IT and digitalisation initiatives during the year under review





During the year under review, the Company leveraged investments in manufactured capital to directly contribute to operational efficiency, cost reduction, improved customer experience, and increased revenue generation, showcasing Janashakthi Life's commitment to leveraging technology for sustainable growth. Key highlights include:

Individual DTA System: Fully automated system extending BFSI capabilities for Deteriorating Term Assurance plans, streamlining the journey from quotation to policy issuance.



During the year under review, the Company leveraged investments in manufactured capital to directly contribute to operational efficiency, cost reduction, improved customer experience, and increased revenue generation, showcasing Janashakthi Life's commitment to leveraging technology for sustainable growth.

Key highlights include:

Individual DTA System

Fully automated system extending BFSI capabilities for Deteriorating Term Assurance plans, streamlining the journey from quotation to policy issuance.

JSV System

A-to-Z automation for group life insurance, covering quotation, issuance, proposal management, and policy issuance, previously manual tasks.

Claim Flow Automation

This system is expected to expedite claims processing, leading to cost savings, improved resource allocation, and enhanced customer experience, freeing up sales teams for growth.

Janashakthi Life Referral Management Solution

Enhances customer experience and referral tracking, leading to improved agent productivity and increased business opportunities.

Other Service Automations

Streamlined processes through various initiatives like product development, anti-virus solutions, endpoint management, infrastructure upgrades, commission and incentive revisions, and claims voucher re-implementation.



Nurturing Connections, Sustaining Value

Social and Relationship Capital

Forging strong bonds with customers, partners, authorities, suppliers, and the community unlocks far-reaching prosperity and progress. By fostering diverse value creation and nurturing our social capital, Janashakthi Life endeavours to contribute to both macroeconomic advancement and a more dynamic insurance sector, setting a higher bar for stakeholder expectations.



Key Strategies and Goals of 2023

 GOAL	 ACHIEVEMENT	 APPROACH TAKEN
Increasing Customer Service Excellence	Increased usage of the Janashakthi Life Mobile App.	Focus on continuous improvements through optimisations and the introduction of new user-friendly features.
Continue to Nurture Robust Partnerships and Bonds	Nurturing robust partnerships with the agents and brokers maintaining a strong distribution network	Implemented targeted recruitment strategies, offered competitive compensation packages, provided extensive training and support to the Sales force
Compliance with Laws, Regulations, and Industry Best Practices	- Timely payment of taxes. - Conformance with industry and corporate guidelines.	Set internal deadlines and Strategies to achieve compliance deadlines and closely monitor the progress.
Contribute to the Wider Community	Executed several CSR programmes: - Art Competition for Youth - Support to students sitting for the grade five scholarship examination.	Social well being of the community was prioritised through the Janashakthi Foundation

HIGHLIGHTS FOR 2023

- ▶ Launch of the Dream Saver product
- ▶ Growth in Mobile App usage in 2023 is 54%
- ▶ Recognised by the 2023 Global Business Review Magazine Awards as the Best Customer Service Company in the Insurance Sector, Sri Lanka
- ▶ Awarded Best Mobile Insurance App of the Year in Sri Lanka for 2023 - Janashakthi Life Mobile App by the 2023 Global Business Review Magazine Awards.
- ▶ Voted as the Most Trusted Life Insurance Company in Sri Lanka for the year 2023 by the 2023 Global Business Review Magazine Awards.

- ▶ 17,373 new policy applications
- ▶ Rs. 584 Mn commission paid to sales agents.
- ▶ Rs. 3.4 Bn total Gross claims in 2023.



OUR APPROACH TO MANAGING SOCIAL AND RELATIONSHIP CAPITAL

At the forefront of our management approach is a dedicated focus on delivering value to a spectrum of stakeholder groups with diverse expectations. We have meticulously crafted an integrated value-creation framework, considering critical factors that are paramount to our stakeholders. This framework not only facilitates the establishment and nurturing of mutually beneficial relationships but also concurrently generates value across various forms of capital, thereby enhancing the overall performance of the Company.

Janashakthi Life is committed to catering to the insurance needs of the nation's people across diverse socio-economic strata. Upholding integrity and clarity, we consistently strive to provide improved value to our external stakeholders. This commitment extends to our customers, as well as partnerships with suppliers, business associates, and governing entities, where we aim to meet and exceed their expectations while maintaining optimal business performance.

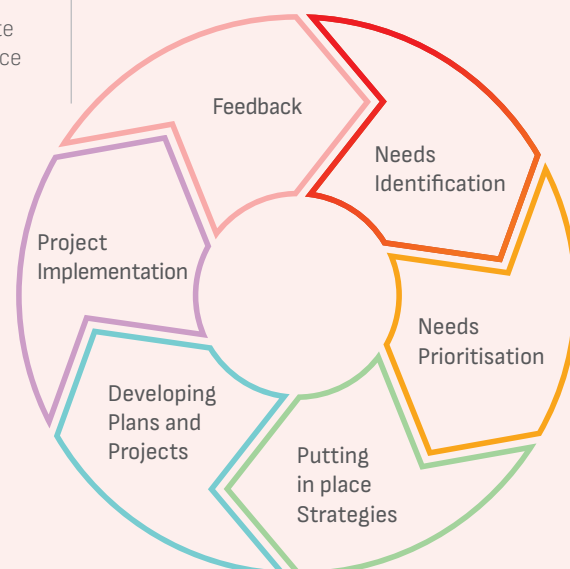
Recognising the profound significance of contributing to the communities in which we operate, we actively undertake initiatives geared towards giving back to our supporters. This value-centric approach has been instrumental in fostering enduring trust, admiration, and allegiance throughout our history. As pioneers in the insurance sector, Janashakthi Life has introduced ground-breaking insurance products and services tailored to address the varying needs of customers at different life stages.

Over the years despite the ups and downs faced due to external factors, our commitment to this approach remained unwavering. We continued to elevate customer service levels and convenience, actively contributed to society's upliftment and welfare, and ensured that we met the expectations set forth by governing bodies. This ongoing dedication underscores our belief in the symbiotic relationship between our business and the diverse stakeholder groups we serve.



CREATING SOCIAL AND RELATIONSHIP VALUE

Employing a circulatory question-response approach, the Company has developed an integrated method to create social and relationship value for stakeholders.



Nurturing Connections, Sustaining Value

Social and Relationship Capital



CULTIVATING MEANINGFUL RELATIONSHIPS WITH CUSTOMERS

At Janashakthi Life, understanding and serving our customers is paramount. We recognise their pivotal role in shaping our business and prioritise their needs at every touchpoint. Three key pillars drive this customer-centric approach:



CUSTOMER CENTRICITY AT THE CORE



Enhancing the
Experience



Driving
Innovation



Building Trust
through Engagement

ENHANCING THE EXPERIENCE

The Company continuously strives to elevate the customer experience through improved service levels, increased autonomy and convenience, and digitalisation initiatives.

- ▶ **Elevating Service:** We actively invest in streamlining processes, automating routines, and introducing mobile app features to provide faster, more efficient service.
- ▶ **Empowering Customers:** We promote self-service and autonomy through online portals and mobile app features, giving customers greater control over their policies and transactions.
- ▶ **Modernising Convenience:** By leveraging AI and partnering with local banks, we enable convenient payment options like debit/credit card usage and direct claim settlement through savings accounts.

In line with Janashakthi Life's commitment to customer service excellence, the Janashakthi Mobile App has been instrumental in providing an enhanced and seamless experience for both corporate and individual customers throughout their customer life cycle journey. This innovative app empowers customers with convenient access to a diverse range of services, placing essential functionalities such as customer onboarding, premium payments, policy performance tracking, premium receipts, claim management, and swift communication right at their fingertips.

Our vision throughout the customer app development process has been to prioritise convenience and foster customer loyalty. The app features well-thought interfaces that are not only user-friendly but also designed to engage customers interactively. It stands as the most interactive self-service insurance mobile app in the country, setting a benchmark with its simplicity and effectiveness.

The app is strategically developed to meet the dynamic needs of our customers, providing them with an efficient and reliable seamless user experience. Through our commitment to enhancing customer service excellence, the app facilitates anytime, anywhere, and anyhow access, ensuring a highly interactive and personalised experience.

The increased usage of the Mobile App is a testament to its success in meeting customer needs and preferences. As of December 2023, the App has recorded notable increases in registered users, with a 54% growth from 2,767+ in December 2022 to 4,260+ in December 2023. The global usage distribution further reflects the app's effectiveness, with significant adoption rates in Sri Lanka, the United Kingdom, the United Arab Emirates, and Italy.

This increase underscores the app's popularity and effectiveness in delivering a superior experience to our diverse customer base.



CUSTOMER RELATIONSHIP MANAGEMENT (CRM) FOR ENHANCED CUSTOMER SERVICE EXCELLENCE

The Company is excited about the planned launch of our CRM system for launch in January 2024. This milestone marks a significant step forward in our commitment to delivering exceptional customer service by leveraging cutting-edge technology to streamline operations and elevate the sales experience.

OPERATIONAL EXCELLENCE

The implementation of our CRM system is poised to revolutionise the operational landscape, empowering front office staff to seamlessly access a 360-degree view of customer details and their interactions with the Company. Through a unified dashboard, operational hassles during customer service interactions will be significantly reduced, ensuring a more efficient and streamlined process.

SALES ENHANCEMENT

The CRM system plays a pivotal role in equipping both the front office and sales staff with valuable insights. By utilising the 360 customer dashboard, our teams will gain a comprehensive understanding of customer interactions, allowing for the identification of cross-selling opportunities. This strategic approach enhances sales effectiveness, fostering a more personalised and proactive engagement with our customers.



DRIVING INNOVATION

We understand the dynamic landscape of insurance needs and respond by developing innovative and improved products tailored to diverse customer segments.

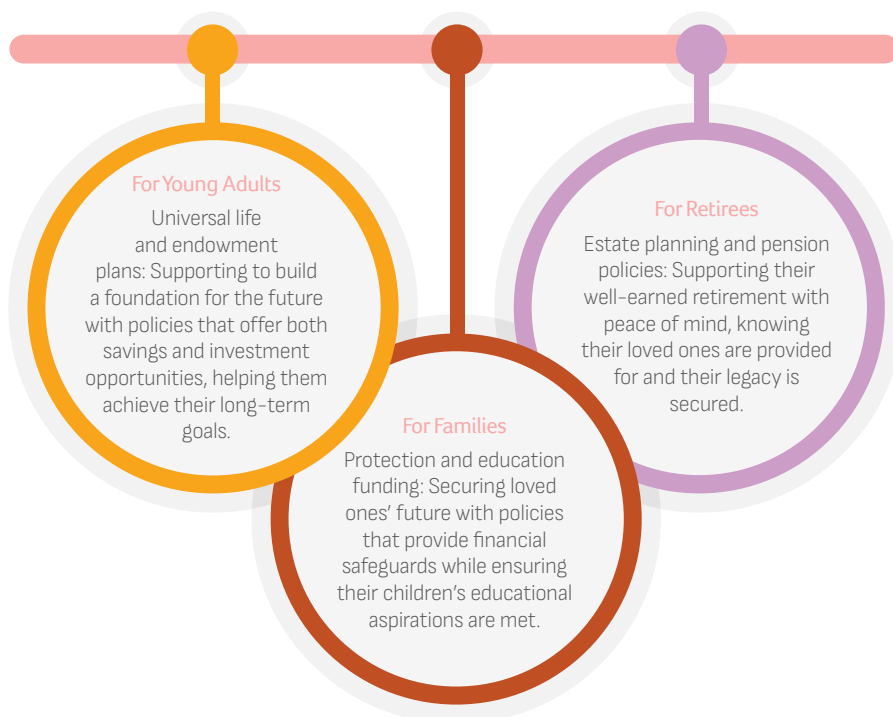
- ▶ Meeting Evolving Needs: We continuously analyse market trends and customer feedback to create new products that address contemporary risks and challenges.
- ▶ Catering to All Segments: We offer a wide range of insurance solutions covering individuals, families, and businesses, ensuring comprehensive protection for all segments.

Market Segmentation

Market segmentation plays a key role in our efforts, as it enables us to create innovative value through targeted approaches to our customer segments. We begin the journey by understanding our customers' life milestones and designing solutions to deliver value at every stage. We also leverage insights from demographics, behaviours, and specific needs to further personalise our offerings. This allows us to go beyond traditional market segmentation and focus on our customers, and their unique needs as they navigate the stages of their lives.

This ensures that each customer receives the perfect match for their unique situation and aspirations.

Through this meticulous market segmentation strategy, Janashakthi Life aims not only to meet but exceed the diverse needs of our customers at different life stages, thereby delivering exceptional value and fostering long-term relationships.



Nurturing Connections, Sustaining Value

Social and Relationship Capital

BUILDING TRUST THROUGH ENGAGEMENT

Open and transparent communication is a core component of our customer-centric approach and enables building and fostering customer relationships. We actively engage with customers through various channels:

- **Proactive Communication:** We keep customers informed about updates, policies, and industry trends through multiple channels, including mobile app notifications, emails, and social media.
- **Feedback Channels:** We provide accessible avenues for customers to share their thoughts and concerns through surveys, online feedback forms, and dedicated customer service channels.
- **Addressing Grievances Efficiently [GRI 2-25]:** We have a transparent and efficient grievance handling mechanism to ensure prompt and fair resolution of customer complaints. Various channels, including an online platform, social media, call centre, and branch visits are utilised to handle customer grievance handling. No serious grievances were reported in the review year.

CUSTOMER PRIVACY

[GRI 418]

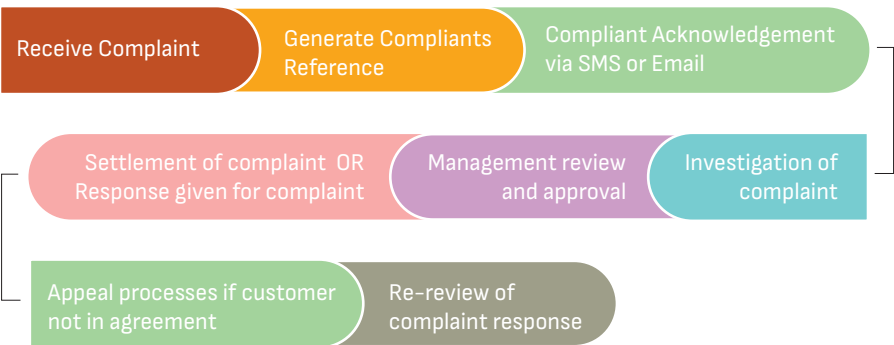
Strict security protocols, software, and employee training ensure the privacy and security of customer information. No privacy violations or data loss were recorded in the year under review.

At Janashakthi Life, customer trust is one of our most valuable assets. We understand the importance of protecting confidential information and have robust safeguards in place to ensure its complete privacy and security.

- ▶ **Rigorous Security Protocols:** We employ multiple layers of security measures, including advanced encryption technology, access controls, and regular security audits.
- ▶ **Dedicated Software:** We utilise industry-leading security software to protect customer data against unauthorised access, theft, or loss.

OVERVIEW OF CUSTOMER GRIEVANCE HANDLING PROCESS

By investing in these customer-centric initiatives, Janashakthi Life fosters long-term trust and loyalty, solidifying our position as a reliable and valuable partner in our customers' journey towards financial security.



- ▶ **Employee Training:** Upholding customer privacy is embedded in our culture. We regularly train all employees and advisors on data confidentiality regulations and best practices.
- ▶ **Clear Code of Conduct:** Our employee code of conduct clearly outlines our commitment to protecting customer privacy and making it a priority in every interaction.

For further details on our comprehensive privacy framework, please refer to pages 68 to 83 of the Corporate Governance Report.

We are proud to report that no incidents of customer privacy violations or data loss occurred during the year under review. However, we remain vigilant and continuously refine our security measures to stay ahead of emerging threats.



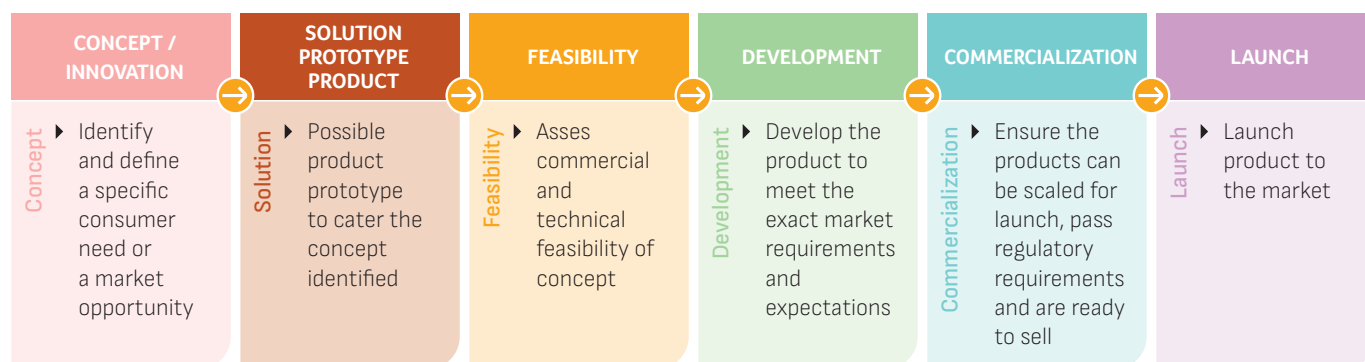
BUSINESS INNOVATIONS PROCESS

To guarantee that our customers precisely receive the products they desire at the opportune moments in their lives, we have implemented a robust Business Innovations Process. This meticulous process serves as a guiding framework for the Company's product development endeavours, ensuring that each offering is thoughtfully designed and strategically aligned with the diverse needs and preferences of our customer base.

The Business Innovations Process is a comprehensive system that involves thorough market analysis, continuous customer feedback loops, and collaboration across various departments. It begins with a careful examination of market trends, customer demographics, and emerging needs. Through this analysis, we gain valuable insights into the dynamic landscape of consumer demands.

Customer feedback plays a critical role in shaping our product development strategy. We actively seek and incorporate input from our customers at different stages, ensuring that their perspectives are integral to the evolution of our offerings. This iterative feedback loop fosters a customer-centric approach, allowing us to adapt and refine our products based on real-world experiences and preferences.

Collaboration is at the heart of our business innovations process. Cross-functional teams work cohesively, bringing together expertise from marketing, product development, finance, and other relevant departments. This team is renowned as the "Business Innovation Council." The Council's effort ensures that our products are not only innovative but also financially viable and aligned with the overarching business goals.



OUR PORTFOLIO OF INSURANCE PRODUCTS AND SOLUTIONS

We offer a range of insurance products and solutions to empower customers to protect themselves and their families, adapt to market changes, and launch innovative products.

During the year under review, the Company focused on rationalising our product portfolio as a strategic move to position ourselves as a more agile and responsive player in the market, capable of delivering tailored solutions that resonate with our customers and prevailing market conditions. This initiative reflects our commitment to continuous improvement, adaptability, and sustained competitiveness in the ever-evolving landscape of our industry.

Accordingly, the Company conducted a comprehensive analysis and evaluation of our product portfolio, leading to a

strategic optimisation to enhance our market reach in line with external market challenges. Through a meticulous review process, we assessed each product's performance, market demand, and alignment with our overall business objectives. This rationalisation initiative aimed to streamline and refine our offerings, ensuring that we present a well-targeted and cohesive range of products to effectively meet the diverse needs and preferences of our target audience in line with current market developments and conditions.

The rationalisation process enabled us to eliminate redundancies, enhance the overall efficiency of our product line-up, and maximise the value proposition for our customers. Through this process, we also obtained information that supported the launch of a new product to cater to emerging customer needs.

GROUNDBREAKING SAVINGS SOLUTION: 'DREAM SAVER'

During the year under review, Janashakthi Life launched the 'Dream Saver' product which is set to redefine the life insurance market. This revolutionary savings solution presents a novel approach to high-yield savings, offering customers an unparalleled opportunity to strategically invest in medium or long-term options for substantial returns.

'Dream Saver' stands out as a single premium annuity product, featuring an attractive above-the-market dividend rate coupled with an annual guaranteed rate. Noteworthy is its unique inclusion of built-in life and accidental death coverage, adding an extra layer of financial security for policyholders.

Ideal for individuals with a minimum investment value of Rs. 1 Mn, 'Dream Saver' caters to those considering fixed deposits, EPF, and ETF funds. What sets this investment opportunity apart is the flexibility it affords customers in customizing the frequency of dividend receipts according to their specific needs.

Nurturing Connections, Sustaining Value

Social and Relationship Capital



ESTABLISHING FAIR AND COLLABORATIVE PARTNERSHIPS WITH SUPPLIERS

[GRI 204]

Our relationship with suppliers showcases the length of our associations. A well-defined procurement process ensures ethical operations, compliance, and efficiency. The dedicated supplier management platform launched in 2022 also supports the Company to build and maintain close relations with our suppliers and creates a platform for improved interaction.

RELATIONSHIPS WITH SUPPLIERS

Types of Suppliers	2023		2022		2021		2020	
	No. of Suppliers	Length of Relationship	No. of Suppliers	Length of Relationship	No. of Suppliers	Length of Relationship	No. of Suppliers	Length of Relationship
Stationery Products	6	10	10	8	3	7	3	6
IT Services	13	17	11	16	10	15	8	14
Security Services	3	10	1	7	1	6	1	5
Janitorial Services	3	10	2	7	1	6	1	5

PROCUREMENT PROCESS

[GRI 414]

Janashakthi Life takes a responsible approach to its supply chain, adhering to a well-defined procurement process. We prioritise suppliers who operate ethically, comply with local regulations, and actively prevent forced or child labour. A dedicated committee oversees the process, fostering strong relationships with our partners. Our supplier management platform supports streamlined communication and efficient ordering, further strengthening our supply chain integrity. Notably, we haven't received any reports of adverse social repercussions during the year under review.



STRATEGIC COLLABORATION WITH BUSINESS PARTNERS

A robust network of partners fuels Janashakthi Life's success. We collaborate with insurance agents, banks, digital payment providers, actuaries, supermarkets, and other financial institutions across Sri Lanka. These partners help us deliver superior service and convenience to our customers. We adopt stringent criteria when selecting partners, ensuring mutually beneficial, sustainable relationships. Recognising the importance of digital integration, we've expanded partnerships with payment gateways and developed online portals for increased convenience. In 2023, we welcomed new partners, strengthening our commitment to our external stakeholders. Our valued agents remain crucial to reaching a wider market and achieving our growth goals. Our Agent Virtual Office which was launched to cater to tech-savvy customers, has been well-received and facilitates faster turnaround times and improved efficiency.

BUSINESS PARTNER NETWORK OVERVIEW

Types of Business Partnerships	2023		2022		2021		2020	
	No. of Suppliers	Length of Relationship	No. of Suppliers	Length of Relationship	No. of Suppliers	Length of Relationship	No. of Suppliers	Length of Relationship
Agents	7	8	7	7	7	6	7	5
Banking Institutions	16	14	16	13	16	12	16	11
Actuaries	1	8	1	7	1	6	1	5
Supermarket Chains	1	9	1	8	1	7	1	7

ENGAGING IN COLLABORATIVE EFFORTS WITH REGULATORS **[GRI 419]**

At Janashakthi Life, integrity forms the foundation of our operations. We consistently dedicate resources to upholding our reputation as a transparent and ethical business. This commitment manifests in several ways:

REGULATORY COMPLIANCE We adhere to all national laws, policies, and regulations, alongside guidelines and best practices issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL). We proactively monitor industry and financial regulatory standards, ensuring prompt adaption to any needed operational changes.	LISTED ENTITY GOVERNANCE As a publicly traded company on the Colombo Stock Exchange (CSE), we diligently follow the rules and regulations of industry regulators, the CSE itself, and the Securities and Exchange Commission.	EMPLOYEE VALUE CHAMPION Recognising the crucial role of our workforce in generating value, we prioritize compliance with labour laws and the Shop and Office Act, fostering a positive and responsible working environment.	RESPONSIBLE CITIZENSHIP We contribute to Sri Lanka's well-being by fulfilling statutory and tax obligations promptly and submitting all required reports to the IRCSL.
---	--	--	---

By prioritising these commitments, Janashakthi Life builds trust with regulators and other stakeholders, fostering sustainable growth, and strengthening our position as a leader in Sri Lanka's insurance industry.

It pleases us to report that there were no non-compliance issues reported in the year under review.

ANTI-COMPETITIVE BEHAVIOUR

[GRI 419]

To date, Janashakthi Life has not encountered any legal actions related to anti-competitive behaviour, anti-trust issues, or monopoly practices.

PUBLIC POLICY

[GRI 419]

As a policy, Janashakthi Life does not make political contributions.

Nurturing Connections, Sustaining Value

Social and Relationship Capital



NURTURING CONNECTIONS WITH LOCAL COMMUNITIES

[GRI 413]

Recognising our role as a business embedded in a larger society, Janashakthi Life acknowledges the potential indirect impacts our operations may have on communities. Consequently, the Company embraces its responsibility to protect these communities and prevent any adverse effects stemming from our business activities. We firmly believe in giving back to these communities, considering them essential stakeholders in our journey. Over the past 29 years, our purpose-driven approach has focused on enhancing lives and empowering businesses and individuals to realise their aspirations and full potential.

In line with our beliefs, Janashakthi Life remains committed to local communities and undertakes engaging projects to support community development. Notable projects executed during the year under review include the Nidahas Adahas' Art Competition and Exhibition and the Shilpashakthi Year-5 Scholarship Programme which continues to support underprivileged students.

“NIDAHAS ADAHAS” ART COMPETITION AND EXHIBITION

Sparkling Imagination: The Colours of Sri Lankan Youth

Janashakthi Life conducted the Nidahas Adahas Art Competition and Exhibition, a nationwide initiative nurturing creativity and artistic expression in children in the age group of 3-5 and 6-10. The event attracted over 10,000 submissions from across Sri Lanka, each a vibrant testament to the boundless imaginations of our youth. A distinguished panel, including Kalapathi, Kalabooshana Pulasti Ediriveera, Ms. Prasadani Kumari, and Mr. Prageeth Rathnayake, meticulously evaluated each entry. The top 100 artworks from each age category were exhibited at the BMICH, showcasing the brilliance of young Sri Lankan artists to the world. Substantial cash rewards were awarded to the top winners and finalists in each category, recognising their dedication and inspiring future endeavours.

Beyond Competition: Janashakthi Life went beyond simply recognising talent. We conduct a complimentary workshop for all participants, nurturing their skills and enriching their artistic journey.

The Company's Nidahas Adahas programme was developed to fulfil three key objectives:

Objective 1	Objective 2	Objective 3
Empowering young minds by unleashing creativity and igniting passion.	A stage for nationwide recognition.	Inspiring positive change and cultural development.
Nidahas Adahas offers a platform for young minds to articulate their distinctive viewpoints and showcase their artistic brilliance. By unlocking the limitless creativity within each child, the aim is to nurture a generation of inspired artists poised to shape the future.	Nidahas Adahas transcended geographic boundaries, celebrating diverse talents from across Sri Lanka. The aim is to create an inclusive platform, where every young artist is heard and seen, contributing to a vibrant tapestry of Sri Lankan creativity.	Nidahas Adahas delves deeper than the competition. We see the artworks as a window into the minds of our youth, reflecting their awareness of the world around them and their aspirations for a better future. By promoting this dialogue, the initiative aims to inspire young minds to become agents of positive change and contribute to the cultural development of Sri Lanka.



SUPPORTING GRADE FIVE SCHOLARSHIP EXAMINATION STUDENTS

We actively extended our support to students preparing for the Grade Five Scholarship Examination for the 10th consecutive year by engaging in a comprehensive outreach initiative. We changed the format of the program during the year under review to better serve school children, where our team travelled from school to school, providing a recorded version of the educational content to aid in the preparation of approximately 10,000 students. The impact of our efforts was significant, with requests pouring in not only from schools but also from the Sri Lankan Education Ministry itself. This initiative has proven instrumental in enabling students to access valuable resources and enhance their preparation for this crucial examination.

EMPOWERING SRI LANKA: JANASHAKTHI FOUNDATION IN ACTION

Janashakthi Life's commitment to communities is further strengthened through the Janashakthi Foundation, which engages in programs specifically designed to support various under-served communities, with a strong emphasis on community empowerment and upliftment.

The Janashakthi Foundation was established in collaboration with our group companies—First Capital Holdings PLC and Orient Finance PLC, with the primary objective of contributing positively to society through initiatives concentrated on sports, education, and community development.

Driven by a commitment to upliftment, we partner with diverse organisations to deliver tangible results across the nation. The foundation continued with the Meal Distribution Programme due to its relevance and significant impact made in the context of trying economic conditions.

NOURISHING YOUNG MINDS AND BODIES

Recognising the vital role of nutrition in childhood development, the Janashakthi Foundation's Meal Distribution Programme provides wholesome meals to children of vulnerable communities and underprivileged schools. During the year under review, nearly 7,000 meals to children in need were provided, exceeding their hunger, and bringing smiles to their faces. Our diverse menu ensures both nourishment and enjoyment, with regular deliveries impacting 15 locations and exceeding 21,000 meals distributed to date.

SPOTLIGHT ON SUCCESS

Janashakthi Foundation is committed to continuous growth and impact. We are actively seeking new partnerships and expanding existing programs to reach even more communities across Sri Lanka. We believe in building a brighter future together, one act of empowerment at a time.

Our People, Our Strength

A Human Capital Report

In the dynamic landscape of 2023, Janashakthi Life continued to evolve and thrive, guided by strategic objectives aimed at fostering a robust organisational culture amidst various external market and economic challenges, enhancing employee skills, and adapting to a rapidly changing business operating environment.



Key Strategies and Goals of 2023



GOAL



ACHIEVEMENT



STRATEGY PURSUED

Building HR Relations	Strengthened HR relations through targeted engagement events and a proactive grievance management framework.	Conducted focus group discussions and counselling services to better understand employees' grievances and concerns.
Employee Skill Enhancement	L&D programs saw an increase in participants by 53% and hours by 29%, aligning employee skills with business requirements.	We ensured continuous improvement in training offerings which employees enthusiastically embraced.
Creating a Positive Workplace	Achieved the Great Place to Work status for the second consecutive year, with a significant increase to 83% in satisfaction and engagement levels.	Identified weaknesses and implemented department-specific engagement strategies based on feedback received from employees.

HIGHLIGHTS FOR 2023

- Recognised as a Great Place to Work®
- The Company's CIO was recognised as the CIO of the Year for spearheading
- Janashakthi Insurance Digitalisation drive and IT Solutions.

- Launch of the Janashakthi Life Great Manager Awards
- LKR 12.84 Mn GWP per employee

OUR APPROACH TO MANAGING
HUMAN CAPITAL

At Janashakthi Life, our commitment to our employees is woven into our corporate purpose of "Uplifting Lives and Empowering Your Dreams." The Janashakthi Life values stand as an enduring source of inspiration, driving our employees to channel their best efforts in their roles. The Company's culture is enforced on our inherent commitment to elevating our employees' careers and this underscores our belief in the transformative power they bring to our Company.

Ensuring a happy and content workforce is part of the Company's key success factors. All Human Resource (HR) policies and processes are aligned to ensure our employees achieve professional growth while expanding their skills and achieving their career goals.

As part of this process, one key focus for the year under review was on continuous improvement, where we adapted HR processes to business needs and towards fostering an agile business structure.

The management acknowledges that employees are and will always remain the driving force behind the growth of our Company. Accordingly, we place a high priority on investing in the well-being and educational development of our valued workforce.



HUMAN RESOURCE POLICIES



Code of Conduct



Work From Home (WFH) Policy



Flexi-Hours Policy



Staff Loan Policy



Recruitment Policy



Attendance & Leave Policy



Training & Development Policy



Performance Management Policy



Policy on Harassment in the Workplace



Dress Code Policy



Grievance Handling Policy



Disciplinary Policy

OUR COMMITMENT TO EMPLOYEES

- ▶ To treat our employees fairly.
- ▶ To offer equal opportunity employment.
- ▶ To not discriminate against employees based on their personal preferences, beliefs, caste, and creed.
- ▶ To preserve employees' rights as human beings.
- ▶ To care for the health and safety of employees.
- ▶ To enable employees to build successful careers.
- ▶ To reward based on merit.



Our People, Our Strength

A Human Capital Report

A RESPONSIBLE EMPLOYER

[GRI 401-1, 404, 405, 406-1, 408-1]

Janashakthi Life is committed to being an employer of choice, attracting and retaining top talent by following ethical and fair HR practices.

Fair and Inclusive Hiring

We follow a structured recruitment process ensuring equal opportunities and non-discrimination. This includes comprehensive assessments free from prejudice.

Onboarding and Integration

A comprehensive onboarding program familiarises new hires with internal policies, colleagues, and the Company culture, fostering a smooth transition.

Positive Work Environment

We prioritise employee safety, comfort, and open communication. Collaborative spaces and transparent communication channels promote a positive and engaging work atmosphere.

Employee Development and Training

We offer various development opportunities aligned to fulfilling both employee needs and business growth. This helps employees build skills and competencies throughout their careers creating a lifetime of value for both individuals and the Company.

Competitive Compensation and Benefits

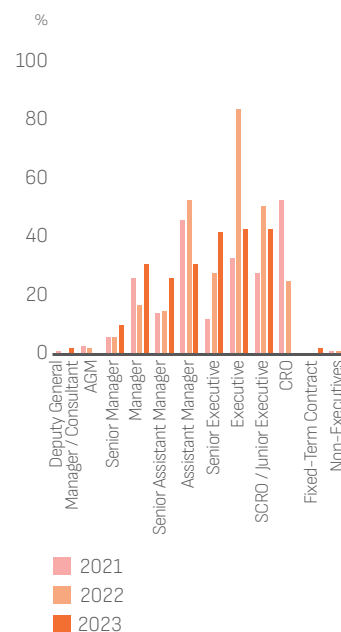
We understand the importance of recognising and rewarding employee contributions. We offer industry-leading benefits packages tailored to meet diverse needs and aligned to ensuring employee well-being and external financial market changes.

Commitment to Responsible Labour Practices

The Company prohibits forced or compulsory labour in any form. We respect the right to freedom of association and collective bargaining, and there were no reported instances of forced labour or unionisation activity during the year under review.



Categories of Employees Hired



As the year concluded, HR received positive feedback on the new onboarding process. Employees affirmed the revamped approach empowered new employees, reduced initial anxiety, and fostered a smoother transition into their new roles.

During the year under review, the Company hired 230 employees.

RECRUITMENTS AND ONBOARDING

[GRI 202-2, GRI 401-1]

Recruitment was a key focus area in 2023, where the Company recognised that attracting and retaining the right talent is crucial for both career progression and succession planning, in the context of the prevailing mass migration mindset of talented and experienced Sri Lankan nationals due to the disheartening economic climate experienced since 2022. Thus, the Company undertook a comprehensive review and restructuring of its talent management plan. This initiative aimed to align our recruitment strategy with the evolving needs of our organisation and the changing expectations of the

workforce, particularly in the context of stability and future prospects.

To strengthen the first six months of a new employee's journey, we enhanced and streamlined our onboarding process. We started with welcome packs filled with helpful information and goodies, followed by a structured group induction and individual goal setting within the first two months. HR provided close support during this time through regular check-ins and mentorship. Additionally, a call-back interview after three months of working at the Company captured the recruits' experience and addressed any issues swiftly.

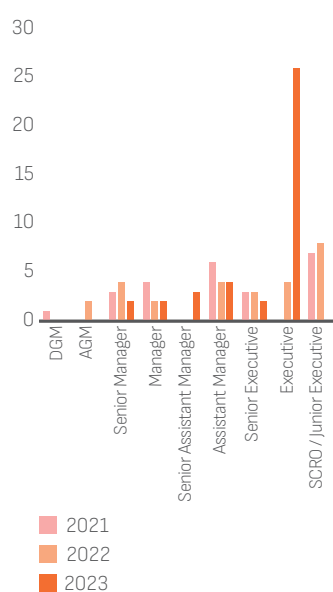
Employees by Region

Province	No. of Employees		
	2021	2022	2023
Central	38	14	27
Eastern	40	22	22
Northern	42	19	15
North Central	14	28	13
North Western	24	12	18
Sabaragamuwa	24	16	19
Southern	36	16	27
Uva	36	21	21
Western	189	218	195

Employee Promotions

The Company is committed to fostering a diverse and high-performing team grounded in fair and equal-opportunity employment. This commitment shines through in our competency-based approach to recruitment and promotion, ensuring that we select and elevate individuals based on their actual skills, work ethic, and values, rather than focusing on non-value-adding factors.

Employee promotions



This approach is evident in our promotion practices and is demonstrated by the promotion of 39 employees who

consistently demonstrated exceptional performance and alignment with our organisational values. Each promotion was carefully considered through a rigorous competency-based evaluation process, ensuring that the right individuals were rewarded for their contributions and given the opportunity to further advance their careers within the Company.

Employee Attrition

An ongoing challenge for the Company during the year under review was retaining top talent due to the mass imminent migration mindset that has beset the younger generations of the nation. Losing valued employees due to overseas relocation disrupted workflow and necessitated swift action. To overcome this, the Company has implemented a targeted HR strategy which focuses on long-term recruitment, where we actively seek candidates with a potential long-term commitment to remain within Sri Lanka, building a stable talent pool for the future. Additionally, the Company launched a management trainee program in collaboration with a Sri Lankan university to address talent supply challenges within our regional sales teams.

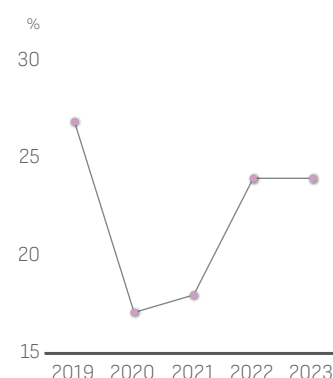
Furthermore, to mitigate immediate disruptions, the Company explored options such as temporary bridging placements within Sri Lanka, and filling roles until the migrated employee's departure.

During the year under review, the Company lost 11 employees due to migrations.

Reason for leaving (Voluntary Resignations)	No. of Employees		
	2021	2022	2023
Personal	9	11	10
Better Prospects	35	43	45
Government Opportunities	-	1	1
Family Commitment	3	3	2

Reason for leaving (Voluntary Resignations)	No. of Employees		
	2021	2022	2023
Migration	4	9	11
Higher Education	1	3	3
Total	52	70	72

STAFF TURNOVER



Succession Planning

The Company is committed to ensuring a seamless transition in leadership in the future by implementing a robust succession planning process. This process prioritises the development of high-potential employees, preparing them for future leadership roles. Succession planning also supports the Company to reduce attrition rates and retain top talent in the long term.

Our succession planning program goes beyond simply filling vacant positions. It focuses on nurturing a culture of continuous learning and growth, empowering individuals to reach their full potential and prepare for future opportunities within the Company.

To ensure maintaining an updated succession plan in line with internal business needs and external market developments, the Company reviews and updates its succession plans annually. As part of the process, each identified successor receives an individual development plan (IDP) tailored to their

Our People, Our Strength

A Human Capital Report



unique strengths and weaknesses. These IDPs cover not only hard skills and qualifications but also essential soft skills like communication, collaboration, and decision-making.

As part of the Janashakthi Group, our employees also benefit from the Leadership Development Program offered by the Postgraduate Institute of Management (PIM), Sri Lanka. The expertise offered by this program equips potential successors with the necessary skills and knowledge to navigate the complexities of leadership and changing business operating environments whilst fostering a strong pipeline of future leaders.

To date, we have identified 15 employees as potential successors for leadership roles within the Company.

COMPENSATION AND BENEFITS

Recognising the value of our workforce, Janashakthi Life is committed to offering competitive compensation and a comprehensive benefits package that rewards employees for their dedication and contributes to their overall well-being. We understand that one-size-fits-all doesn't apply to employee rewards. As such, our compensation and benefits programs are

designed to cater to the diverse needs of our employees, reflecting their job category and seniority level.

Key Financial Rewards

- Competitive salaries benchmarked against industry standards.
- Performance-based bonuses recognizing individual and team achievements.
- Attractive profit-sharing programs aligning employee success with company growth.

Non-Financial Benefits

- Robust health insurance coverage for employees and their families.
- A comprehensive retirement plan ensuring long-term financial security.
- Paid time off, including vacation, sick leave, and personal days, promoting work-life balance.
- Continuous learning and development opportunities through training programs and professional development initiatives.
- Access to recreational facilities and employee discounts on Company products and services.

The details of our compensation and benefits programs are clearly

communicated to all employees through readily available resources and regular briefings. We ensure consistency and transparency in application, fostering trust and fairness within the Company.

By offering a compelling compensation and benefits package, Janashakthi Life strives to attract and retain top talent, motivate employees to achieve their full potential, and cultivate a loyal and engaged workforce. We believe that investing in our people is an investment in the future of our Company and ultimately contributes to our continued success.

Employee Compensation and Benefits

Type of Benefit	No. of Eligible Employees	
	2022	2023
Life Cover	341	357
Indoor Medical (Family)	248	299
Critical Illness cover	341	357
Personal Accident Cover	341	357
OPD	248	161
Death Donation	341	357
Distress Loans	32	45
Education Loan	5	0
Professional Subscriptions	-	7
Phone Allowance	7	17
Internet Allowance	120	159
Travel/Vehicle Allowance	161	190
Fuel Allowance	96	121

EMPLOYEE PERFORMANCE APPRAISAL

[GRI 404-3]

The Company's performance appraisal system is seamlessly integrated with our compensation, benefits, and reward programs, creating a merit-based environment where employees' achievements and teamwork are recognised.

The Company's performance appraisal process is streamlined and automated; and is based on a behavioural competency framework to ensure fair and transparent evaluations for all employees. Executive-

level employees undergo bi-annual reviews against assigned KPIs, while other employees receive annual appraisals from their immediate supervisors. This structured approach provides valuable feedback and opportunities for development, empowering everyone to reach their full potential.

We take great pride in celebrating the accomplishments of our dedicated team.

GROWTH THROUGH CONTINUOUS LEARNING

[GRI 404]

During 2023, the Company continued to prioritise employee learning and development as a key driver of organisational success and growth. Building on a foundation of a conducive learning

environment and an enabler of diverse career opportunities, we successfully increased knowledge retention and facilitated knowledge transfer among employees. This culture of continuous learning has fostered innovation and agility, supporting the business to navigate the unexpected in challenging operating conditions.

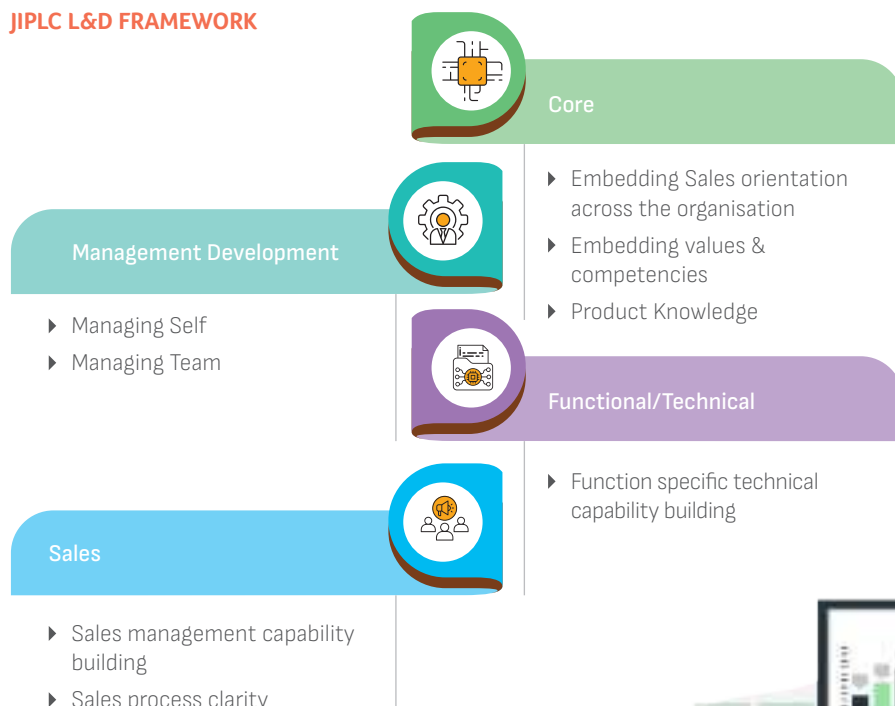
Considering prevailing business and operating circumstances, we focused on implementing targeted training programs and knowledge-sharing initiatives aimed at improved knowledge retention and fostering a continuous learning culture. As employee skills and know-how increased, our learning programs also facilitated internal promotions and enabled the Company to pursue its goals of succession planning, creating a pipeline of future

leaders. Furthermore, our efforts saw employees being empowered and an increase in engagement and motivation levels.

The Company views investment in employee development as contributing to the Company's long-term intellectual capital value.

As such our training programs span across all categories of employees. The process adopted requires the HR team to identify training needs and develop a comprehensive plan at the beginning of each year, including a transparent training calendar which is designed to minimise business disruption while maximising employee learning opportunities.

JIPLC L&D FRAMEWORK



In 2023, Janashakthi Life invested Rs. 15.8 Mn in 63 learning and development initiatives, demonstrating our commitment to empowering employees, fostering innovation, and building a sustainable future for the Company.



Our People, Our Strength

A Human Capital Report

Overview of Key Learning and Development Milestones

	2022			2023		
	No. of Programs	Training Hours	No. of Participants	No. of Programs	Training Hours	No. of Participants
Classroom Training	4	230	160	20	3654.5	649
Virtual Training	23	3,901	269	07	422	51
External Training	11	1,028	256	36	2561	345
Total	38	5,159	685	63	6,637.5	1,045

Breakdown of Training Programs - Agency Cadre

	2023		
	Non-Executive Staff	Executives	Managers/ Supervisors
Classroom Training	4093	0	0
Virtual Training	0	0	0
External Training	0	0	0
Total	4,093	0	0

Learning and Development Milestones - Agency Cadre

Province	2023		
	No. of Programs	Training Hours	No. of Participants
Central	38	14	27
Eastern	40	22	22
Northern	42	19	15
North Central	14	28	13
North Western	24	12	18
Sabaragamuwa	24	16	19
Southern	36	16	27
Uva	36	21	21
Western	189	218	195

Breakdown of Training Programs by Employee Categories

	2022			2023		
	Non-Executive Staff	Executives	Managers/ Supervisors	Non-Executive Staff	Executives	Managers/ Supervisors
Classroom Training	-	118	42	-	466	183
Virtual Training	-	201	68	-	33	18
External Training	-	252	4	-	209	136
Total	-	571	114	-	708	337

2023 TRAINING PROGRAM HIGHLIGHTS



Customised Chat GPT Training

Recognising the importance of digital fluency in today's insurance landscape, the Company provided our back office teams with customised training on the effective use of Chat GPT to enhance operational efficiency and enable employees to leverage AI-driven insights for improved customer service and decision-making.



Management Development Programme with PIM:

To strengthen our pipeline of future leaders, Janashakthi Life collaborated with the prestigious Postgraduate Institute of Management (PIM), Sri Lanka, on a targeted Management Development Programme for high-potential Senior Managers and Managers. This programme leverages PIM's cutting-edge curriculum to equip participants with the tools to navigate industry complexities with vision and decisiveness. Contemporary management practices, strategic leadership training, and immersive challenges are expected to hone their critical thinking and empower them to make impactful choices in a competitive market environment.



Emotional Intelligence (EQ) and Mindfulness Series

To empower our employees with emotional intelligence, the Company introduced a transformative workshop series on EQ and Mindfulness. Designed for the demands of today's workplaces, these sessions equip participants with practical tools for emotional regulation, empathetic communication, and stress management. By integrating these skills into their daily lives, employees contribute to a work environment that values well-being and encourages mindful decision-making.



Comprehensive Leadership Development Training for the Lion Force

Recognising the critical role of our sales team in Janashakthi Life's success, we launched a targeted leadership development programme which spans over 06 weeks, exclusively for the sales department's management team. This intensive programme, delivered by our internal Training Team, aims to enhance the skills and capabilities of our sales leaders, ultimately driving sustainable growth for the business.



Managing Your Manager Workshop

Aimed at bridging the gap between employee and manager, this workshop empowers participants to navigate professional relationships with confidence. By equipping them with communication tools, conflict resolution strategies, and assertiveness techniques, this workshop fosters open dialogue, aligns expectations, and unlocks the full potential of individuals and teams.



Our People, Our Strength

A Human Capital Report

EMPLOYEE ENGAGEMENT

Janashakthi Insurance thrives on a value-driven, people-first ethos. We nurture and empower our employees, creating a workplace that's as fulfilling as it is stimulating. In 2023, our engagement strategy evolved beyond mere events, becoming an embedded process woven into the fabric of our daily operations.

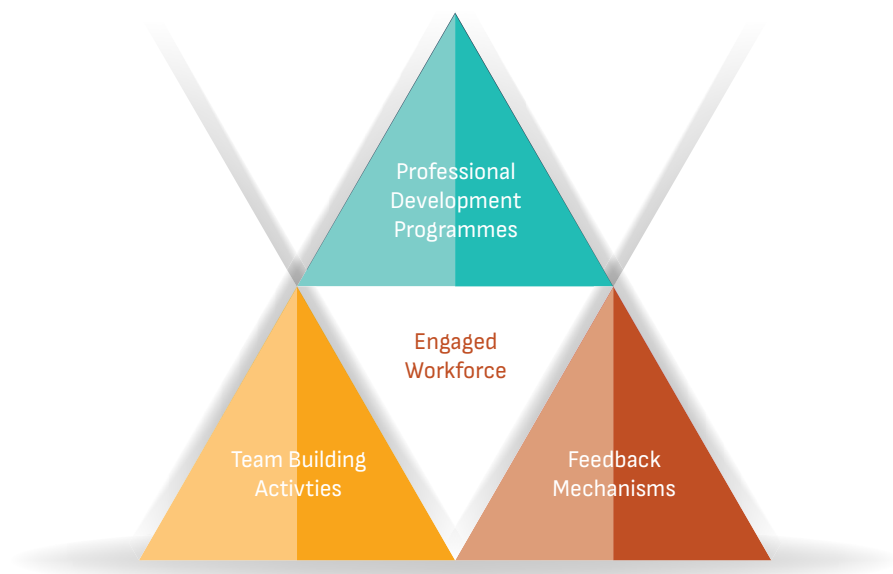
Accordingly, our robust engagement framework caters to each department's unique needs, empowering individual teams to thrive. Structured upon customised professional development programs for refining supervisory skills and team-building initiatives to ignite collaboration and unity, the third facet centres on feedback. The Company believes that every voice is strengthened through regular feedback mechanisms, ensuring concerns are heard and addressed. These continuous processes enhance employees' work-life, prepare them for success, and ultimately contribute to both Company and personal growth.

Deeply invested in understanding the pulse of Janashakthi Life, we participated in the Great Place to Work® survey for the second consecutive year. This wasn't just branding; it was a strategic tool to illuminate both our cultural strengths and areas for growth. We sought in-depth insights to guide our mission of cultivating a truly fulfilling work environment.

And the results were heartening! Overall satisfaction scores soared, a testament to the effectiveness of our customised engagement strategy.

Fuelling Performance Through Specialised Engagement

Recognising the unique demands of our sales and branch teams, the Company adapted engagement strategies to ignite motivation and acknowledge their critical contributions to business success. These initiatives went beyond mere encouragement, celebrating their distinct value to our success.



2023 EMPLOYEE ENGAGEMENT ACTIVITY HIGHLIGHTS

Beyond a comprehensive engagement strategy, the year under review recorded the Company celebrating our shared values and achievements through a variety of events.

Friendly Cricket Tournament

Fostering teamwork and camaraderie through playful competition, the tournament brought out the best in our sportsmanship.

Collective Movie Magic

We shared laughs and memories at the '800' film screening, creating a space for relaxation and connection.

Year-End Recognition

Our annual celebration applauded collective milestones, enabling employees to share a collective sense of pride and appreciation.

Monthly Moments of Joy

From Ice Cream days to Kola Kenda mornings, these surprise activities added a spark of anticipation and delight to the work week.

Focus Group Discussion

Regular focus group discussions are held to gauge the employee pulse, while skip-level meetings offer staff a chance to communicate directly with senior management, bypassing immediate supervisors. These methods are vital to fostering a culture of openness where every employee feels heard and supported resulting in an engaged workforce.

AWARDS AND RECOGNITIONS

We believe in celebrating individual and team accomplishments that drive our success. Our comprehensive employee recognition programs go beyond traditional rewards, fostering a culture of appreciation, motivation, and continuous improvement. We spotlight outstanding contributions through:

- ▶ Performance-based awards: Recognising consistent excellence and exceeding expectations.
- ▶ Peer-to-peer nominations: Encouraging teamwork and valuing collaborative spirit.
- ▶ Special recognition programs: Highlighting unique achievements and innovative ideas.

These programs don't just honour individual merit; they inspire others to strive for excellence, contribute meaningfully, and ultimately propel Janashakthi Life to greater heights. We believe celebrating achievements reinforces a positive work environment where everyone feels valued and empowered to shine.

Rewarding Long-Standing Employees

During the year under review, Janashakthi Life acknowledged the significant contributions of long-term employees who have played a pivotal role in the sustainable growth of the Company. A total of 02 employees, each with more than 20 years of dedicated service, were honoured and celebrated for their enduring commitment and invaluable contributions.

Years of Service by Gender

	2022			2023		
	Male	Female	Total	Male	Female	Total
Below 1 Year	75	25	100	106	44	150
1 – 2 Years	78	51	129	25	25	50
2 – 5 Years	29	18	47	36	29	65
5 – 10 Years	9	7	16	19	12	31
10 – 15 Years	18	19	37	04	07	11
Above 15 Years	10	27	37	18	32	50
Total	219	147	366	208	149	357

JANASHAKTHI LIFE GREAT MANAGER AWARDS

A highlight of the year under review was the launch of the "Janashakthi Life Great Manager Awards," which stands as a testament to the Company's unwavering commitment to leadership excellence within our Sales Management teams. The award recognises and honours exceptional managers who consistently exhibit exemplary leadership qualities resulting in driving team success and business growth. This Award was inaugurated during the fourth quarter and attended by our director, Mr. Mahela Jayawardena, who honoured the occasion as the chief guest.

The "Janashakthi Life Great Manager Awards" serve as a beacon of inspiration, encouraging managers to strive for high-performance levels while cultivating a high-performance culture within their teams. The award criteria were meticulously crafted to align with our corporate values and strategic objectives, ensuring that the recognition is both meaningful and merit-based.

As we move forward, the "Janashakthi Life Great Manager Awards" will continue to be a cornerstone of our commitment to nurturing great leaders. These leaders are not only equipped to lead but also to transform the landscape of insurance sales management. The Company believes that by investing in the recognition of our leaders, we are investing in the future of Janashakthi Life and the communities we serve.



Our People, Our Strength

A Human Capital Report



EMPLOYEE GRIEVANCE MANAGEMENT

[GRI 406]

Recognising employee satisfaction as a cornerstone of organisational success, Janashakthi Life has implemented a robust, accessible, and proactive grievance management framework. This system empowers employees to raise concerns and fosters a culture of open communication.

The essential components of our grievance handling system include a robust mechanism for accessible and confidential reporting through the Company intranet. This ensures that grievances are addressed while safeguarding employee confidentiality. The Grievance Handling Committee, led by the senior management, guarantees fair and thorough reviews of cases and provides impartial oversight of the system.

As the Company prioritises proactive engagement, our process involves the organic identification of employee grievances. This is achieved through regular feedback sessions, focus groups, and skip-level meetings, actively seeking employee input to identify and address



potential issues before they escalate to large-scale grievances. Additionally, our commitment to continuous improvement is evident through the active solicitation of feedback and the ongoing refinement of our practices, reflecting our dedication to fostering a supportive and responsive workplace.

To date, the Company's grievance-handling mechanism has proven to be a catalyst for transformative outcomes. By ensuring the efficient resolution of reported grievances, we have recorded significantly increased employee satisfaction, fostering a positive and harmonious work environment. The commitment to proactive engagement has not only enhanced transparency but also cultivated a culture of open communication, thereby strengthening trust between employees and management. This heightened level of trust serves as a foundation for a more engaged workforce, where addressing concerns not only promotes employee well-being but also propels increased overall engagement, contributing to the Company's resilience and success.



During the year under review, the Company received minor grievances from employees, all of which were promptly resolved to the satisfaction of all parties involved.

OCCUPATIONAL HEALTH AND SAFETY

[GRI 405]

For Janashakthi Life, the health and safety of employees manifests in the form of ensuring employee well-being and mental health. Accordingly, Janashakthi Life has taken significant strides this year to foster a supportive and empathetic workplace. Our comprehensive initiatives prioritise both individual accessibility and broader cultural awareness.

Aligning with the Janashakthi Group's commitment, we proudly offer confidential access to external counselling services. This personalised approach allows our employees to address personal challenges in a safe, secure space, promoting overall well-being and building resilience.

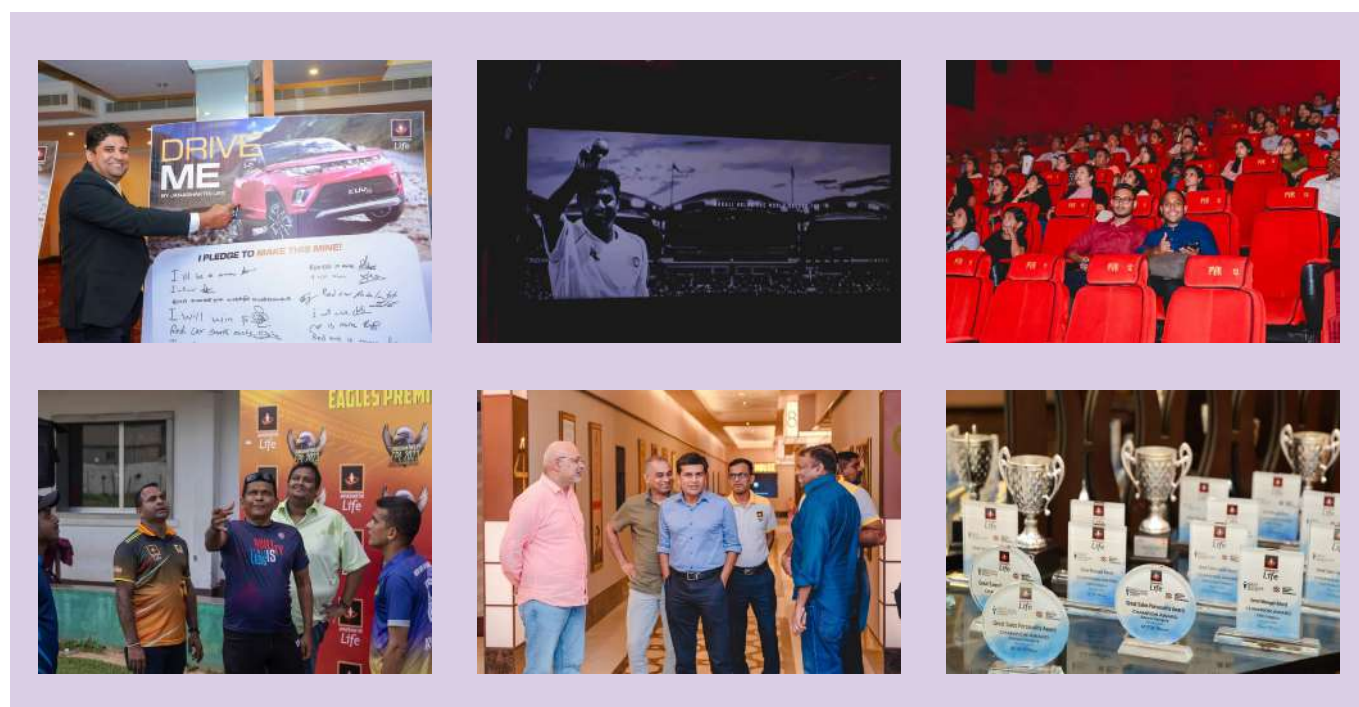


Additionally, in collaboration with a qualified psychologist, we launched an in-house mental well-being program. Interactive sessions and workshops delved into stress management, resilience building, and work-life balance, enabling our employees with practical tools to navigate modern challenges. This program fostered open dialogue and understanding, destigmatising mental health within the workplace.

These initiatives reflect our holistic approach to employee well-being. We recognise that mental health is inseparable from physical health and vital for a thriving work environment. By providing both individual support and broader education, we strive to create a culture where employees feel empowered, comfortable, and equipped to prioritise their mental health.

During the year under review, 250 employees were educated on mental health. These programmes have had positive feedback and engagement from our employees; and serve as powerful motivators. We remain unwaveringly committed to enhancing mental health support, investing in our people's well-being not just for them, but for the continued success of Janashakthi Life as a whole.

More from our HR engagement activities



An Intellectual Capital Report

The triumph of our enterprise is intricately woven from a tapestry of pivotal elements. Among these, the invaluable threads of Janashakthi Life's brand value, the bedrock of our corporate values and culture, the seamless efficacy of our value delivery systems and processes, our strategic embrace of technology for digitalisation, and the unwavering expertise of our dedicated team stand out.

These components seamlessly synergise to empower us to deliver insurance solutions that transcend conventional protection, ushering in an era of enhanced value and security for our customers.



Key Strategies and Goals of 2023

GOAL	ACHIEVEMENT	STRATEGY PURSUED
Increase Brand Awareness	The various awards received over time and in 2023 reflect our brand's blossoming recognition amongst our target audience and industry peers.	Employ a diverse, targeted marketing approach across digital platforms, social media, influencers, and community engagements to systematically boost brand awareness.
Use AI-Powered Tools to Improve Operational Efficacy	Improved efficiency reflected through cost reductions	Identify and exploit high-impact opportunities for AI integration within our operations, driving significant efficiency, accuracy, and innovation.
Promote Continuous Improvement	Streamlined workflows	Implement systems to capture process improvement insights and best practices from the streamlined workflows.
Increase Engagement by 29% on Social Media Platforms	Facebook's total engagement for the year increased by 27% compared to 2022. Instagram's total engagement for the year increased by 26% compared to 2022.	Captivate the audience by sharing valuable, relevant content and encouraging interactivity.

HIGHLIGHTS FOR 2023

Garnered recognition from 10 international entities, highlighting the Janashakthi Life brand's acclaim.



OUR APPROACH TO MANAGING INTELLECTUAL CAPITAL

Janashakthi Life integrates intellectual capital creation across organisational functions to deliver value to stakeholders. This synergistic approach combines advanced technologies, employee development, and stakeholder communication enhancements. Investments focus on brand building, digitalisation, employee training, and stakeholder communication. Ultimately, we believe that the right investment in intellectual capital assets at the right time strengthens differentiation, competitive advantage, and comprehensive insurance solutions.



29% ↑

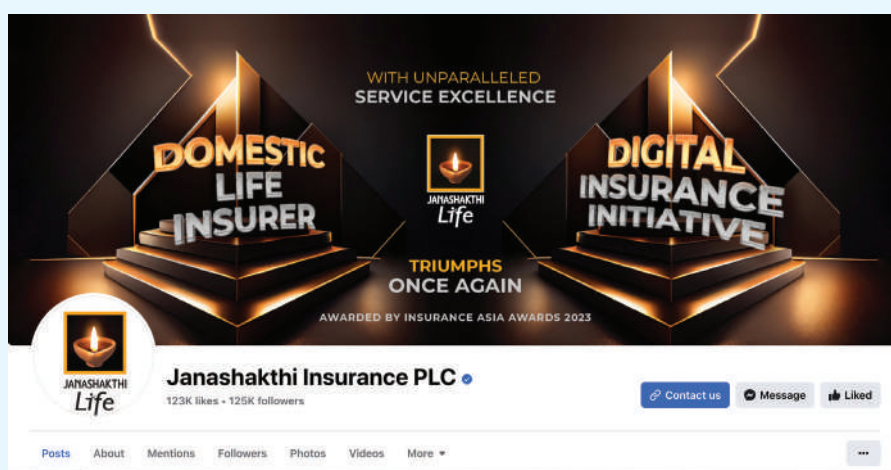
**ALL SOCIAL MEDIA
PLATFORMS**

Engagement

BEYOND RECOGNITION: INTELLECTUAL CAPITAL MAKES A DIFFERENCE

Our commitment to cultivating intellectual capital shines through the accolades we've earned throughout the year, especially in 2023. These awards not only validate our brand's expertise and innovation but also showcase the tangible impact of our knowledge and ingenuity on the wider community.

The awards and accolades are shown in the Awards section of the Annual Report in pages 14 to 15



27%

Increase in the Engagement



26%

Increase in the Engagement

SOCIAL MEDIA, KEY STATISTICS

Facebook

	Jan-Dec 2023	Jan-Dec 2022
Total Followers	122,158	103,655
Absolute Growth	19,908	20,608
Total Reach	12,116,490	12,374,770
Total Engagement	1,072,016	861,636

Instagram

	Jan-Dec 2023	Jan-Dec 2022
Total Followers	1314	1242
Absolute Growth	74	250
Total Reach	1,299,699	1,852,115
Total Engagement	39,883	49,141

An Intellectual Capital Report

Enhancing Brand Awareness

[GRI 203-1]

Enhancing brand awareness requires breaking through the noise and establishing a meaningful connection with your audience. It's about more than just shouting your name; it's about building trust, relevance, and positive associations with your brand. This can be achieved through consistent brand messaging across all channels, creating valuable content that resonates with your target audience, engaging in genuine community interactions, and leveraging strategic partnerships to expand your reach. By weaving your brand DNA into every touchpoint, you leave a lasting impression that drives awareness and ultimately, preference.

By meticulously weaving our brand DNA into every touchpoint, Janashakthi Life leaves a lasting impression that transcends awareness and builds enduring preference. Furthermore, the awards and accolades received showcase the success of our efforts while raising awareness and positioning Janashakthi Life as a leading insurance provider in the market.

Through these efforts, Janashakthi Life strives to become synonymous with security, reliability, and a deep understanding of Sri Lankan lives and safeguarding them with pioneering, relevant, and custom insurance solutions.



In a crowded insurance landscape, Janashakthi Life strives to rise above others and forge a distinct path in the hearts and minds of the Sri Lankan people. Beyond simply stating its name, the goal is to build a bond of trust, demonstrating relevance and showing a positive picture of the Janashakthi brand. We do this by:

- Consistent messaging**
Across all channels, from digital and social media platforms to local partnerships, Janashakthi Life shares a unified message that reiterates our core values and promises.
- Sharing valuable content**
We endeavour to share informative and engaging information that resonates with our diverse target audiences, addressing their insurance needs and aspirations.
- Genuine community interactions**
We go beyond marketing campaigns and foster authentic connections with our community. refer to our Social and Relationship capital report on pages 108 to 117 for more information
- Janashakthi Life Referral Management Solution**
Enhances customer experience and referral tracking, leading to improved agent productivity and increased business opportunities.
- Strategic partnerships**
We collaborate with trusted organisations or influencers who share Janashakthi Life's values, extending our reach and amplifying brand narratives across various channels.

Automation and Digital Transformation

[GRI 205-1]

Janashakthi Life thrives in a dynamic insurance landscape by continuously evolving our systems and processes. We embrace automation and digitalisation not just as trends, but as powerful tools to empower our customers and employees, safeguard our planet, and unlock new levels of efficiency and competitiveness. From catering to tech-savvy consumers to optimising internal operations and driving sustainable practices, the Company sees technology as a catalyst for progress, ensuring we remain agile and responsive in the ever-changing market while building on intellectual capital wealth.

As part of Janashakthi Life's strategic focus on intellectual capital growth, a pivotal initiative involves the implementation of the Janashakthi Mobile App. Meticulously designed interfaces encompassing

customer onboarding, premium payments, policy performance tracking, premium receipts, claim management, and efficient communication are seamlessly integrated into the app. This app empowers both corporate and individual customers, offering a comprehensive array of services at their fingertips throughout the customer life cycle journey whilst enhancing convenience and ensuring customer satisfaction and loyalty.

Moreover, the Company continued to enhance several process automations, transforming numerous workflows to optimise operational efficiency. These initiatives resulted in a reduction of manual tasks and processing times, ultimately leading to cost savings, improved resource allocation, and higher levels of business efficacy.



Enhancing Efficacy – Key Initiatives

Agent Virtual Office and On-Time Payments

Streamlining agent processes through self-service tools and automating payroll through the free admin solution liberates time and resources for agent development and personalised customer interaction. This translates to improved employee satisfaction and enhanced customer engagement, both key elements of intellectual capital value creation.

Fast-Track Claims Processing

Reducing 24-hour turnaround time on claims significantly reduces customer stress and strengthens brand loyalty. Additionally, data generated from claim processing informs risk assessment and product development, further contributing to intellectual capital.

Digital Inclusion for Corporate Clients

Enabling OPD claim updates via the Janashakthi Mobile App for corporate clients promotes self-reliance and reduces administrative burden. This fosters stronger client relationships and builds brand preference, valuable intangible assets contributing to our intellectual capital.

Business Automation

Automating policy issuance and proposals for both corporate and individual clients within the Company accelerates decision-making and streamlines operations. This efficiency empowers teams to focus on strategic initiatives and innovation, reinforcing our intellectual capital capabilities.

DATA SECURITY AND PRIVACY

[GRI 418]

Janashakthi Life recognises the intrinsic value of our intellectual capital, encompassing customer data, operational systems, and proprietary knowledge. Protecting these assets from evolving cyber threats demands robust security measures. We prioritise compliance with the Sri Lankan Data Protection Act, regularly conduct vulnerability and audit testing with a reputable cybersecurity firm, and implement the necessary tools, guidelines, and solutions to safeguard customer information and critical infrastructure. Regular upgrades and updates ensure our defences remain current against emerging threats. By prioritising cyber resilience, we not only uphold regulatory obligations but also build trust with our customers and stakeholders, strengthening our reputation and fostering long-term value creation.



MARKETING AND COMMUNICATIONS

[GRI 407]

At Janashakthi Life, we believe clear communication is the cornerstone of informed choices. Hence we tailor our marketing and communications to the specific needs of our diverse customers. Whether through Sinhala, English, or Tamil, we ensure information about our company, products, and services reaches our stakeholders across a variety of channels.

Aligned to the evolving global communications space, the Company embraces the digital revolution, shifting our focus from traditional advertising to vibrant social media platforms like Facebook and Instagram. This allows us to directly connect with customers, employees, and the wider community, building a meaningful dialogue around our brand.



ABSOLUTE
GROWTH
18%

TOTAL REACH
12 Mn

TOTAL
ENGAGEMENT
9%



ABSOLUTE
GROWTH
6%

TOTAL REACH
1.3 Mn

TOTAL
ENGAGEMENT
7%



An Intellectual Capital Report

And when news worth sharing arises, we leverage the power of press releases to reach broader audiences, keeping the public informed about our milestones and initiatives.

In essence, Janashakthi Life does not only focus on informing; we work towards fostering connections, building trust, and empowering our stakeholders to make informed decisions. We're not just talking, we're listening, engaging, and evolving alongside our stakeholders.

Janashakthi Life maintained impeccable compliance with all marketing communication regulations in 2023 with no incidents of non-compliance reported.

PRODUCT AND SERVICE LABELLING

[GRI 417]

Aligned with the Company's policy of transparency and clear communication to ensure informed decision-making for our customers, we make comprehensive product and service information readily available across multiple channels, including informative brochures, our updated website, and direct customer interactions. Our dedicated Lion Force team is well-equipped to explain terms and conditions clearly and concisely, addressing any questions and providing additional information customers may need. This commitment to open communication is not just a regulatory requirement; it is a core value that builds trust and empowers our customers to choose the right products and services for their needs.

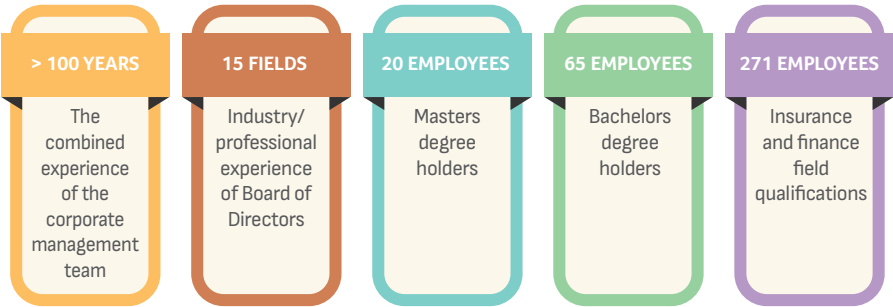
Janashakthi Life maintained exemplary compliance with product and service information and labelling throughout 2023 with no incidents of non-compliance reported.

IMPROVING EMPLOYEE KNOWLEDGE, SKILLS, AND KNOW-HOW

[GRI 404-1]

In a year marked by challenges, Janashakthi Life remained resilient, fuelled by the dedication of our employees and their unwavering commitment to knowledge and self-improvement. The Company prioritised robust learning and development programs, designed to extend skill sets and equip our teams with the expertise to navigate and optimise our systems and processes effectively. This emphasis on continuous learning fostered a strong knowledge base, serving as a foundation for innovation, ambitious goal setting, and the ability to overcome unforeseen obstacles.

Our employees' relentless drive, coupled with readily accessible knowledge repositories, proved instrumental in supporting our operations through a demanding environment. By harnessing the power of learning and knowledge, we not only navigated challenging times but also laid the foundation for sustainable future growth and the creation of wealth for intellectual capital.



Refer to our Human Capital Report on page 118 to 129 for more information.



AT JANASHAKTHI LIFE WE CARE ABOUT EQUITY



Scan QR code to visit Janashakthi Insurance web site



Scan QR code to visit Janashakthi life Instagram



Scan QR code to visit JXG Instagram



Scan QR code to visit JXG Instagram

Bridging Ecology and Economy

A Natural Capital Report

Janashakthi Life strives to build lasting environmental wealth by putting nature first. We prioritise safeguarding the environment and conserving resources, driving our commitment to sustainable business practices.

In doing so, we actively embrace the “remove, reduce, reuse, and recycle” framework, minimising our footprint and maximising positive impact.



Key Strategies and Goals of 2023

 GOAL	 ACHIEVEMENT	 STRATEGY PURSUED
100% Paperless Operations	Successfully transitioned our day-to-day operations to 99% paperless operations, focusing on environmental sustainability and efficiency.	► Meticulous planning and adherence to best business practices and regulatory requirements.
Reduce Paper Usage	Successfully implemented measures to curtail paper usage, resulting in a 8.4% reduction in paper usage across business operations. The Company has also reduced the number of annual reports printed to 50 to align with submission to regulators.	► Striking the right balance between the shift toward digital alternatives with the preferences and expectations of stakeholders who may still value traditional printed materials.
Reduce Electricity Usage	Continue to implement energy-efficient measures to reduce the Company's carbon footprint.	► Striking a balance between optimising resource consumption and maintaining operational efficiency.
Optimise Fuel Consumption	Implemented measures to streamline fuel usage in both business operations and employees' personal lives, fostering a more sustainable approach to resource utilisation.	► Addressing resistance to change and fostering a company-wide culture that embraces sustainability, especially concerning fuel and energy consumption habits.

HIGHLIGHTS FOR 2023

Successfully digitised and transitioned 18 workflows, achieving a 99% paperless operational environment.



OUR APPROACH TO MANAGING NATURAL CAPITAL

Janashakthi Life recognises that protecting and efficiently utilising natural resources is critical to building long-term value. At the core of our business strategy lies a commitment to minimising our environmental impact, particularly by reducing our reliance on non-renewable and scarce resources like water and fossil fuels.

The Company continues to remain committed to promoting green insurance, especially in the context of prevailing challenges in the economy and rising costs of fossil fuel and electricity. Our initiatives are aimed at enhancing efficiency while reducing environmental impact. We have effectively automated tasks that were traditionally manual and paper-intensive, achieving an impressive 99% paperless workflow during the year under review. Additionally, we continue to promote both fuel and energy consumption by following best practices. Our focus on digital onboarding and policy management through online platforms has not only streamlined processes but has also elevated customer convenience and customer-friendly practices. Our customers continue to benefit from online and mobile app access to policy details, claims submission, and policy renewals. Furthermore, by adopting digital workflows for internal processes such as recruitment and salary transfers, the Company has also increased efficiency and streamlined administrative tasks, leading to faster and more accurate processing while value-adding to natural capital goals.

ENERGY CONSERVATION

[GRI 302]

The Company remains committed to reducing its carbon footprint through effective energy conservation strategies. We have successfully lowered energy consumption by replacing high-energy equipment with more efficient alternatives. By relying on hydropower from the national grid for our electricity needs, we contribute to the utilisation of renewable energy sources. During 2023, our electricity usage amounted to 711,692kWh, reflecting an increase from the 681,039kWh recorded in 2022. This increase is mainly due to In view of COVID more staff were working from home in 2022 compared 2023.

The Company's operations also rely on fuel for both vehicles and power generation. During the year under review, we consumed 1436 litres of diesel, compared to 71 litres of petrol and 4,480 litres of diesel in 2022. This decrease is mainly due to the minimum usage of generator.

While our corporate initiatives directly address resource conservation, the use of fuel by employees in their personal vehicles introduces an indirect dimension to the equation. Recognising this interconnectedness, we strive to actively engage our employees in the larger conversation of sustainability. By nurturing a sense of environmental responsibility at the individual level, we aim to cultivate a ripple effect of conservation, extending beyond the office walls and into their homes and communities.

While we currently lack a system to precisely measure indirect fuel consumption, we actively encourage our employees to embrace sustainable practices like carpooling and using public transportation. By reducing their individual carbon footprint, they contribute to a larger collective impact, aligning with our commitment to environmental responsibility.

Recognizing the need for further optimisation, the Company is actively exploring alternative fuel sources for our operations. Additionally, we are implementing fuel-efficiency measures across our fleet and power generation systems. These efforts, together with employee awareness, pave the way for a future where our business thrives in harmony with the environment.

MINIMISE PAPER USAGE

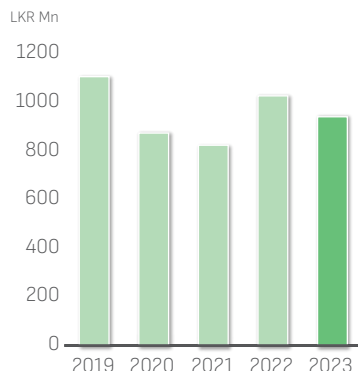
[GRI 301]

Over the last few years, the Company has been striving to achieve a fully paperless work environment. In line with this goal, Janashakthi Life has embraced digitalisation and technology to streamline and automate our processes. This commitment has resulted in a successful year-on-year reduction in paper usage. Today, it is a clear achievement that we have converted many of our operations into digitised workflows. By leveraging digital platforms and technology, we have not only reduced our reliance on paper but also enhanced operational efficiency. Our ongoing efforts in this direction signify our dedication to sustainable and environmentally conscious business practices.



A Natural Capital Report

Paper Usage



Janashakthi Life, at the forefront of technological innovation, is spearheading a transformative journey to reduce paper usage, reduce energy consumption, and minimise waste. By harnessing the power of technology, our initiatives not only elevate customer experience and operational efficiency but also serve as stewards of natural capital, contributing to a sustainable future.



Seamless Customer Engagement

Boosting Internal Efficiency



Janashakthi Mobile App

Paperless policy access, payments, and claims management, reducing paper waste and streamlining processes. (Imagine a smartphone displaying the app with a leafy background)

Supplier Management Portal

Streamlined communication and document exchange with vendors, minimising travel, and paper consumption.

Corporate Account Portal

Dedicated online platform for managing policies, claims, and employee benefits, eliminating paper-based transactions and fuel usage.

E-receipts and E-statements

Eliminate paper clutter and simplify record-keeping, saving trees and resources.

Online Banking Transactions

Secure and convenient premium payments through preferred banks, reducing fossil fuel consumption associated with physical transactions.

Electronic Transfer of Salaries

Timely and error-free payroll processing for employees, minimising paper usage and manual work.

Automation of Petty Cash System

Digital expense management for enhanced transparency and reduced reliance on paper receipts.

Online Customer Onboarding and Agent Recruitment Systems

Streamlined onboarding processes for both customers and agents, requiring less physical paperwork and travel.

E-learning Facilities for Employees

Convenient and accessible online training opportunities, minimising travel and resource consumption associated with traditional training methods.

Online Sales Tracker Solutions

Real-time data-driven insights for informed decision-making, optimising resource allocation and minimising waste.

Online Recruitment Process

Attract top talent and streamline candidate management through an efficient online platform, reducing the carbon footprint from physical interviews.

These innovations are not just about convenience, they are about nurturing natural capital by minimising resource consumption, reducing our environmental footprint, and fostering a culture of sustainability.

This is just the beginning of Janashakthi Life's commitment to technological advancements that benefit both our customers and the planet. We are continuously evolving, striving to leave a lasting legacy of environmental responsibility and a thriving future for generations to come.

Our commitment to waste reduction aligns with our broader sustainability goals and ensures responsible waste management practices across all our operational premises.

WASTE MANAGEMENT

[GRI 306]

Observing municipal guidelines, Janashakthi Life has implemented comprehensive waste management practices and continues to improve the process. By segregating waste, we have efficiently directed it toward either landfill disposal or recycling operations. Additionally, the proper disposal of hazardous waste, such as light bulbs and printer cartridges, is carried out in strict compliance with regulations. Furthermore, our focus on converting business processes and workflow to operate on digital platforms has had an impressive impact on reducing paper waste. Our commitment to waste reduction aligns with our broader sustainability goals and ensures responsible waste management practices across all our operational premises.

During the year under review, the Company consumed only 11,909 units of water across all operating locations compared to 11,200 units recorded in 2022.

BIODIVERSITY CONSERVATION

[GRI 304]

Recognising the importance of biodiversity conservation, Janashakthi Life takes proactive measures to ensure that our business locations do not adversely impact biodiversity conservation areas. Our commitment extends to preserving the delicate balance of ecosystems and protecting the natural habitats surrounding our operational premises.

ENVIRONMENTAL COMPLIANCE

[GRI 304]

The Company maintains a strong record of environmental compliance, with no reported instances of non-compliance with local environmental laws. This underscores our commitment to operating within the bounds of regulations, ensuring that our business practices align with ethical and environmentally responsible standards.

WATER MANAGEMENT

[GRI 303-5]

In managing our water resources responsibly, the Company limits water consumption for personal hygiene at all operational sites. We source our water supply from the National Water Board, contributing to responsible water usage. The Company's focus on limiting consumption aligns with our commitment to sustainable water management practices.



GRI Content

GRI Standards	Disclosure	Location	Page Number
GRI 2_ General Disclosures 2021	2-1 Organizational details	About Us	17-24
	2-3 Reporting period, frequency and contact point	Our Integrated Report summarised	4-6
	2-5 External assurance	Financial Statements	164
	2-6 Activities, value chain and other business relationships	About Us	24
	2-7 Employees	Human Capital Report	118
	2-9 Governance structure and composition	Corporate Governance	68 - 83
	2-10 Nomination and selection of the highest governance body	Corporate Governance	68 - 83
	2-11 Chair of the highest governance body	Corporate Governance	68 - 83
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance	68 - 83
	2-13 Delegation of responsibility for managing impacts	Corporate Governance	68 - 83
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	68 - 83
	2-15 Conflicts of interest	Corporate Governance	68 - 83
	2-16 Communication of critical concerns	Corporate Governance	68 - 83
	2-17 Collective knowledge of the highest governance body	Corporate Governance	68 - 83
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	68 - 83
	2-19 Remuneration policies	Corporate Governance	68 - 83
	2-20 Process to determine remuneration	Corporate Governance	68 - 83
	2-21 Annual total compensation ratio	Corporate Governance	68 - 83
	2-22 Statement on sustainable development strategy	Deputy Chairman's Message, CEO's Review	44,48
	2-29 Approach to stakeholder engagement	Stakeholder Analysis	84
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis	90
	3-2 List of material topics	Materiality Analysis	91
	3-3 Management of material topics	Materiality Analysis	91
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Human Capital Report	120
GRI 203 :Indirect Economic Impacts	203 -1- Infrastructure investments and services supported – Enhancing- Brand awareness	An Intellectual Capital Report	132
GRI 204 : Procurement practices	204-1 –Proportion of spending's on local suppliers-Establishing Fair and Collaborative Partnerships with Suppliers	Social and Relationship Capital Report	114
GRI 205 :Anti-corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption	An Intellectual Capital Report	132
GRI 301 :Materials	301- Minimizing Paper usage	Natural Capital Report	137
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital Report	137
	302-4 Reduction of energy consumption	Natural Capital Report	137

GRI Standards	Disclosure	Location	Page Number
GRI 303: Water and Effluents 2018	303-5 Water consumption	Natural Capital Report	139
GRI 304: Biodiversity 2016	304 Environmental Compliance, Bio-diversity Conservation	Natural Capital Report	139
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital Report	120,134
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital Report	120
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human Capital Report	120
	403-3 Occupational health services	Human Capital Report	120
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital Report	120,123,134
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital Report	122
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital Report	122
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital Report	128
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital Report	128
GRI 407 : Freedom of association and collective bargaining 2016	407-1 Marketing and Communication	Human Capital Report	133
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Human Capital Report	120
GRI 413 :Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Social and Relationship Capital Report	116
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social and Relationship Capital Report	114
GRI 417 : Marketing and Labelling	417-2 Incidents of non-compliance concerning product and service information and labeling	An Intellectual Capital Report	134
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social and Relationship Capital Report	112
GRI 419 : Socioeconomic Compliance	419-1 – Fines for socioeconomic non -compliance	Social and Relationship Capital Report	115

Report of the Board Audit Committee (BAC)



Ms. Warini De Costa
Chairperson, Board Audit Committee

The Board Audit Committee (BAC) is responsible for overseeing the Company's financial reporting and disclosure process, risk management, internal controls, and the external audit process. The committee plays a critical role in maintaining the integrity and transparency of the financial reporting process, which is essential to maintaining investor confidence and ensuring compliance with legal and regulatory requirements. Further, the Board Audit Committee is a crucial component of corporate governance, and its work helps to safeguard the interests of shareholders, stakeholders, and the wider public.

TERMS OF REFERENCE

The Board approved Audit Committee Charter clearly defines the Terms of Reference (TOR) of the BAC and regulates its composition, role and responsibilities. Key responsibilities include:

- Ensuring the integrity of the Financial Statements of the Company and that a sound financial reporting system is in place to provide accurate, appropriate and timely information to the Management, regulatory authorities and Shareholders in compliance with Sri Lanka Accounting Standards, Regulation of Insurance Industry Act, Companies Act, Listing Rules of CSE and other financial reporting related regulations and requirements.
- Monitoring and review of the adequacy and effectiveness of the Company's internal control system and risk management function.

- Reviewing the Company's compliance with relevant legal and regulatory requirements.
- Exercising independent oversight of the Company's assurance functions including External and Internal Audit. Ensuring the independence, and effectiveness of both the Internal and External Audit functions.
- Assessing the Company's ability to continue as a going concern in the foreseeable future.

The Board Audit Committee is a sub-committee of the Board. The charter is reviewed annually by the committee to ensure that the charter is updated with the latest developments in the environment.

AUTHORITY OF THE BAC

The Committee is empowered to carry out any investigations it deems necessary and has unrestricted access to records, data, reports and to Management and staff, to obtain relevant information considered necessary in the discharge of duties and responsibilities.

The Chairman and members of the Committee were closely engaged with the Management of the Company in order to identify the areas which needed new initiatives to improve the effectiveness and adequacy of the operations.

The Committee may seek the External professional advice when required.

COMPOSITION & MEETINGS OF THE COMMITTEE

During the year under review, the Board Audit Committee comprised the following Independent Non-Executive Directors and five meetings of the committee were held.

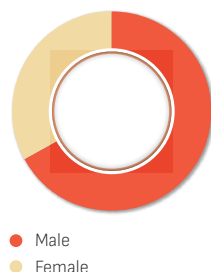
A brief profile of each member is given on page 52-57.

BOARD MEMBERS AND ATTENDANCE

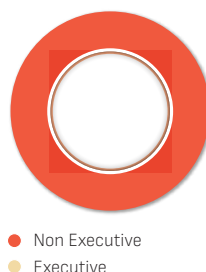
Name of Members	Quarter 01		Quarter 02		Quarter 03		Quarter 04		Total Attendance
	06th February 2023	03rd May 2023	05th June 2023	04th August 2023	09th November 2023				
Ms. Warini de Costa Committee Chairperson/ Independent Non-Executive Director	✓	✓	✓	✓	✓				05/05
Mr. Avindra Rodrigo Independent Non-Executive Director (Resigned w.e.f. 1st March 2024)	-	-	-	✓	-				01/05
Mr. P. Sivagananathan Independent Non-Executive Director (Resigned w.e.f. 31st December 2023)	✓	✓	✓	✓	✓				05/05

• Mr. S. Renganathan - Committee member w.e.f. 24th January 2024

COMMITTEE GENDER DIVERSITY



COMMITTEE STRUCTURE DIVERSITY



The minutes of the Board Audit Committee Meeting is reported to the Board at the next Board Meeting.

ATTENDEES BY INVITATION

Director/Chief Executive Officer, Chief Financial Officer, Chief Internal Auditor and Head of Risk and Compliance were present by invitation at all formal meetings.

In addition the senior management personnel and the External Auditors were invited as & when required to attend meetings.

SECRETARY TO THE BAC

Janashakthi Corporate Services Limited acts as the Secretary to the BAC.

KEY FOCUS AREAS DURING THE FINANCIAL YEAR WERE AS FOLLOWS:

1. Financial Reporting

The Board Audit Committee reviewed the Company's financial reporting process to ensure that Financial Statements are prepared in compliance with the relevant laws and regulations, and reflect a true and fair view of the financial position and performance of the Company.

The following areas are taken into account in reviewing Quarterly and Annual Financial Statements by the committee.

- Compliance with Sri Lanka Accounting Standards.
- Changes in or implementation of accounting policies and practices, if any.
- New developments in Accounting Standards.

- Adequacy of the internal control system and the financial reporting system.
- Significant adjustments arising from the External Audit.
- Accuracy and the quality of the financial information.
- Reasonableness of the significant judgements made.
- Quality of the accounting principles and policies.
- The validity of the going concern assumption.
- Disclosure requirements and other reporting requirements such as the Companies Act, No. 07 of 2007, Listing Rules of CSE and the Regulation of Insurance Industry Act, No. 43 of 2000 etc.

NEW ACCOUNTING STANDARDS

SLFRS 09 – Financial Instruments

Final version of SLFRS 9 Financial Instruments Classification and Measurement was issued by the CA Sri Lanka in December 2014, by replacing the LKAS 39. SLFRS 09 is effective for annual reporting periods beginning on or after 1st January 2018. Company intends to implement SLFRS 09 together with the implementation of SLFRS 17 for the financial year commencing 1st January 2026.

SLFRS 17- Insurance Contracts

CA Sri Lanka issued the SLFRS 17 for Insurance Contracts which supersede the SLFRS 4 – Insurance Contracts which will come into effect from 1st January 2026. SLFRS 17 new standard provides a clear guideline on recognition, measurement and disclosure of an insurance contract by enhancing the comparability and the quality of the information. Currently, the Company is in the process of finalizing the system implementation in consultation with Messrs. Ernst & Young.

2. Internal Controls and Risk Management

The Committee continued to assess the adequacy and effectiveness of the internal control systems to satisfy that adequate controls and procedures are in place to provide reasonable assurance to the effect that the Company's assets are safeguarded.

The Committee also reviewed the organizational risks presented by the Management illustrating the foreseeable risks the Company faces, likelihood and possible impact to the business and action taken to mitigate such risks.

During the year, the Internal Audit Reports received by the Committee together with management responses were reviewed and discussed with management and the Internal Auditors. The committee ensured that the recommendations of the Internal Auditors have been followed up and appropriate remedial action initiated.

The Audit Management Letter of the External Auditors on the audit of the Company together with actions taken by the Management in response to the issues raised were discussed with the management and the auditors and remedial action recommended wherever necessary.

Reviewed any other reports as may be submitted by the Management or such statements as the Committee may have called for as a part of its deliberations.

Report of the Board Audit Committee (BAC)

3. Meetings with External Auditors

Meetings were arranged with the engagement Partner and senior officers of the External Auditors, Messrs Ernst & Young prior to commencement of the Audit, prior to finalization of the Audit and on completion of the audit to discuss and review matters raised in the management letter and any other matters as the Auditors may wish to discuss with the Committee, including any issues or restrictions that the Management may have faced.

The Committee met with the Management and the Independent Auditor to discuss significant financial reporting issues and judgments made in connection with the preparation of the Company's Financial Statements. This included significant changes in the Company's selection or application of accounting principles. Major issues as to the adequacy of the Company's internal controls, any special steps adopted in light of identified material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting were also discussed.

The Audit Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest.

4. Internal Audit Function

Janashakthi Group Internal Audit Department serves as the Internal Auditors of the Company.

The Committee reviewed and approved the proposed audit plans for the year.

The main focus of the Internal Audit was to provide independent assurance on the overall system of internal controls, risk management and governance, by evaluating the adequacy, and effectiveness of internal controls, and compliance with laws and regulations and established policies and procedures of the Company.

The Committee reviewed & discussed with the Internal Auditors the significant matters arising from the quarterly Internal

Audit reports to Management together with the Management's responses thereto and remedial action taken.

5. Risk and controls

The Committee engages with the Management in monitoring and evaluating the possible risks that could take place in the future, risk mitigation actions and effectiveness of the Company's internal control environment in order to address the same. Timely reports prepared by the management and the recommendations and suggestions of the internal and external Auditors provide the foundation for the Committee to make realistic decisions.

6. Fraud risk

The Committee ensured that required controls were in place in mitigating fraud risk of the company. Risk and Compliance department and the internal/ external auditors continuously review the processes to identify and mitigate the risk of fraud in the company. During the year under review, there was no major fraudulent activity reported.

7. IT Control assessment

The Committee reviewed that audit reports which were furnished by internal and external auditors on the IT control systems. The process of addressing the issues mentioned in the reports were periodically monitored by the Committee. The Committee carried out an independent IT Audit during the year.

8. Compliance Responsibilities

The Committee reviewed compliance statement tabled at meetings which confirmed that the Company's affairs are in compliance with the requirements of the following statutes.

The Committee reviewed compliance statement tabled at meetings which confirmed that the Company's affairs are in compliance with the requirements of the following statutes.

- Disclosure requirements and other applicable accounting and financial

reporting requirements such as the Companies Act No. 7 of 2007 and the Regulation of Insurance Industry Act No. 43 of 2000 and the Regulation of Insurance Industry (RII) (amendment) Act No. 03 of 2011.

- Corporate Governance Rules as per Section 9 of the Listing Rules and amendments thereto, of the Colombo Stock Exchange (CSE) and Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka (ICASL).

9. Professional advice

The committee has the authority to seek external professional advice on matters within its purview.

10. Finance and Operational compliance

The Committee obtained & reviewed assurances obtained from the CEO and CFO that the financial records have been properly maintained and the Financial Statements give a true & fair view of the company's operations & finances.

The Committee also obtained assurance from the CEO and other key management personnel who are responsible regarding the adequacy and effectiveness of the company's risk management and internal control systems.

CONCLUSION

The Committee is satisfied that the internal audit department and external auditors have been effective and independent throughout the period. Further, the Committee is satisfied with the appropriateness of the Company's accounting policies and effectiveness of internal controls to provide a true and fair view of the affairs of the Company.



Ms. Warini De Costa
Chairperson,
Board Audit Committee

5th March 2024

Report of the Human Resource and Remuneration Committee



Ms. Annika Senanayake

Chairperson, Human Resource and Remuneration Committee

CHARTER OF THE COMMITTEE

The Committee is vested with power to evaluate, assess, decide and recommend to the Board of Directors, on any matter that may influence the Human Resource Management of the entity and shall particularly incorporate.

The key Objectives, Responsibilities, and duties of the committee:

- Determining the remuneration of the Chairman, Deputy Chairman, Chief Executive Officer and other members of the Board of Directors of the Company, while ensuring that no Director is involved in setting his or her own compensation.
- Determining the compensation and benefits of the KMP and establishing performance parameters in setting their individual goals and targets.
- Formulate guidelines, policies and parameters for the remuneration structures for all Executive Staff of the entity and oversee the implementation thereof.
- Review information related to executive pay from time to time, to ensure same is in par with the market/ industry rates or as per the strategy of the Company.
- Evaluate the performance of the Chief Executive Officer and KMP against the pre-agreed targets and goals.
- Make recommendations to the Board of Directors from time to time, of the additional/new expertise required by the Company.
- Assess and recommend to the Board of Directors, of the promotions of KMPs and address succession planning and issues connected to the organisational structure.

- Approving annual increments, bonuses, changes in prerequisites and incentives.
- Making sure that the remuneration packages of employees are linked to individual performance, responsibility, expertise and contribution to team and overall Company objectives.

COMPOSITION AND MEETINGS OF THE COMMITTEE

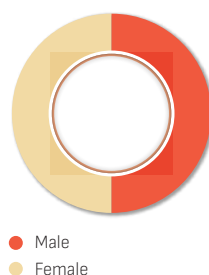
During the year under review, the Board Human Resources and Remuneration Committee comprised of the following members. Profiles of the members as at December 31, 2023, are indicated on pages 52 to 57. The Committee met four times in 2023.

BOARD MEMBERS AND ATTENDANCE

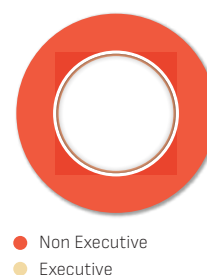
Name of Members	Quarter 01	Quarter 02	Quarter 04		Total Attendance
	22nd March 2023	03rd May 2023	23rd November 2023	28th December 2023	
Mr. P. Sivagananathan – Committee Chairman/ Independent Non-Executive Director (Resigned w.e.f. 31st December 2023)	✓	✓	✓	✓	04/04
Ms. Annika Senanayake Independent Non-Executive Director	✓	✓	✓	✓	04/04

- Ms. Annika Senanayake – Chairperson of the Committee w.e.f. 24th January 2024.
- Ms. Warini De Costa and Dr. Gehan Gunatilleke – Committee members w.e.f. 24th January 2024

COMMITTEE GENDER DIVERSITY



COMMITTEE STRUCTURE DIVERSITY



ATTENDEES BY INVITATION

Deputy Chairman and Chief Executive Officer attended the meetings by Invitation except where matters associated with their own remuneration was considered.

SECRETARY TO THE COMMITTEE

Janashakthi Corporate Services Limited serves as the Secretary for the Remuneration Committee.

POLICY

The Remuneration Policy of the Company aims to attract, motivate and retain Executive Directors, KMP and other employees with appropriate professional, managerial and operational expertise necessary to achieve the objectives of the company.

Report of the Human Resource and Remuneration Committee

It is the aim of the committee to ensure that the total remuneration package is competitive not just in the industry but to attract from other industries as well.

REMUNERATION PACKAGE OF DIRECTORS

a) Remuneration of Directors

No remuneration is paid to Non – Executive Directors other than the Directors' fees paid based on their participation at Board meetings and other Sub-committee meetings.

b) Retirement Benefits

Non-Executive Directors are not entitled to retirement benefits.

c) Share Option Plans for Directors

The Company does not have a share option plan for Directors.

d) Personal Loans for Directors

No Director is entitled to Company loans.

Total fees and remuneration paid to all Directors including the Chief Executive Officer and the Chairman is disclosed on Note 32 on page 212 in this report.

REMUNERATION PACKAGE OF CHIEF EXECUTIVE OFFICER

The Remuneration Committee Policy is to place the basic salaries broadly around the market median with other variable components which reflect the business of the Company, strategies and the challenges it faces.

The CEO's remuneration is decided by the Board annually on the recommendation of the Remuneration Committee based on the achievement of Company objectives and individual performance. The CEO is entitled to retirement benefits but not company loans. The Company also does not have a share option plan for the CEO.

REMUNERATION PACKAGE OF EMPLOYEES

The remuneration package of employees consists of a fixed component, variable component and other benefits as noted below:

a) Fixed Components

Basic salary and Traveling Allowance are the fixed component in the package which

is based on the scope and complexity of the role and is reviewed annually. Annual performance appraisals are conducted, and increments and promotions are granted purely based on results of such appraisals. Overall competence and performance are key factors that determine an individual's base pay.

b) Variable Components

The main component of our variable pay is the annual bonus to employees at all levels based on individual performance as evaluated at the annual performance appraisals and the performance of the Company. In addition, the distribution management team is entitled for a production and quality incentive scheme based on achievement of business targets under predetermined criteria.

c) Other Employee Benefits

Benefits provided to employees include examination loans and various insurance benefits.

d) Retirement Benefits

Permanent employees of the Company are entitled to gratuity, EPF & ETF.

e) Employee Share Schemes

There are also no Employee Share Schemes for employees.

COMMITTEE EVALUATION

The Committee completed the evaluation process with self-assessment in 2023, which was conducted by the Chairman and Committee members and was deemed to be satisfactory.

PROFESSIONAL ADVICE

The Committee has the authority to engage independent professional advisors on matters within its purview.

THE YEAR AHEAD

The Committee will continue to review the Remuneration Policy, Remuneration structures for its Executive Director, KMP and its other employees and make recommendations on the above mentioned in order to ensure the Company is in a position to attract, motivate and retain the best of human resources.

The Committee is also working on a plan to harmonise salary scales and introduce career bands. A survey on salary bands will be conducted and a new bonus scheme is also being looked at to be implemented from 2023 onwards.

ACTIVITIES IN 2023

- Based on the succession plan, the Committee interviewed suitable candidates to fill the vacancies in the Corporate Management and such recommendations from the Committee were accordingly approved by the Board. In all promotions to the Corporate Management grade, the Committee applied previously approved leadership competency framework to judge the suitability of the candidates.
- Following the approval of the new strategic plan in 2023, the Committee reviewed & approved the plan to increase the sales force of the organisation significantly.
- Bonus payable for 2023 performance was determined by the Committee according to the Variable Pay Plan (VPP) for Executive staff.
- The Committee also approved the annual increments to the Executive staff based on their performance during 2023.
- The Committee reviewed the performance of the Corporate Management members (KMPs) including that of the Executive Director and the Chief Executive Officer's for the financial year ended 2023.
- Key Performance Indicators of the Corporate Management members for 2023 were carefully examined and assessed by the Committee.

On behalf of the Remuneration Committee.



Ms. Annika Senanayake

Chairperson, Human Resource and Remuneration Committee

5th March 2024

Report of the Board Nomination Committee



Ms. Annika Senanayake

Chairperson, Board Nomination Committee

The Nomination Committee's principal role is to proactively manage the composition of the Board. It is also charged with oversight of succession plans for the Chief Executive Officer.

CHARTER OF THE COMMITTEE

The Committee has the authority to discuss the issues under its purview and report back to the Board of Directors with recommendations, enabling the Board to take relevant decisions, define and establish the nomination process for Non-Executive Directors (NEDs), lead the process of Board appointments and make recommendations to the Board on the appointment of Non-Executive Directors.

In addition, the Committee focuses on the following objectives in discharging its responsibilities:

- Review the composition of the Board and ensure that there is a good balance between Executive and Non- Executive Directors.
- Assess the skills and knowledge required in the Board for the Board to discharge its duties effectively and strategically.
- Periodically assess the extent to which the required skills are represented at the Board.
- Prepare a clear description of the role and capabilities required for appointments.
- Identify and recommend suitable candidates for appointments to the Board.

- Ensure, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment specifying clearly the expectations in terms of time commitment, involvement outside of the formal Board meetings, participation in Committees, amongst others.
- Ensure that every appointee undergoes an induction to the Group.
- Ensure that the appointment of the Chairperson and the Executive Directors is a collective decision by the Board.
- Self-assessment of the Nomination Committee and its members.

COMPOSITION OF THE COMMITTEE

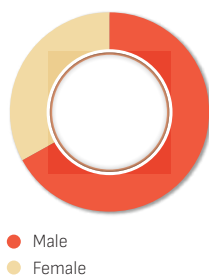
During the year under review, the Board Nomination Committee comprised of the following members. The Committee met two times during the year 2023.

BOARD MEMBERS AND ATTENDANCE

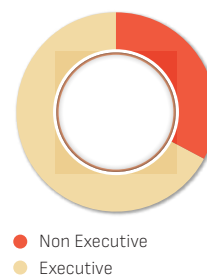
Name of Members	Quarter 01	Quarter 04	Total Attendance
	20th January 2023	14th December 2023	
Mr. P. Sivagananathan Committee Chairman/Independent Non-Executive Director (Resigned w.e.f. 31st December 2023)	✓	✓	02/02
Mr. Prakash Schaffter Non-Executive Director (Ceased to be a member w.e.f. 24th January 2024)	✓	✓	02/02
Ms. Annika Senanayake Independent Non-Executive Director	✓	✓	02/02

- Ms. Annika Senanayake – Chairperson of the Committee w.e.f. 24th January 2024.
- Mr. S. Renganathan and Dr. Nishan De Mel – Committee members w.e.f. 24th January 2024

COMMITTEE GENDER DIVERSITY



COMMITTEE STRUCTURE DIVERSITY



SECRETARY TO THE COMMITTEE

Janashakthi Corporate Services Limited serves as the Secretary to the Nomination Committee.

Report of the Board Nomination Committee

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice on matters within its purview whenever required.

THE YEAR AHEAD

The Committee will continue to review the skills and knowledge required by the Board, minimise key man dependency risk and identify and groom suitable candidates to key positions of the organisation. The committee will also ensure that the Company is in compliance with its stipulated framework and is in compliance with the regulations issued by the Colombo Stock Exchange (CSE) on Board composition.

CONCLUSION

The Committee continues to work closely with the Board of Directors in relation to the structure, size and composition of the Board ensuring diversity and balance of skills, knowledge and experience. The Committee is satisfied that the representation of skills, knowledge and experience on the Board is appropriate for the Company's current needs at Board level.



Ms. Annika Senanayake

Chairperson, Board Nomination Committee

5th March 2024

Report of the Related Party Transaction Review Committee



Ms. Warini De Costa

Pro-tem Chairperson, Related Party Transaction Review Committee

The Board Related Party Transaction Review Committee of the Company is appointed and is responsible to the Board of Directors. The Committee was established in August 2015 in accordance with the code of best practice on Related Party Transactions issued by the Securities and Exchange Commission (SEC) of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE).

CHARTER OF THE COMMITTEE

The main objective of the Committee is to exercise oversight on behalf of the Board in complying with the Code on Related Party Transactions (RPTs) issued by the Securities and Exchange Commission of Sri Lanka ("The Code") and with the listing rules of the Colombo Stock Exchange (CSE). The Committee has also adopted best practices as recommended by CA Sri Lanka and the CSE.

The Committee is established by the Board of Directors to review all related party transactions carried out by the Company in terms of CSE listing rules that require mandatory compliance from 1st January 2016.

Accordingly, all transactions with related parties (except exempt transactions) are reviewed by the Related Party Transactions Review Committee prior to entering to the transaction or if the transaction is communicated to be on conditional on such review, prior to the completion of the transaction.

The Related Party Transaction Review Committee Charter is approved by the Board and shall be reviewed and reassessed by the committee periodically. Any proposed changes shall be submitted to the Board of Directors for approval.

AUTHORITY AND RESPONSIBILITIES

The Committee reviews all related party transactions and submits to the Board of Directors the details of all relevant transactions which it feels need to be considered by the Board and a decision taken on whether or not such transaction need to be communicated to the Colombo Stock Exchange (CSE).

STATEMENT OF PURPOSE

The purpose of the Committee is primarily to carry out the following;

To identify, consider and evaluate in the first instance all transactions between Related Parties and the Company and identify all such transactions that would be exempted under section 9.5 of the Listing Rules of the Colombo Stock Exchange (CSE).

Review and identify all transactions with Related Parties that do not fall under the exemptions referred to in the previous paragraph for recommendation to the Board of Directors. Such review should take place either prior to the transaction being executed or prior to the completion of the transaction in accordance with the listing rules of the Colombo Stock Exchange (CSE) and other applicable regulatory guidelines

Towards achieving the above, the Committee shall

- Put in place and adopted a robust framework for approving, managing and reporting related party transactions.
- Obtain any information that the Committee needs from the Management to arrive at its decision with regard to any Related Party Transaction. To this purpose, the Committee invites members of Management to RPT meetings as and when further clarifications of the matters are required.
- Determine whether a Related Party Transaction would result in a conflict of interest by any Director or Executive Officer of the Company, taking into account the size of the transaction, the overall financial position of the Director, Executive Officer or related party, the direct or indirect nature of the Director's, Officer's or other related party's interest in the transaction and the ongoing nature of any proposed relationship.

COMPOSITION OF THE COMMITTEE

During the year under review, the Board Related Party Transactions Review Committee (the BRPTRC) comprised of the following Independent Non-Executive Directors. The Committee met four times during the year 2023.

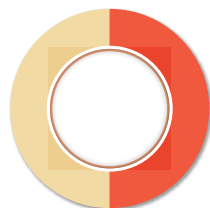
BOARD MEMBERS AND ATTENDANCE

Name of Members	Quarter 01	Quarter 02	Quarter 03	Quarter 04	Total Attendance
	22nd March 2023	03rd May 2023	04th August 2023	15th November 2023	
Mr. Avindra Rodrigo Committee Chairman/ Independent Non-Executive Director (Resigned w.e.f. 1st March 2024)	✓	✓	✓	✓	04/04
Ms. Warini de Costa Independent Non-Executive Director	✓	✓	✓	✓	04/04

- Ms. Warini De Costa - Pro-tem Chairperson of the Committee w.e.f. 1st March 2024.
- Mr. Ramesh Schaffter - Committee member w.e.f. 24th January 2024

Report of the Related Party Transaction Review Committee

COMMITTEE GENDER DIVERSITY



● Male
● Female

COMMITTEE STRUCTURE DIVERSITY



● Non Executive
● Executive

SECRETARY TO THE COMMITTEE

Janashakthi Corporate Services Limited serves as the Secretary of the Related Party Transaction Review Committee.

WORK PERFORMED IN 2023

The Committee reviewed the related party transaction and the Committee is of the view that the transactions are on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders. On March 23, 2023, the committee charter was reviewed and the related party policy was introduced.

COMPLIANCE RESPONSIBILITIES

The Related Party Transaction Review Committee shall ensure that the interest of the shareholders as a whole, are taken in to account by the Company when entering in to a related party transactions and to ensure strict compliance with the rules and regulations governing related party transactions.

MEETINGS OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

The activities and reviews of the Committee have been communicated to the Board of Directors, through the tabling of minutes of the Committee meetings at the next meeting of the Board of Directors, unless more urgent action is required.

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice on matters within its purview whenever required.

THE YEAR AHEAD

The Committee will continue to review Related Party Transactions in order to ensure the Company is in compliance with its stipulated framework governing related party transactions.

CONCLUSION

During the year under review, the Company has complied with the Related Party Transactions rules set out in Section 9 of the Colombo Stock Exchange (CSE) listing rules. The Committee reviewed all Related Party Transactions carried out during the year in committee meetings and the proceedings of the meetings were necessarily reported to the Board of Directors.

Related Party Transactions by the Board of Directors are included on page 217 of this Annual Report.



Ms. Warini De Costa

Pro-tem Chairperson, Related Party Transaction Review Committee

5th March 2024

Report of the Asset and Liability Management Committee



Mr. Prakash Schaffter

Chairman, Asset and Liabilities Committee

The Asset and Liability committee of Janashakthi Insurance PLC is responsible for monitoring of the implementation of Asset and Liability management policy of the organization. Further, the Committee is also responsible for ensuring the risk exposure of the organization to interest rate risk, liquidity risk, credit risk and equity risk is within the risk appetite of the organization.

CHARTER OF THE COMMITTEE

The committee has the authority to actively participate and monitor the asset and liability portfolios of the organisation and to manage the overall liquidity position to maintain a healthy liquidity level to meet the obligations and regulatory requirements. Further, the Committee focuses on the following objectives in discharging its responsibilities:

- Development of an effective ALM policy for the organisation.
- Monitor the liquidity management activities undertaken by the organisation to ensure all obligations are met in a timely manner.
- Monitor the capital position of the organisation and ensure that adequate capital levels are maintained in accordance with company policies and regulatory requirements.
- Monitor the interest rate risk profile, sensitivity of earnings under varying interest rates and potential changes in market rates.
- Monitor investment activities including performance, maturity profile, liquidity, diversification and actions taken by management to ensure that the risk-return relationship is within the risk appetite of the organisation.

- Review significant financial risks associated with the Company's investment portfolio.
- Carry out any other responsibilities and duties delegated by the Board of Directors by time to time.

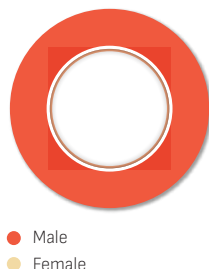
COMPOSITION OF THE COMMITTEE

During the year under review, the Asset and Liability Committee comprised of the following members. The Committee met four times during the year 2023.

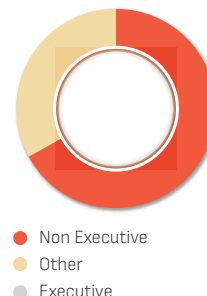
BOARD MEMBERS AND ATTENDANCE

Name of Members	Quarter 01	Quarter 02	Quarter 03	Quarter 04	Total Attendance
	24th February 2023	27th April 2023	24th August 2023	26th October 2023	
Mr. Prakash Schaffter - Chairman	✓	✓	✓	✓	04/04
Mr. Ravi Liyanage (Member) Director/CEO	✓	✓	✓	✓	04/04
Mr. Thanushka Jayasundara (Member) Group Chief Financial Officer	✓	✓	✓	✓	04/04
Mr. Sujeewa Fernando (Member) Manager Actuarial	✓	✓	✓	✓	04/04

COMMITTEE STRUCTURE DIVERSITY



COMMITTEE STRUCTURE DIVERSITY



SECRETARY TO THE COMMITTEE

Janashakthi Corporate Services Limited serves as the Secretary to the Asset and Liability Committee.

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice on matters within its purview whenever required.

THE YEAR AHEAD

The Committee will continue to review the interest rate, liquidity and other market risks relating to the company's balance sheet and other associated activities with the adoption of effective policies, risk limits and capital levels.

CONCLUSION

The committee is satisfied with the adequacy and effectiveness of Asset/Liability management policy (ALM Policy) of the Company and necessary recommendations have been approved within the committee to address the specific circumstances that may arise from time to time.

Mr. Prakash Schaffter
Chairman,
Asset and Liabilities Committee

5th March 2024

Board of Directors' Statement on Internal Controls

The following statement fulfils the requirement to publish the Directors' statement on Internal Controls as per the Code of Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka (ICASL) and the Securities and Exchange Commission of Sri Lanka (SEC).

The Board of Directors of Janashakthi Insurance PLC confirms that to the best of their knowledge, the financial reporting and other operational systems have been designed to provide reasonable assurance relating to the reliability of the financial reporting and the preparation of Financial Statements. The Board also confirms that the preparation of financial statements have been done in accordance with relevant accounting principles and regulatory requirements. The Board has obtained these assurances inter-alia through the following:

- a) Review of the quarterly reports submitted by the Company's own internal audit department and discussion of the audit findings that are presented by them, based on the organization wide view of accounting procedures and practices, processes, systems and internal check and controls and discussions with different levels of Management.
- b) System of regular ongoing self-assessments by all divisional heads and their line managers for confirmation of statutory and regulatory requirements.
- c) The Board through the Board Audit Committee reviews the reports of Branch audits carried out by the Company's own internal audit and investigations unit, to evaluate the financial risks and internal control adherence relating to branch operations.

The Board is cognizant of the fact that the Board bears responsibility for the overall effective operation of the Company's procedures and processes of internal checks and internal controls. It needs to be stressed that while the Board appreciates fully, that all such systems are designed to manage and control and ensure orderly

operations, these systems do not eliminate risk of fraud or losses or failure to achieve stated company procedures and objectives. The Board stresses that all systems of internal control and procedures of the Company can only provide reasonable and not absolute assurances against material misstatements or fraud or losses. The Board has obtained the assurance of risk management within the organization partly through the Assets and Liabilities Management Committee (ALCo) and partly through the procedures and practices in place within underwriting and operations departments of the Company and through the risk management function.

CONCLUSION

Ensuring on the above processes, the Board of Directors confirm that the financial reporting system of the Company has been designed to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of Financial Statements for external purposes has been done in accordance with the applicable accounting standards, requirements of the Companies Act No.7 of 2007, Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments and the listing rules of the Colombo Stock Exchange (CSE).

On behalf of the Board,



Warini De Costa
Chairperson,
Board Audit Committee



Prakash Schaffter
Deputy Chairman

5th March 2024

Unleashing Potential



FINANCIAL STATEMENTS

Our driving force is to unlock the boundless potential within each individual, empowering them to thrive, excel, and reach new heights of success. Trust us to be your partner in unleashing your potential, guiding you towards a future filled with limitless possibilities.

Financial Calendar

ANNUAL REPORT AND ANNUAL GENERAL MEETING (AGM)

	2023 Achievement on	2024 Target Date
Annual Report and Accounts for the year to be signed	March 2024	March 2025
Annual General Meeting for the year to be held	March 2024	March 2025

INTERIM FINANCIAL STATEMENTS SUBMISSION TO THE COLOMBO STOCK EXCHANGE (CSE)

	2023 Achievement on	2024 Target Date
1st Quarter (ended 31st March)	11-May-2023	On or Before 15th May 2024
2nd Quarter (ended 30th June)	10-Aug-2023	On or Before 15th August 2024
3rd Quarter (ended 30th September)	15-Nov-2023	On or Before 15th November 2024
4th Quarter (ended 31st December)	15-Feb-2024	On or Before 15th February 2025

Statement of Value Creation

Key Performance Indicators	Units	Year		Change
		2023	2022	
Financial Capital				
Financial Performance				
GWP	LKR Mn.	4,585	4,867	(282)
Investment Income	LKR Mn.	4,594	2,841	1,753
Profit After Tax	LKR Mn.	4,135	1,376	2,759
Fund Under Management	LKR Mn.	28,241	20,368	7,873
Market Capitalization	LKR Mn.	8,721	7,181	1,540
Returns to Investors				
Shareholders' Fund	LKR Mn.	15,592	10,861	4,731
Return on Equity	%	26.52	12.7	14
Earnings per share	LKR	18.25	6.07	12
Net asset value per share	LKR	68.83	47.95	21
Dividend pr share	LKR	-	2.6	(3)
Market price per share	LKR	38.50	31.70	7
P/E Ratio	Times	2.11	5.22	(3)
Human Capital				
Number of Employees		357	366	(9)
GWP per Employee	LKR Mn.	12.84	13.30	(0.46)
Profit per Employee	LKR Mn.	11.58	3.76	8
Training hours per Employee	Hours	18.59	14.10	4
Employee Turnover	%	20	24	(4)
Social and Relationship Capital				
Commission Paid	LKR Mn.	584	1,234	(650)
Acquisition Cost as a % of GWP	%	25	35	(10)
Cutomers				
Claims and Benefits	LKR Mn.	3.41	2.781	1
Bonus for policyholders	LKR Mn.	84	94	(10)
Manufactured Capital				
Capital Expenditure	LKR Mn.	91	54	37
Number of Branches	Number	75	75	-
Natural Capital				
Electricity Consumption	Units	711,692	681,039	30,653
Fuel Consumption	Litres	1,436	4,551	(3,115)

Annual Report of the Board of Directors on the Affairs of the Company

GENERAL

The Board of Directors take pleasure in presenting its Report together with the audited Consolidated Financial Statements of Janashakthi Insurance PLC, a public limited liability Company incorporated in Sri Lanka on 28 August 1992 under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No.7 of 2007.

The Company was listed on the 21st of July 2008. The information provided below meets the requirements of the Companies Act No.7 of 2007 and the Listing rules of the Colombo Stock Exchange (CSE) and are in keeping with recommended best practice.

PRINCIPAL ACTIVITIES

The principal activity of the Company since 1st January 2015 is exclusively life insurance and this has remained unchanged during the financial year under review.

MISSION AND VISION

The Company's vision and mission are provided on page 3. This has been approved by the Board of Directors of the Company and the Directors ensure that the business activities of the Company are conducted with the highest level of ethical standards in achieving its corporate purposes.

REVIEW OF BUSINESS

A review of the Company's performance during the year with an analysis of financial results and future developments is included in the Deputy Chairman's Review (Pages 44-47) and Chief Executive Officer's Review (Pages 48-51) and in the Management Discussion and Analysis (Pages 95-141). These reports provide information on the strategic imperatives of the company and a summary of performance in 2023. These reports and the Financial Statements reflect the state of the affairs of the Company and form an integral part of this report.

FINANCIAL STATEMENTS AND AUDITORS REPORT

The Financial Statements of the Company are prepared in conformity with the Sri Lanka Accounting Standards LKAS / SLFRS laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL), Companies Act No. 07 of 2007 and comply with the Regulations of the Insurance Industry Act No 43 of 2000 and other rules and regulations of the Insurance Regulatory Commission of Sri Lanka (IRCSL). The formats and disclosures are also in accordance with the Statement of Recommended Practices (SORP) for insurance contracts, adopted by the Institute of Chartered Accountants of Sri Lanka (ICASL).

The Financial Statements of the Company for the year ended 31st December 2023 together with the Report of the Auditors are given on pages 153-220, which form an integral part of the Annual Report of the Board.

ACCOUNTING POLICIES

Details of Accounting Policies are discussed in pages 175-220 in the Financial Statements. There were no material changes in the accounting policies adopted in the current year with those of the previous year.

FUTURE DEVELOPMENTS

An overview of the future developments of the Company is presented in the Deputy Chairman's Review (Pages 44-47) and Chief Executive Officer's Review (Pages 48-51).

TURNOVER / GROSS WRITTEN PREMIUM

The Table below depicts the Company's main lines of business and their respective growth for the year 2023. Further details of Financial Performance are shown in the Financial Statements on pages 167-174.

As at 31st December	2023 LKR'000	2022 LKR'000
Life Insurance		
FYP	2,627,339	2,844,706
Renewal	1,957,482	2,022,305
	4,584,822	4,867,011

INSURANCE LIABILITY – LIFE

The appointed Actuary determines the Life Insurance liability of the Company. The value of the Life Insurance Fund of Janashakthi Insurance PLC (JIPLC) as at 31st December 2023 is LKR 14.5 Bn (2022: LKR 11.6 Bn)

In accordance with the Actuary's valuation report for Janashakthi Insurance PLC, a sum of LKR 2,576 Mn surplus (2022 - LKR 1,400 Mn) has been transferred in the year 2023, from the Life Insurance Fund to the Income Statement of Shareholders.

RESULTS

The Company's Net Profit after Tax before Appropriation was at LKR 4,135 Mn for the year 2023 compared with LKR 1,376 Mn for the year 2022.

As at 31st December	2023 LKR'000	2022 LKR'000
Profit Earned Before Interest	5,359,296	1,926,230
Interest	(108,567)	(89,566)
Profit Before Tax	5,250,728	1,836,664
Provision for Income Tax	(1,115,900)	(460,962)
Profit After Tax	4,134,828	1,375,702
Unappropriated Profit Bought Forward from Previous Year	4,892,336	4,037,643
Amount Available for Appropriation	10,222,699	6,688,165
Restricted Regulatory Reserve – One Off Surplus	(1,795,829)	(1,795,829)
Unappropriated Profit Carried Forward	8,426,870	4,892,336

ACTUARY'S REPORT

This Annual Report includes reports from the Life Actuary of Janashakthi Insurance PLC. The Actuary has expressed satisfaction with the progress achieved by the Company to-date and of the performance of the Company during the year under review.

Actuarial Reports are provided on pages 160-161.

TAXATION

The tax position of the Company is disclosed in Note 33 to the Financial Statements on page 212-214. The tax calculation method of Life Insurance business changed with the enactment of the New Inland Revenue Act, No. 24 of 2017, which came in to effect on 1st April 2018. As per the new Inland Revenue Act, the Company will have taxable profits from 1st April 2018 since the tax method changed to Surplus basis from I-E basis where the Company was incurring tax losses under the previous Inland Revenue Act which accumulated tax losses of LKR. 5.2 Bn as at 31st December 2017 according to the final returns submitted to the Inland Revenue. Accordingly, the Company recognised a Deferred Tax Asset for the brought forward tax losses as of 31st December 2017. Company have recognised Deferred Tax Assets to the probable extent of future taxable profits. This Asset has been fully utilized as of 31st December 2023. Therefore, current year it has generated income tax expense amounting to LKR 1,116 Mn.

RISK BASED CAPITAL REQUIREMENT (RBC)

The Company have complied with the requirements of the Risk Based Capital (RBC) framework on solvency margin as required by the IRCSL. Total Available Capital (TAC) and Risk based Capital Adequacy Ratio (CAR) of the company were maintained in excess of the minimum requirements as prescribed by the IRCSL throughout the year. Details on RBC of the Company is given in page 222 of the Annual Report.

PROPERTY, PLANT AND EQUIPMENT

The book value of Property, Plant and Equipment of the Company stood at LKR 220 Mn as at the reporting date. Further details and its movement during the year are given in Note 4 (Pages 180-183) to the Financial Statements

INTANGIBLE ASSETS

The capital expenditure on work-in-progress of Intangible Assets during the year amounted to LKR 30 Mn. The details of intangible assets are shown in Note 7 to the Financial Statements on pages 186-187.

CARRYING VALUE OF FREEHOLD PROPERTIES

The Carrying Value of freehold property is explained in the note 6.1 to the Financial Statements. (Page 185).

FINANCIAL INVESTMENTS

Investments of the Company amounted to LKR 28.2 Bn. Detailed description of the Investments held as at the reporting date are given in Note 9 to the Financial Statements (Pages 188-196).

MARKET INDICATORS

As at 31st December	2023 LKR'000	2022 LKR'000
Earnings Per Share (LKR)	18.25	6.07
Net Asset Value Per Share (LKR)	68.83	47.95
Market Values Per Share (LKR)		
Highest Price	55.00	36.00
Lowest Price	23.40	18.50
Year End Price	38.50	31.70

RESERVES AND STATED CAPITAL

The movement in reserves during the year is set out in Note 15 to 17 (Pages 199-200) to the Financial Statements.

The stated capital for the Company as at 31st December 2023 was LKR 4.85 Bn (2022-LKR 4.85 Bn) which comprises 226,526,153 Ordinary Shares.

SHAREHOLDERS' FUND

The Stated Capital and Reserves amounted to LKR 15.6 Bn as at 31st December 2023. (LKR 11.39 Bn as at 2022), details of which are provided in Notes 15 to 17 (Pages 199-200) to the Financial Statements.

CORPORATE GOVERNANCE

The Board of Directors is committed towards maintaining an effective Corporate Governance structure and process. The Company's operations are directed and controlled within the Corporate Governance framework outlined on pages 68-83.

Annual Report of the Board of Directors on the Affairs of the Company

HUMAN RESOURCES

The Company's Human Resource policy is driven to reach its corporate goals and objectives by inculcating a strong value system and ethics in our employees. The Company is focused on developing employee abilities in optimizing and sustaining long term results. More details on our Human Resources are contained in pages 118-129.

ENVIRONMENT

The Company has not engaged in any activity that is harmful to the environment.

SHARE INFORMATION

Information relating to earnings, dividends, net assets and market value per share is available under Shareholder Information on pages 239-244 and Information on share trading is given on pages 239-244 of this report.

SHAREHOLDINGS

There were 4,289 (2022 - 4,547) registered shareholders holding ordinary voting shares as at 31st December 2023. The distribution of shareholding is given on pages 242-243 of this report.

SUBSTANTIAL SHAREHOLDINGS

The list of top twenty shareholders is given on page 242 of this report.

RELATED PARTY TRANSACTIONS

The Company is in compliance with section 9.3.2. of CSE rules and has disclosed the required related party information in Note 36 pages 216-217.

AUDITORS REPORT

The Financial Statements for the year ended 31st December 2023 have been audited by Messrs. Ernst & Young. The Auditor's report on the Financial Statements is on pages 164-166 of this Report.

AUDITORS

The accounts for the year have been audited by Messrs. Ernst & Young, Chartered Accountants who are recommended for reappointment at the forthcoming Annual General Meeting. A sum of LKR 2.80 Mn has been provided as audit fees for the year under review.

Annexure 1	2023	2022
Auditors Remuneration (Fees and Expenses)		
Audit	2,688	2,339
Non-Audit	-	-
	2,688	2,339

INDEPENDENCE OF AUDITORS

Based on the declaration from Messrs. Ernst & Young, Chartered Accountants and as far as the Directors are aware, the auditors do not have any relationship or interest in the Company other than those disclosed in this Report.

DIRECTORS' INTEREST REGISTER

In terms of the Companies Act No. 7 of 2007 an Interests Register is maintained. The particulars of the entries entered into the Interests Register during the accounting period under review are given below.

a) Directors' interest in contracts with the Company

Directors' interests in contracts of the Company, both direct and indirect interests have been included in Note 36 (Pages 216-217) under the Related Party disclosures to the Financial Statements.

b) Details of the remuneration and fees paid to the Directors are set out in page 212 of the note 32 to the Financial Statements.

c) Indemnity provided to Directors and Officers of the Company.

Terms of the Policy Cover

Limit of Liability	LKR 50,000,000
Gross Premium	LKR 776,599
Period of Insurance	1st January 2023 - 31st December 2023

DIRECTORATE

As at 31st December 2023, the Board of Directors of Janashakthi Insurance PLC, consisted of 10 Directors whose profiles are presented in pages 52-57 of the Annual Report.

The Names of the Directors of the Company who held the office during the year and as at the end of 2023, as required by the Section 168 (1) (h) of the Companies Act No. 07 of 2007, are given below:

Mr. Prakash Schaffter (Executive Deputy Chairman)

Mr. R. N. Liyanage (Chief Executive Office/ Non-Independent Executive Director)

Mr. Ramesh Schaffter

Ms. Warini de Costa

Dr. Nishan de Mel

Ms. Annika Senanayake

Mr. Sivakrishnarajah Renganathan

Dr. Gehan Gunatilleke (Appointed w.e.f 24.01.2024)

Mr. Dilip de S Wijeyeretane (Appointed w.e.f 14.02.2024)

Mr. Piranavan Sivagananathan (Resigned w.e.f 31.12.2023)

Mr. Mahela Jayawardena (Resigned w.e.f 31.12.2023)

Mr. Avindra Rodrigo (Resigned w.e.f 01.03.2024)

BOARD COMMITTEES

The Board while assuming responsibility for the management and the smooth running of the company has established sub committees keeping in line with the Corporate Governance rules, transparency and accountability. Following Board Committees operated during the year;

- ▶ Board Audit Committee
- ▶ The Human Resource and Remuneration Committee
- ▶ Nomination Committee
- ▶ Related Party Transactions Review Committee

RISK MANAGEMENT AND THE SYSTEM OF INTERNAL CONTROLS

The Company has constituted a comprehensive Risk Management policy for the identification and mitigation of operational and financial risk. A detailed report on the risk management process of the Company is given on pages 63-67 of the Annual Report.

The Internal Controls of the company on the other hand are established to carry on the business of insurance in an orderly and efficient manner, so as to safeguard its assets and ensure the accuracy and reliability of financial records.

Controls over the financial reporting were also reviewed during the year to ensure that the financial reporting process in place is up to date and effective.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company and ensuring that the statements are true and fair. The Financial Statements of the Company are prepared in conformity with Sri Lanka Accounting Standards (LKAS) and provide information required by the Companies Act No. 7 of

2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, Regulation of Insurance Industry Act No. 43 of 2000 and the Colombo Stock Exchange (CSE) Listing Requirements.

PROVISIONS

The Directors have taken all reasonable steps to ensure adequate provisioning for unearned premiums, unexpired risks and claims, including claims incurred but not reported. The Directors have arranged an external Actuary to value the Life Fund. As at date of the report, the Directors are not aware of any circumstances, which would render as inadequate the amounts provided for in the Financial Statements for the above.

DONATIONS

There were no donations granted during the year under review.

STATUTORY PAYMENTS

The Directors are satisfied to the best of their knowledge and belief that all Statutory Payments to the Government and other Statutory Institutions including employee related payments have been made in time.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company operates in accordance with prevailing laws and regulations. Compliance with provisions in laws and regulations are confirmed to the Board of Directors at Board Meetings. A detailed report on this is available under the Corporate Governance article in pages 68-83 of this report.

OUTSTANDING LITIGATION

In the opinion of the Directors and the Company's lawyers, pending litigation against the Company will not have a material impact on the reported financial results or future operations of the Company.

EVENTS AFTER THE REPORTING DATE

The events after the reporting date are disclosed in Note 40 (Page 220) in financial statements.

GOING CONCERN

The Board of Directors has reviewed the Company's business plan, future prospects, its risk profile and the other requirements such as cash flow and future capital expenditure and is satisfied that the company has adequate resources and the plans to continue its operations in the foreseeable future. Accordingly, the Financial Statements are prepared based on the going concern concept.

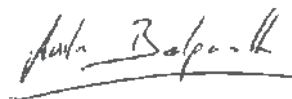
For and on behalf of the Board,



Prakash Schaffter
Deputy Chairman



R.N. Liyanage
Director/CEO



Company Secretaries
Janashakthi Corporate Services Limited

05th March 2024



K.A. PANDIT

(ISO9001 : 2015 CERTIFIED)
(ISO27001 : 2013 CERTIFIED)

Certification under Section 15 of SLFRS 4

I, Chandan Khasnobis, being the Appointed Actuary for Janashakthi Insurance Plc. (Company), certify that, to the best of my knowledge:

1. I have valued each and every policy on the books of the Company for which data was given to me, with respect to long term insurance liabilities as at **31-12-2023**.
2. Detailed data was provided by the Company for the purpose of valuation. I have asked for clarifications from the Company wherever required, for which I have received satisfactory replies for certain queries. For queries which are in the process of being resolved, adequate data provisions have been held towards observed issues/ inconsistencies.
3. I have taken reasonable steps to ensure the completeness and accuracy of data provided by the Company to the best possible extent. The Company has provided a certification confirming the completeness, accuracy, reasonableness and reliability of the data provided for valuation. An additional Certification has been issued by the Company stating the limited nature of data provided for valuation and that the Company takes accountability of data reconciliations.
4. **In my opinion, adequate and proper reserves have been provided for as at 31-12-2023, for all the liabilities in respect of long-term insurance business of the Company. The total liabilities of the Company as at 31-12-2023 is LKR 13,832 million after taking credit for reinsurance.**
5. An amount of LKR 124 million was locked in the Non-Participating fund in the year 2020 and continues to be locked and restricted for distribution to Shareholders. This amount is locked for distribution on account of the surplus arising as at 31-12-2015 due to change in the valuation methodology for the Universal Life product 'Life Saver' as per the IRC SL guidelines.
6. **I have complied with the relevant provisions of the Act, including the provisions of Section 26 and regulations issued by the Insurance Regulatory Commission of Sri Lanka with respect to Solvency Margin.**

2nd Floor, Churchgate
House, Veer Nariman Road,
Fort, Mumbai - 400 001.

201/C, Remi Bizcourt, Off.
Veera Desai Road, Andheri
(W), Mumbai - 400 058.

509, Golden Triangle, Near Sardar
Patel Stadium, Navrangpura,
Ahmedabad - 380 014.

Tel: (91-22) 4292 2231
kap@ka-pandit.com
www.ka-pandit.com



K.A. PANDIT

(ISO9001 : 2015 CERTIFIED)
(ISO27001 : 2013 CERTIFIED)

Certification under Section 15 of SLFRS 4

I, Chandan Khasnobis, being the Appointed Actuary for National Insurance Corporation Limited (Company), certify that, to the best of my knowledge:

1. I have valued each and every policy on the books of the Company for which data was given to me, with respect to long term insurance liabilities as at 31-12-2023.
2. The detailed data was provided by the Company to be considered for valuation and I have asked for clarifications from the Company wherever required, for which I have received satisfactory replies.
3. I have taken reasonable steps to ensure the completeness and accuracy of data provided by the Company.
4. In my opinion, adequate and proper reserves have been provided for as at 31-12-2023 for all the liabilities in respect of long-term insurance business of the Company. The total liabilities of the Company as at 31-12-2023 are LKR 16.22 million.
5. I have complied with the relevant provisions of the Act, including the provisions of Section 26 and regulations issued by the Insurance Regulatory Commission of Sri Lanka with respect to Solvency Margin.

The statutory reserves for the Company, as at 31-12-2023, using the Gross Premium Valuation Methodology is LKR 16.22 million. The provision made as per the statutory valuation requirement is adequate to meet the liabilities towards policyholders, and also satisfies Liability Adequacy Test as at 31-12-2023.

Chandan Khasnobis F.I.A.I. (00097)
Partner
kap@ka-pandit.com

Chandan Khasnobis
Appointed Actuary

Date: 29-02-2024

📍 2nd Floor, Churchgate
House, Veer Nariman Road,
Fort, Mumbai - 400 001.

📍 201/C, Remi Bizcourt, Off.
Veera Desai Road, Andheri
(W), Mumbai - 400 058.

📍 509, Golden Triangle, Near Sardar
Patel Stadium, Navrangpura,
Ahmedabad - 380 014.

Tel: (91-22) 4292 2231
kap@ka-pandit.com
www.ka-pandit.com

Statement of Directors' Responsibility on Financial Reporting

The responsibility of the Directors in relation to the Financial Statements is set out in the following statement. As per the provisions of the Companies Act No. 7 of 2007 the Directors are required to prepare, for each financial year and place before a general meeting, Financial Statements which comprise of;

- ▶ Statement of Profit or Loss and Other Comprehensive Income of the Company which present a true and fair view of the profit or loss of the Company for the financial year; and
- ▶ Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of the financial year; and
- ▶ Statement of Changes in Equity; and
- ▶ Statement of Cash Flows for the year ended and Notes to the Financial Statements

The Directors have ensured that, in preparing these Financial Statements;

- the appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained; and
- all applicable accounting standards in accordance with the Sri Lanka Accounting Standards (SLFRSs / LKASs) as relevant have been applied; and
- reasonable and prudent judgements and estimates have been made so that the form and substance of transactions are properly reflected; and
- it provides the information required by and otherwise complies with the Companies Act No. 7 of 2007, Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments thereto and the Listing Rules of the Colombo Stock Exchange (CSE) and requirements of any other regulatory authority as applicable to the Company.

The Directors have also ensured that the Company has adequate resources to continue in operation to justify applying the going concern basis in preparing these Financial Statements.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

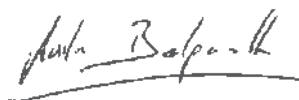
The Directors are required to prepare the Financial Statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their audit opinion.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions levies and taxes payable on behalf of and in respect of the employees of the Company, and all other known statutory dues, as were due and payable by the Company, as at the reporting date have been paid or, where relevant provided for, except as detailed in Note 38 to the Financial Statements, relating to contingent liabilities.

By order of the Board



Janashakthi Corporate Services Limited
Company Secretaries

05th March 2024

Chief Executive Officer's and Chief Financial Officer's Responsibility Statement

The financial statements of Janashakthi Insurance PLC as at 31st December 2023 are prepared and presented in compliance with the following;

- ▶ Sri Lanka Accounting Standards (SLFRSs / LKASs) issued by the Institute of Chartered Accountants of Sri Lanka (ICASL)
- ▶ Requirements of the Companies Act No. 7 of 2007
- ▶ The Regulation of Insurance Industry (RII) Act No. 43 of 2000 and subsequent amendments thereto
- ▶ Sri Lanka Accounting and Auditing Standards Act No 15 of 1995
- ▶ Statement of Recommended Practice (SORP) issued by the ICASL
- ▶ Listing rules of the Colombo Stock Exchange (CSE)
- ▶ Code of best practice on corporate governance issued by the ICASL

Accordingly, the Company has prepared the financial statements which comply with SLFRSs / LKASs and related interpretations applicable for the year ended 31st December 2023, together with the comparative data as at and for the year ended 31st December 2022, where required, as described in the accounting policies.

The accounting policies used in the preparation of the financial statements are appropriate and are consistently applied, unless otherwise stated in the notes accompanying the financial statements. There have been no changes in the accounting policies adopted by the Company during the year under review.

Significant accounting policies and estimates relating to Financial Statements that involve a high degree of judgement and complexity were made on a prudent and reasonable basis and discussed with our external auditors and the Board Audit Committee (BAC).

The Board of Directors of the Company is responsible for preparation and presentation of these Financial Statements which give a true and fair view of the financial performance and position of the Company.

We confirm that to the best of our knowledge, the financial statements and other financial information included in this annual report, fairly present in all material respects the financial position, results of operations and cash flows of the Company as of, and for, the periods presented in this Annual Report. We are responsible for establishing and maintaining internal controls and procedures to be designed under our supervision, and procedures. We have designed such controls and procedures, or caused such controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us and for safeguarding the Company's assets and preventing and detecting fraud and error. We have evaluated the effectiveness of the Company's internal controls and procedures and are satisfied that the controls and procedures were effective as of the end of the period covered by this annual report and on an ongoing basis.

We confirm, based on our evaluations that there were no significant deficiencies and material weaknesses in the design or operation of internal controls and any significant fraud that involves management or other employees.

The Internal audit function of the company continuously conducts internal audits and reviews to ensure that the internal controls and procedures are consistently followed.

The Financial Statements were audited by Messrs Ernst & Young, Chartered Accountants, the External Auditors.

The BAC pre - approves the audit and non - audit services provided by Messrs. Ernst & Young, in order to ensure that the provision of such services does not impair Ernst & Young's independence. The BAC also reviews the external audit plan, the internal audit plan, all internal audit reviews and management letters and follows up on any issues raised during the statutory audit as well as the internal audits. The BAC also meets with the external and internal auditors to review the effectiveness of the audits.

We confirm that the company has complied with all applicable laws and regulations and guidelines and that there are no material litigations that are pending against the Company other than those arising in the normal course of conducting insurance business. We also confirm that the Company has complied with the following Insurance Regulatory Commission of Sri Lanka (IRCSL) requirements;

- ▶ All provisions in the RII Act No. 43 of 2000, and subsequent amendments there to, and all rules, regulations determinations, directions issued by IRCSL; complied with all orders made by the Ministry of Finance and Planning under the RII Act, No. 43 of 2000
- ▶ Terms and conditions pertaining to reinsurance placements issued by IRCSL in terms of section 31(1) of the RII Act, No. 43 of 2000
- ▶ All applicable circulars issued by IRCSL
- ▶ All provisions in the Financial Transactions Reporting Act, No. 06 of 2006
- ▶ Rules on Know Your Customer (KYC) and Customer Due Diligence (CDD) for the Insurance Industry issued by the Financial Intelligence Unit established under the Financial Transactions Reporting Act, No. 06 of 2006
- ▶ Guidelines on Anti Money Laundering Programme for Insurers issued by IRCSL



Ravi Liyanage
Chief Executive Officer



Thanushka Jayasundera
Chief Financial Officer

05th March 2024

Independent Auditor's Report



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF JANASHAKTHI INSURANCE PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Janashakthi Insurance PLC ("the Company"), which comprise the statement of financial position as at 31 December 2023, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

BASIS FOR OPINION

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a

whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

Key Audit Matter	How our audit addressed the key audit matter
Life Insurance Contract Liabilities Life Insurance Contract Liabilities amounting to Rs 14 Bn represent 73% of total liabilities of the company as at 31 December 2023 are determined based on an actuarial valuation as described in note 18 to the financial statements. This was a key audit matters due to: ▶ materiality of the reported Life Insurance Contract Liabilities; ▶ the degree of assumptions, judgements and estimation uncertainty associated with the actuarial valuation of Life Insurance Contract Liabilities; and ▶ liability adequacy test using best estimates carried out to ensure the adequacy of the carrying value of Life Insurance Contract Liabilities. Key assumptions used in the valuation of the Life Insurance Contract Liabilities included the following: ▶ Mortality rate , morbidity rate , lapses ratio and surrenders ratio, loss ratios, bonus, interest rates, discount rates and related claim handling expenses, as disclosed in note 18 to the financial statements.	To assess the reasonableness of the Life Insurance Contract Liabilities, our audit procedures included amongst others the following: ▶ Assessed the competency, capability and objectivity of the management specialist engaged by the company. ▶ Obtained an understanding of the liability valuation process. ▶ Checked the completeness and accuracy of the data used in the valuation of Life Insurance Contract Liabilities by agreeing key Information to source documents and accounting records. ▶ Engaged expert resources to assess the reasonableness of the assumptions and appropriateness of the methods used in the actuarial valuations of Life Insurance Contract Liability and Liability Adequacy Test with reference to market data and policyholders experience. We assessed the adequacy of the disclosures in note 18 to the financial statements.

Other information included in the 2023 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there

is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance



with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably

be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4169.

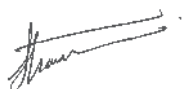
05th March 2024
Colombo

Statement of Financial Position

As at 31st December	Note	2023 LKR'000	2022 LKR'000
Assets			
Property, Plant and Equipment	4	220,078	194,307
Right of Use Assets	5	232,200	191,634
Investment Property	6	2,049,537	2,182,092
Intangible Assets	7	49,846	46,435
Investment in Associate	8	3,754,587	-
Deferred Tax Asset	33.3	-	195,130
Financial Investments	9	28,240,640	20,368,155
Loans to Life Policyholders & Others	10	272,714	328,359
Reinsurance Receivable	11	26,814	299,781
Premium Receivables	12	268,203	121,594
Other Assets	13	724,021	935,893
Cash & Cash Equivalents	14	353,570	282,387
Total Assets		36,192,210	25,145,767
Equity and Liabilities			
Equity			
Stated Capital	15	4,853,752	4,853,752
Restricted Regulatory Reserve	17	1,795,829	1,795,829
Available For Sale Reserve	16.2	515,466	(150,113)
Revenue Reserves	16.1	8,426,870	4,892,336
Total Equity		15,591,917	11,391,804
Liabilities			
Insurance Contract Liability - Life	18.3	14,544,804	11,662,912
Retirement Benefit Obligation	19	64,446	55,321
Long term Borrowing	37	2,705,411	-
Reinsurance Creditors		276	120,274
Lease Creditor	5	262,115	232,853
Other Liabilities	20	2,195,468	1,285,551
Short term borrowing	37	624,716	307,126
Bank Overdraft	21	203,057	89,927
Total Liabilities		20,600,293	13,753,963
Total Equity and Liabilities		36,192,210	25,145,767

The accounting policies and notes on pages 175-220 are an integral part of these Financial Statements.

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



Thanushka Jayasundera
Chief Financial Officer

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

Signed for and on behalf of the Board by,



Prakash Schaffter
Chairman



R.N. Liyanage
Director/ Chief Executive Officer

Colombo
05th March 2024

Statement of Profit or Loss

For the Year Ended 31st December	Note	2023 LKR'000	2022 LKR'000
Gross Written Premium	22	4,584,822	4,867,011
Premium Ceded to Reinsurers		(220,183)	(257,964)
Net Written Premium		4,364,639	4,609,047
Other Revenue			
Fee and Commission Income	23	31,634	57,373
Investment Income	24	4,594,188	2,841,390
Net Realised Gains	25	(117,130)	41,333
Fair Value Gains/(Losses)	26	4,756,439	(1,141,887)
Other Operating Revenue	27	31,031	276,380
Total Other Revenue		9,296,162	2,074,590
Net Income		13,660,800	6,683,637
Benefits and Claims			
Gross Claims and Benefits Paid	28.1	(3,443,465)	(3,375,519)
Claims Ceded to Reinsurers	28.2	378,481	131,418
Gross Change in Claims Liabilities	28.3	(72,528)	212,081
Change in Claims Liabilities Ceded to Reinsurers	28.4	(273,971)	250,691
Change in Contract Liabilities - Life		(2,502,624)	1,280,062
Underwriting & Net Acquisition Cost	29	(1,162,592)	(1,684,008)
Total Benefits, Claims & Net Acquisition Cost		(7,076,699)	(3,185,275)
Other Expenses			
Other Operating and Administrative Expenses	30	(1,224,805)	(1,572,132)
Finance Cost	31	(108,567)	(89,566)
Total Other Expenses		(1,333,373)	(1,661,698)
Profit before Taxation	32	5,250,728	1,836,664
Income Tax Expense	33	(1,115,900)	(460,962)
Profit for the year		4,134,828	1,375,702
Basic Earnings Per Share (LKR)	34	18.25	6.07

Statement of Other Comprehensive Income

For the Year Ended 31st December	Note	2023 LKR'000	2022 LKR'000
Profit for the year		4,134,828	1,375,702
Other Comprehensive (Loss) / Income			
Items that are or may be reclassified to Profit or Loss			
Net Changes in Fair Value of Investments classified as Available for Sale Financial Assets	16.2/18.3	771,405	(844,763)
Available for Sale Financial Assets transferred to Statement of Profit or Loss	16.2	273,442	306,216
Items that will never be reclassified to Profit or Loss			
Actuarial Gains on Defined Benefit Plans	19	4,207	5,434
Transferred to Long term Fund		(4,207)	(5,434)
Total Other Comprehensive Income		1,044,847	(538,548)
Total Comprehensive Income for the year		5,179,675	837,155
Total Comprehensive Income attributable to:			
Equity holders of the Company		5,179,675	837,155
		5,179,675	837,155

Statement of Changes in Equity

For the Year Ended 31st December	Note	Stated Capital	Restricted Regulatory Reserve	Revenue Reserves			Total
				Retained Earnings	Available-for-sale Reserve	Total	
		LKR'000	LKR'000	LKR'000	LKR'000	LKR'000	LKR'000
Balance as at 31 December 2021		4,853,752	1,795,829	4,037,644	(101,809)	3,935,835	10,585,416
Profit for the year		-	-	1,375,702	-	1,375,702	1,375,702
Other Comprehensive Income							
Net Change in Fair Value of Available for Sale Financial Assets	15.2	-	-	-	(354,519)	(354,519)	(354,519)
Impairment of Available for Sale Financial Assets transferred to Statement of Profit or Loss		-	-	-	306,216	306,216	306,216
Actuarial Gain on Defined Benefit Plans	18	-	-	(5,434)	-	(5,434)	(5,434)
Total Comprehensive Income for the Year		-	-	(5,434)	(48,303)	(53,738)	(53,738)
Transactions with owners recorded directly in equity							
Dividend Paid to equity holders for 2021		-	-	(521,010)	-	(521,010)	(521,010)
Transfers to Life Insurance Fund		-	-	5,434	-	5,434	5,434
Balance as at 31 December 2022		4,853,752	1,795,829	4,892,336	(150,113)	4,742,223	11,391,804
Profit for the year		-	-	4,134,828	-	4,134,828	4,134,828
Other Comprehensive Income							
Net Change in Fair Value of Available for Sale Financial Assets	16.2	-	-	-	392,137	392,137	392,137
Net change in Available for Sale Financial Assets transferred to Statement of Profit or Loss	16.2	-	-	-	273,442	273,442	273,442
Actuarial loss on Defined Benefit Plans	19	-	-	(4,207)	-	(4,207)	(4,207)
Total Comprehensive Income for the Year		-	-	(4,207)	665,579	665,579	665,579
Transactions with owners recorded directly in equity							
Dividend Paid to equity holders for 2022		-	-	(600,294)	-	(600,294)	(600,294)
Transfers to Life Insurance Fund		-	-	4,207	-	4,207	4,207
Balance as at 31 December 2023		4,853,752	1,795,829	8,426,870	515,467	8,942,336	15,591,917

The accounting policies and notes on pages 175–220 are an integral part of these Financial Statements.

Statement of Cash Flow

For the Year Ended 31st December	Note	2023 LKR'000	2022 LKR'000
Cash Flows From Operating Activities			
Premium Received from Customers		4,438,212	4,849,089
Reinsurance Premium Paid		(87,447)	(76,668)
Claims Paid	28.1	(3,443,465)	(3,375,519)
Reinsurance Receipt in Respect of Claims		124,746	1,956
Interest Received		1,392,672	1,221,862
Dividends Received		61,573	37,637
Other Operating Cash Receipts / Payments		1,467,987	(1,730,772)
Cash Flows from Operating Activities	A	3,954,278	927,585
Gratuity Paid		(10,497)	(22,416)
Income Tax Paid		(182,293)	-
Net Cash Generated From Operating Activities		3,761,489	905,171
Cash Flows Used in Investing Activities			
Net Purchase of Investments		(2,355,914)	(809,704)
Investment in Associate		(3,754,587)	-
Purchase of Investment property		-	(2,124)
Proceeds from Disposal of Investment property		84,072	74,400
Purchase of PPE & WIP	4	(60,768)	(35,149)
Proceeds from Disposal of Property, Plant and Equipment		-	5,524
Purchase of Intangible Assets	7	(30,503)	(18,925)
Net Cash Generated From/ (Used in) Investing Activities		(6,117,700)	(785,980)
Net Cash Flows Before Financing Activities		(2,356,211)	119,190
Cash Flows Used in Financing Activities			
Proceeds from Long term borrowing	37	2,700,000	-
Net Short Term Borrowings	37	317,590	307,126
Rent Advance paid for right of use assets		(22,136)	(9,771)
Finance Cost	31	(80,896)	(11,785)
Ordinary Dividends Paid	35.2	(600,294)	(521,010)
Net Cash Used in Financing Activities		2,314,263	(235,440)
Net Increase / (Decrease) in Cash and Cash Equivalents	B	(41,948)	(116,250)

Notes to the Cash Flow Statement

For the Year Ended 31st December	Note	2023 LKR'000	2022 LKR'000
A Cash Flows from Operating Activities			
Profit Before Tax		5,250,728	1,836,664
Finance Cost	31	80,896	11,785
(Gain)/Loss on Disposal of Investment Property		3,830	(3,200)
Available for Sale Financial Assets transferred to Income Statement		273,442	306,216
(Gain)/Loss on Financial Investments	26	(4,745,167)	1,141,887
Gain on Fair Valuation of Investment Properties	26	(11,272)	(470,448)
Provision for Retirement Benefit	19	15,414	12,813
Interest Expense On Operating Leases	31	27,671	77,781
Depreciation and Amortisation Expenses		197,041	177,787
Changes in Working Capital			
(Increase)/Decrease in Premium and Other Receivables		393,876	(873,326)
Increase/(Decrease) in Life Insurance Fund		2,502,624	(1,280,061)
Increase/(Decrease) in Creditors		(34,806)	(10,312)
Net Cash Flows from Operating Activities	A	3,954,278	927,585
B Increase / (Decrease) in Cash and Cash Equivalents			
Cash in Hand and Balance at Bank	14	353,570	282,387
Bank Overdrafts	21	(203,057)	(89,927)
Net Cash and Cash Equivalents as at end of the Period – Continued Operations		150,513	192,461
Net Cash and Cash Equivalents as at beginning of the Period		192,461	308,711
Increase /(Decrease) in Cash and Cash Equivalents During the Period		(41,948)	(116,250)

ACCOUNTING POLICY

Statement of Cash Flows

The Statement of Cash Flows has been prepared by using both "Direct Method" and "Indirect Method" in accordance with the Sri Lanka Accounting Standard LKAS 07 : Statement of Cash Flows.

The Indirect Method discloses the profit or loss adjusted by the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investment or financing cash flows.

For the purpose of the Statement of Cash flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

Statement of Financial Position - Supplemental

(Life Insurance Fund of the former National Insurance Corporation Ltd)

As at 31st December	2023 LKR'000	2022 LKR'000
Assets		
Financial Investments	112,317	91,824
Loans to Life Policyholders	34,797	34,797
Other Assets	214	214
Cash in Hand and Balance at Bank	1,890	2,078
Total Assets	149,218	128,912
Equity and Liabilities		
Equity		
Available for Sale Reserve Fund of Life Policyholders	-	-
Total Equity	-	-
Liabilities		
Insurance Provision - Life	58,221	45,249
Other Liabilities	90,996	83,663
Bank Overdraft	-	-
Total Liabilities	149,217	128,912
Total Equity and Liabilities	149,217	128,912

The above Life Insurance Statement of Financial Position should be read in conjunction with the Company's Statement of Financial Position on page 167, Accounting Policies and Notes to the Financial Statements from page 175 to 220.

Underwriting Results - Supplemental

For the Year Ended 31st December	2023 Life Insurance LKR'000	2022 Life Insurance LKR'000
Gross Written Premium	4,584,822	4,867,011
Less: Premium Ceded to Reinsurers	(220,183)	(257,964)
Net Written Premium	4,364,639	4,609,047
Net Change in Reserve for Unearned Premium	-	-
Net Earned Premium	4,364,639	4,609,047
Benefits and Claims		
Gross Claims and Benefits Paid	(3,443,465)	(3,375,519)
Claims Ceded to Reinsurers	378,481	131,418
Gross Change in Claims Liabilities	(72,528)	212,081
Change in Claims Liabilities Ceded to Reinsurers	(273,971)	250,691
Underwriting & Net Acquisition Costs	(1,162,592)	(1,684,008)
Total Benefits, Claims & Net Acquisition Cost	(4,574,075)	(4,465,337)
Underwriting Results	(209,436)	143,710

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 Reporting Entity

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

1.2 Principal Activities and Nature of Operations

Janashakthi Insurance PLC provides Life Insurance solutions for both individual and corporate customers and there was no significant change in the nature of the principal activities of the Company.

1.3 Parent Entity

In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Janashakthi Limited which is incorporated in Sri Lanka. The Financial year of the Parent ends on 31st of March.

1.4 Date of authorisation of issue

The Financial Statements of the Company for the year ended 31st December 2023 were approved and authorised for issue by the Board of Directors on 05th March 2024.

1.5 Responsibility for Financial Statements

The Board of Directors are responsible for the preparation and presentation of the Financial Statements of the Company as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards.

1.6 Number of Employees

The staff strength of the Company as at 31st December 2023 was 357. (366 as at 31st December 2022)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS.

2.1 Basis of Preparation

2.1.1 Statement of Compliance

The Financial Statements for the year ended 31st December 2023 are prepared

in accordance with Sri Lanka Accounting Standards comprising LKASs and SLFRSs as issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with requirements of Companies Act No.07 of 2007. The presentation of the Financial Statements is also in compliance with the requirements of the Regulation of Insurance Industry Act No. 43 of 2000 and amendments thereto. These Financial Statements also provide appropriate

disclosures as required by the Listing Rules of the Colombo Stock Exchange (CSE).

The Company did not adopt any inappropriate accounting treatments, which are not in compliance with the requirements of the SLFRSs and LKASs, regulations governing the preparation and presentation of these Financial Statements.

The Financial Statements include the following components:

Component	Description	Page No
Statement of Financial Position	Provides information on the financial position of the Company as at the end of the year.	167
Income Statement and Other Comprehensive Income Statement	Provides information of the financial performance of the Company for the period.	168-169
Statement of Changes in Equity	Provides all changes in the Shareholders' Fund during the period under review.	170
Statement of Cash Flows	Provides information on the ability of the Company to generate cash and cash equivalents and the needs of the entity to utilise those cash flows.	171-172
Notes to the Financial Statements	Consists accounting policies and other explanatory information.	175-220

2.1.2 Basis of Measurement

The Financial Statements 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. The land and buildings are measured at revalued amounts, Investment Properties are valued at fair value, the Insurance Contract Liability - Life is determined using actuarial valuation and Defined Benefit Obligations are recognised at present value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Statement of Financial Position has been prepared in the order of liquidity.

The Statement of Financial Position has been prepared in the order of liquidity.

2.1.3 Use of Materiality and Offsetting

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial, as permitted by the Sri Lanka Accounting Standard: LKAS 01 on 'Presentation of Financial Statements'. Assets and liabilities and income and expenses are not set off unless permitted by Sri Lanka Accounting Standards.

2.1.4 Functional and Presentation Currency and Rounding

The Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Company's functional and presentation currency. All financial information presented in Sri Lankan

Notes to the Financial Statements

Rupees has been given to the nearest thousand (LKR '000), unless otherwise stated as permitted by the LKAS 01 Presentation of Financial Statements.

2.1.5 Financial Period

The Financial Statements are prepared for the twelve months period from 1st January to 31st December.

2.1.6 Comparative Information

The Financial Statements provide comparative information in respect of the previous financial year. The presentation and classification of assets and liabilities in the Financial Statements of the previous financial year have been amended, where relevant for better presentation and to be comparable with those of the current year.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Financial Statements in conformity with SLFRSs/LKASs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future reporting periods. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised prospectively. Management has considered and made significant judgements, estimates and assumptions in preparing these Financial Statements.

2.2.1 Judgement

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these Financial Statements is included in the following notes.

2.2.1.1 Classification of Financial Assets and Liabilities

The significant accounting policies of the Group provide scope for assets to be classified upon initial recognition into different accounting categories under certain circumstances. The Company has classified assets as "Loans and Receivables", "Fair Value Through Profit or Loss" (FVTPL), and "Available For Sale" (AFS).

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. At initial recognition, financial liabilities within the scope of LKAS 39 are classified as financial liabilities at Fair Value Through Profit or Loss or financial liabilities at amortised cost.

2.2.2 Assumptions and Estimation Uncertainties

The following notes include information about Assumptions and Estimation Uncertainties that have a significant risk of resulting in material adjustments for the year ended 31st December 2023.

2.2.2.1 Going Concern

The Management has made an assessment of the Company's ability to continue as a Going Concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a Going Concern. Therefore, the Financial Statements continue to be prepared on a Going Concern basis.

2.2.2.2 Revaluation and Fair Valuation of Property, Plant and Equipment and Investment Properties

The Land and Buildings are measured at revalued amounts with changes in fair value being recognised in the Statement of Changes in Equity. The Investment Properties are measured at fair value, with changes in fair value being recognised in the Income Statement.

2.2.2.3 Life Insurance Contract Liabilities

The liability for life insurance contracts is based on assumptions established at

inception of the contract, reflecting the best estimate at the time. All contracts are subject to a Liability Adequacy Test, which reflects the best current estimates of future cash flows.

The main assumptions used relate to mortality, longevity, and discount rates. The Company bases mortality on standard tables published by the Institute of Actuaries of United Kingdom (A 67/70 and A 49/52).

Discount rates are based on the guidelines provided by the Insurance Regulatory Commission of Sri Lanka (IRCSL), and are in line with SLFRS 4 Insurance Contracts.

2.2.2.4 Fair Value of Financial Instruments

The determination of fair values of financial assets and financial liabilities recorded in the Statement of Financial Position for which there is no observable market price are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish their fair values. This judgment may include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of the financial instruments.

2.2.2.5 Valuation of Defined Benefit Obligation – Gratuity

The cost of Defined Benefit Plans is determined using actuarial valuations. The actuarial valuation involves making assumptions for discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and the long-term nature, such estimates are subject to significant uncertainty and the obligation is highly sensitive to any changes in these estimates and assumptions.

All assumptions are reviewed at each reporting date. Details of the key assumptions used by the Actuary and sensitivities there on the estimation is contained in Note 19.

2.2.2.6 Deferred Tax Assets and Liabilities

Deferred Tax Assets are recognised if sufficient future taxable income, including income from the reversal of existing taxable temporary differences and available tax planning strategies, is available for realization. The utilization of deferred tax assets arising from temporary differences depends on the generation of sufficient taxable profits in the period in which the underlying asset or liability is recovered or settled.

Certain management judgements are involved when determining the amount of Deferred Tax to be recognised based on timing and future taxable profits.

Details of Deferred Tax Asset recognised on tax losses of the Company is disclosed in Note 33.2. The accumulated tax losses of the Company are disputed by the Department of Inland Revenue through assessments issued, the details of which are disclosed in Note 38.2. These Tax Assessments have been common assessments for all Life Insurance companies in the insurance industry. The Company has appealed against the assessments issued in consultation with its Tax Consultants, as detailed in Note 38.2. The Company is of the firm view that these assessments will not materialize against the Company and the tax losses will be available to set off against future taxable income.

2.2.2.7 Impairment of Financial Assets

Impairment evaluation is a complex process that involves significant judgements and uncertainties that may have a significant impact on the Company's Financial Statements. The identification of impairment is an inherently uncertain process involving various assumptions and factors including, financial condition of the counter-party, expected future cash flows, statistical loss data, discount rates, observable market prices, etc. Estimates and assumptions are based on management's judgement and other information available prior to the issuance of the Financial Statements.

Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry

performance, financing and operational cash flows and changes in technology.

2.2.2.8 Impairment of Non-Financial Assets

The Company assesses whether there are any indicators of impairment for an asset or a cash generating unit at each reporting date or more frequently, if events or changes in circumstances necessitates to do so. This requires the estimation of the 'value in use' of such individual assets or the cash generating units. Estimating 'Value in Use' requires Management to make an estimate of the expected future cash flows from the asset or the cash generating unit and also to select suitable discount rates in order to calculate the present value of the relevant cash flows. This valuation requires the Company to

The Company reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting date. Judgement of the Management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty. Refer Note 4 on pages 180-183.

Following table provides references to the different locations in this report where each estimates are discussed in more detail.

Estimate/Judgement	Note No.	Page No.
Going Concern	2.2.2.1	176
Insurance Contract Liability- Life	18	201-203
Liability Adequacy Test	18	202
Valuation of Defined Benefit Obligation	19	204
Deferred Tax Asset	33	212-213
Assessment of Impairment	9	194
Fair Value of Financial Instruments	9	188-196
Provision for Liabilities and Contingencies	38	218-219

make estimates about expected future cash flows and discount rates and hence, they are subject to uncertainty.

2.2.2.9 Provisions for liabilities and contingencies

The Company is subject to legal claims against it in the normal course of business. Management has made judgements as to the likelihood of any claim succeeding when making provisions. The time for concluding legal claims and the amount of possible outflow of economic benefits are uncertain. Timing and cost ultimately depend on due process in the respective legal jurisdictions.

2.2.2.10 Useful Life-time of Property, Plant and Equipment

3 ACCOUNTING POLICIES

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparation and presentation of Financial Statements.

Significant Accounting Policies

Significant Accounting policies adopted by the Company have been applied consistently for all financial periods unless otherwise stated.

3.1 Statement of Financial Position

3.1.1 Reinsurance Contracts Held

The Company cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. These assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from reinsurers are estimated in a manner

consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract. Reinsurance is recorded gross in the financial position unless a right to offset exists.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss is recorded in the Statement of Other Comprehensive Income.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

3.2 Foreign Currency Translation/ Transactions

All transactions in currencies other than the functional currency are recorded in Sri Lankan Rupees (LKR), using the exchange rates prevailing at the time the transactions were effected.

At each date of the Statement of Financial Position, monetary assets and liabilities denominated in foreign currencies are retranslated to Sri Lankan Rupee equivalents at the exchange rate prevailing on the date of the Statement of Financial Position. Exchange differences arising on settlement of monetary items and re-translation of monetary items, are recognised in the Income Statement in the year in which they arise. Foreign exchange gains and losses arising from monetary assets designated as Available For Sale is recognised in the Statement of Other Comprehensive Income.

Non-monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupees using the exchange rate prevailing at the date of transaction.

3.3 Proposed Dividend

There has not been any dividend proposed for 2023 for the date of reporting.

3.4 Statement of Cash Flows

The Statement of Cash Flows has been prepared by using both the "Direct Method" and "Indirect Method" in accordance with the Sri Lanka Accounting Standard LKAS 07: Statement of Cash Flows. The primary segments are identified on the basis of the core business of the Company which is Life Insurance. The Indirect Method discloses the profit or loss adjusted by the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investment or financing cash flows.

For the purpose of the Statement of Cash flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

3.5 Standards issued but not yet effective

The following Sri Lanka Accounting Standards have been issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) which will be effective in the future. These standards have not been applied by the Company in preparation of these Financial Statements.

3.5.1 SLFRS 9 – Financial Instruments

In December 2014, the Institute of Chartered Accountants of Sri Lanka (ICASL) issued the final version of SLFRS 9: Financial Instruments Classification and Measurement which reflects all phases of the financial instruments project and replaces LKAS 39: Financial Instruments Recognition and Measurement. SLFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The standard introduces new requirements for:

- ▶ Classification and measurement,
- ▶ Impairment,
- ▶ Hedge Accounting,

Retrospective application is required, but comparative information is not compulsory.

Temporary exemption from SLFRS 9

An insurer that meets the criteria in paragraph 20B of SLFRS 4 (amended) provides a temporary exemption that permits, but does not require, the insurer to apply LKAS 39 – Financial Instruments: Recognition and Measurement rather than SLFRS 9 for annual periods beginning before 1st January 2025.

An insurer may apply the temporary exemption from SLFRS 9 if, and only if:

- (a) it has not previously applied any version of SLFRS 9, other than only the requirements for the presentation of gains and losses on financial liabilities designated as at Fair Value Through Profit or Loss in paragraphs 5.71(c), 5.77–5.79, 7.2.14 and B5.75– B5.7.20 of SLFRS 9; and
- (b) its activities are predominantly connected with insurance, as described in paragraph 20D, at its annual reporting date that immediately precedes 1 April 2016, or at a subsequent annual reporting date as specified in paragraph 20G of SLFRS 9.

Having considered the above criteria, since Janashakthi Insurance PLC is predominantly connected with Insurance activities, the Company may continue to apply LKAS 39: Financial Instruments Recognition and Measurement rather than SLFRS 9 which will be adopted for annual periods beginning after 1st January 2026.

Summary of the Requirements

- ▶ Classification and Measurement

Financial Assets

SLFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

SLFRS 9 contains three principal classification categories for financial assets measured at:

- ▶ Amortised Cost
- ▶ Fair Value Through Other Comprehensive Income (FVTOCI)
- ▶ Fair Value Through Profit or Loss

The standard eliminates the existing LKAS 39 categories of Held to Maturity, Loans and Receivables and Available For Sale.

At 31st December 2023, the equity investments classified as Available For Sale with a fair value of LKR 2.4 Bn that are held for long-term strategic purposes. Under SLFRS 9, these investments will be reclassified investments measured at FVTOCI. Consequently, all fair value gains and losses and gains or losses on disposal will be reported in the Other Comprehensive Income Statement.

Financial Liabilities

SLFRS 9 largely retains the existing requirements in LKAS 39 for the classification of financial liabilities. However, under LKAS 39 all fair value changes of liabilities designated as at FVTPL are recognised in the Income Statement, whereas under SLFRS 9 these fair value changes are generally presented as follows:

- ▶ The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in the Statement of Other Comprehensive Income; and
- ▶ The remaining amount of change in the fair value is presented in the Income Statement. The Company has not designated any financial liabilities at FVTPL and it has no current intention to do so.

Impairment

SLFRS 9 replaces the 'Incurred Loss' model in LKAS 39 with a forward-looking 'Expected Credit Loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or fair value through Statement of Other Comprehensive Income, except for investments in equity instruments, and to contract assets.

Under SLFRS 9, loss allowances will be measured on either of the following bases:

12-month ECLs: these are ECLs that result from possible default events within the

12 months after the reporting date; and Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not.

An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component.

3.5.2 SLFRS 17 – Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- ▶ A specific adaptation for contracts with direct participation features (the variable fee approach)
- ▶ A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

AMENDMENTS TO EXISTING ACCOUNTING STANDARDS THAT BECAME EFFECTIVE DURING THE YEAR

Amendments to LKAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments clarify the followings:

- ▶ Distinction between changes in accounting estimates, changes in accounting policies and the correction of errors.
- ▶ How entities use measurement techniques and inputs to develop accounting estimates.
- ▶ A change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

Effective Date: 1st January 2023

Amendments to LKAS 1 – Presentation of Financial Statements

- ▶ Replaces the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose 'material' accounting policies.
- ▶ Provides guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
- ▶ Specify the requirements for classifying liabilities as current or non-current.

Effective Date: 1st January 2023

Amendments to LKAS 12 – Income Taxes

The amendments introduce an exception to the initial recognition exemption in LKAS 12. The effect of these amendments essentially means that the initial recognition exemption is not available for transactions which involve the recognition of both an asset and liability which in turn leads to equal and opposite temporary differences. Therefore, deferred taxes are calculated and booked for both temporary differences, at initial recognition and subsequently.

Effective Date: 1st January 2023

4. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

The Company applies the requirements of the Sri Lanka Accounting Standard – LKAS 16 ‘Property, Plant & Equipment’ in accounting for its assets which are held for and used in the provision of services or for administrative purposes and are expected to be used for more than one year.

Basis of Recognition

Property, Plant & Equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Company and if the cost of the asset can be reliably measured.

Basis of Measurement

An item of Property, Plant and Equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of, or service it. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of computer equipment.

When parts of an item of Property, Plant or Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

Cost Model

The Company applies the cost model to Property, Plant and Equipment except for freehold land and buildings and records them at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

Revaluation Model

The Company applies the revaluation model to the entire class of freehold land and buildings. Such properties are carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Freehold land and buildings of the Company are revalued every three years on a roll over basis to ensure that the carrying amounts do not differ materially from the fair values at the reporting date.

On revaluation of an asset, any increase in the carrying amount is recognised in Other Comprehensive Income and accumulated in equity, under capital reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to Statement of Other Comprehensive Income. In this circumstance, the increase is recognised as income to the extent of the previous write down. Any decrease in the carrying amount is recognised as an expense in the Income Statement or debited in the Other Comprehensive Income to the extent of any credit balance existing in the capital reserve in respect of that asset. The decrease recognised in Other Comprehensive Income reduces the amount accumulated in equity under capital reserves. Any balance remaining in the Revaluation Reserve in respect of an asset is transferred directly to Retained Earnings on retirement or disposal of the asset.

Subsequent cost

The subsequent cost of replacing a component of an item of Property, Plant and Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be reliably measured. The costs of day to day servicing of Property, Plant and Equipment are charged to Income Statement as incurred. Costs incurred in using or redeploying an item are not included under the carrying amount of an item.

Depreciation

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. Depreciation is calculated by using the straight-line method on the cost of all Property, Plant and Equipment, other than freehold land, in order to write off such amounts over the estimated useful economic lives of such assets.

The estimated useful lives of Property, Plant & Equipment are as follows:

The Class of Tangible Assets	Percentage per annum	Useful life
Buildings	2.50%	40 years
Improvements on buildings under lease	10% - 20%	5-10 years
Equipment	25%	04 years
Furniture & fixtures	20%	05 years
Motor vehicles	25%	04 years

After the recognition of an impairment loss, the depreciation charge for the asset shall be adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), using a straight-line method over its remaining useful lives.

Useful lives, depreciation method and residual amounts of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively if appropriate. Such a review takes into consideration the nature of the assets, their intended use including but not limited to the closure of operations and the evolution of the technology and competitive pressures that may lead to technical obsolescence.

De-recognition

The carrying amount of an item of Property, Plant and Equipment is derecognised on disposal or when no Future Economic Benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of Property, Plant and Equipment which is calculated as the difference between the carrying amount and the net disposal proceeds is included in profit or loss when the item is derecognised.

When replacement costs are recognised in the carrying amount of an item of Property, Plant and Equipment, the remaining carrying amount of the replaced part is derecognised. Major inspection costs are capitalised. At each such capitalisation, the remaining carrying amount of the previous cost of inspections is derecognised.

	Note	2023 LKR'000	2022 LKR'000
Cost or Valuation	4.1	661,576	542,051
Accumulated Depreciation and Impairment	4.2	(441,498)	(347,744)
Net Book Value		220,078	194,307
Carrying Amounts of:			
Land & Building		79,190	20,917
Improvements to Building under Lease		78,201	124,393
Equipment		8,727	35,099
Furniture & Fittings		1,485	13,898
Work-in -Progress		52,475	-
		220,078	194,307

Notes to the Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

4.1 Cost or Valuation

	Land & Building LKR'000	Land & Building Improvements to Building under Lease LKR'000	Equipment LKR'000	Furniture & Fittings LKR'000	Motor Vehicles LKR'000	Work-in-Progress LKR'000	Total LKR'000
As at 1 January 2022	18,771	249,356	177,136	61,639	5,524	-	512,427
Additions	3,136	900	18,505	12,608	-	-	35,149
Disposal	-	-	-	-	(5,524)	-	(5,524)
As at 31 December 2022	21,907	250,256	195,641	74,247	-	-	542,052
Additions	-	-	8,189	103	-	52,474	60,768
Transfers from Investment Property	55,328	-	-	-	-	-	55,328
Revaluation Gain Arising from transferred Investment Property	3,428	-	-	-	-	-	3,428
Disposal	-	-	-	-	-	-	-
As at 31 December 2023	80,663	250,256	203,830	74,350	-	52,474	661,576

4.2 Accumulated Depreciation

	Land & Building LKR'000	Land & Building Improvements to Building under Lease LKR'000	Equipment LKR'000	Furniture & Fittings LKR'000	Motor Vehicles LKR'000	Work-in-Progress LKR'000	Total LKR'000
As at 1 January 2022	797	81,491	122,076	47,059	3,452	-	254,876
Depreciation charge for the year	194	44,372	38,467	13,291	1,381	-	97,705
Disposal	-	-	-	-	(4,833)	-	(4,833)
As at 31 December 2022	991	125,862	160,543	60,350	-	-	347,746
Depreciation charge for the year	482	46,192	34,562	12,516	-	-	93,752
Disposal	-	-	-	-	-	-	-
As at 31 December 2023	1,473	172,054	195,105	72,866	-	-	441,498
Net Book Value							
As at 31 December 2022	20,917	124,394	35,099	13,898	-	-	194,306
As at 31 December 2023	79,190	78,201	8,727	1,484	-	52,474	220,078

4.3 Valuation of Land & Building

The Land & Building referred to in Note 6 above are at revalued prices. The assumptions used for the fair valuation and fair values are as disclosed in Note 6.

4.4 Temporarily Idle Property, Plant and Equipment

There were no idle property, plant and equipment as at 31st December, 2023.

4.5 Title Restriction on Property, Plant & Equipments

There were no restrictions on title or Property, Plant and Equipment pledged as security for liabilities during the year.

4.6 Capitalisation of Borrowing Costs

There were no capitalised borrowing costs relating to the acquisition of Property, Plant and Equipment during the year.

4.7 Assessment of Impairment of Property, Plant & Equipments

The Board of Directors has assessed the potential impairment indicators of Property, Plant & Equipments as at 31 December 2023.

4.8 Fully Depreciated Property, Plant & Equipment in Use

There were LKR 92 Mn depreciated Property, Plant and Equipments in use as at 31st December, 2023 (2022 - no fully depreciated Property, Plant and Equipments).

5. RIGHT OF USE ASSETS

ACCOUNTING POLICY

SLFRS 16 "Leases" supersedes LKAS 17 "Leases", IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. The Company has adopted SLFRS 16 using modified retrospective method from 1st January 2019, without restating comparatives for 2018 reporting period, as permitted under the specific transitional provisions in the standard.

Recognition

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- ▶ Contract involves the use of an identified asset.
- ▶ Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- ▶ Company has the right to direct the use of the asset. The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use assets of the Company consist of branch premises which were previously recognised as operating leases under LKAS 17.

Measurement

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined Company's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. Where the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. Right of use assets are subject to impairment.

Notes to the Financial Statements

5. RIGHT OF USE ASSETS (Contd.)

The movement of Right of Use Assets of the Company is as follows;

	2023 LKR'000	2022 LKR'000
Cost of Right of Use Assets		
Right of Use Assets (PV of Future Lease Payment) on initial application of SLFRS 16 as at 1st January	175,340	152,792
Opening Balance of Advance Payments for the Right of use Assets as at 1st January	16,294	20,740
Additions of Right of Use Assets during the Year	94,628	67,569
Advances Paid for Right of Use Assets during the Year	22,136	9,771
Total Cost of Right of Use Asset (a)	308,398	250,872
Accumulated Depreciation and Amortisation		
Depreciation of Right of Use Assets	62,232	45,021
Amortisation of Rent Advance for Right of Use Assets	13,966	14,217
Total Accumulated Depreciation and Amortisation (b)	76,198	59,238
Net Right of Use Assets as at 31st December (a-b)	232,200	191,634
Lease creditor		
Lease creditor on initial application of SLFRS 16 as at 1st January	232,852	211,519
Addition to the lease creditor during the year	94,628	67,569
Interest Expense of lease creditor during the year	27,671	77,781
Rental paid for lease creditor during the year	(93,036)	(124,017)
Lease creditor as at 31st December	262,115	232,852

Short-term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. The lease liability is initially measured at the present value of the lease payment that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determine using the company incremental borrowing rate. Generally the company uses the market lending as its borrowing rate. (AWPLR+3%)

6. INVESTMENT PROPERTY

ACCOUNTING POLICY

Investment properties are properties held either to earn rental income or for capital appreciation or for both. They are not properties held for sale in the ordinary course of business, used in the production or supply of goods or service or for administrative services.

Basis of recognition

Investment property is recognised as an asset if it is probable that future economic benefits that are associated with the investment property will flow to the Company and if the cost of the investment property can be measured reliably.

Measurement

An Investment Property is measured initially at its cost. The cost of a purchased Investment Property comprises its purchase price and any directly attributable expenditure. The carrying amount includes the cost of replacing part of an existing Investment Property at the time that the cost is incurred if the recognition criteria are met, and excludes the cost of day-to-day servicing of an Investment Property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the Income Statement in the year in which they arise.

The Company revalues Investment Properties at the end of each financial year.

De-recognition

Investment Properties are de-recognised when either they have been disposed of or when the Investment Property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses arising on the retirement or disposal of an Investment Property are recognised in the Income Statement in the year of retirement or disposal.

	LKR'000
Fair Value	
As at 1 January 2022	1,783,919
Additions during the Year	2,123
Disposals during the year	(74,400)
Transfers to Property, Plant & Equipments during the Year	
Fair Value Gain	470,448
As at 31 December 2022	2,182,092
Additions during the year	-
Transfers to Property, Plant & Equipments during the Year	(55,328)
Disposals during the year	(85,071)
Fair Value Gain	7,844
As at 31 December 2023	2,049,536

6.1

Location	Details	Type	Fair Value LKR'000	
			2023	2022
No. 24,-133, Main Street, Killinochchi	22.03	Freehold	46,000	45,000
No. 233/1, Ehambaram Road, Trincomalee	40.70	Freehold	74,934	85,000
No. 32, Ave Maria Road, Negombo	22.80	Freehold	-	73,000
No. 143, Colombo Road, Galle	10.40	Freehold	76,500	73,000
No. 13 1/1, Bailey Road, Badulla	12.50	Freehold	28,089	68,000
No. 83, Kings Street, Matale	15.00	Freehold	41,514	40,092
No. 675, Dr. Danister de Silva Mw, Colombo 09	37.06	Freehold	1,650,500	1,645,000
No. 302, D.S. Senanayake Mw, Kandy	13.50	Freehold	132,000	153,000
			2,049,537	2,182,092

Negombo property was disposed during the year.

Notes to the Financial Statements

6. INVESTMENT PROPERTY (Contd.)

6.2 The Fair Value hierarchy of the Investment Properties for the Company 31st December, 2023 is as follows.

	Level 1 LKR'000	Level 2 LKR'000	Level 3 LKR'000	Total fair value LKR'000
Freehold Land	-	-	1,248,759	1,248,759
Freehold Building (7 buildings)	-	-	800,778	800,778
	-	-	2,049,537	2,049,537

6.3 Investment Properties re-stated at fair value which have been determined based on a valuation performed by Deshamanya, H.B. Manjula Basnayaka AIV (SL), JP (WI), using the Income Earned Approach Method of valuation as at 31st December 2023.

Location	Significant Unobservable Input	Estimates for Unobservable Inputs LKR
No. 24-133, Main Street, Kilinochchi	Estimated Price per perch	2,100,000
No. 233/1, Ehambaram Road, Trincomalee	Estimated Annual Rental Income	7,311,360
No. 143, Colombo Road, Galle	Estimated Annual Rental Income	6,382,500
No. 13, R. H. Gunawardena Mawatha, Badulla	Estimated Annual Rental Income	6,120,000
No. 83A, King street, Matale	Estimated Annual Rental Income	5,136,000
No. 675, Dr. Danister de Silva Mw, Colombo 09	Estimated Annual Rental Income	137,700,000

6.4 The rental income earned from the above properties during the year 2023 is LKR 12.43 Mn.

7. INTANGIBLE ASSETS

ACCOUNTING POLICY

Basis of recognition

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with the Sri Lanka Accounting Standard LKAS 38 : Intangible Assets.

Computer software

Purchased software which is not an integral part of the related hardware is treated as an intangible asset and measured on initial recognition at cost.

De - Recognition

An Intangible Asset is de-recognised on disposal or when no future economic benefits are expected from it. Then gain or loss arising from de-recognition of such Intangible Assets is included in Profit or Loss when the item is de-recognised.

Useful Economic Life & Amortisation

Amortisation is recognised in Profit or Loss on a straight-line basis over the estimated useful life of the software, from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years.

	2023 LKR'000	2022 LKR'000
Cost		
Accumulated Amortisation and Impairment	169,819	139,316
Net Book Value	(119,973)	(92,881)
	49,846	46,435

Cost (LKR'000)

	Software		
	In - Use	WIP	Total
As at 1 January 2022	112,415	7,976	120,391
Additions	-	18,925	18,925
As at 31 December 2022	112,415	26,901	139,316
Additions	19,512	10,991	30,503
As at 31 December 2023	131,927	37,892	169,819

Accumulated Amortisation & Impairment (LKR'000)

	Software		
	In - Use	WIP	Total
As at 1 January 2022	67,204	-	67,204
Amortisation charge for the year	25,677	-	25,677
As at 31 December 2022	92,881	-	92,881
Amortisation charge for the year	27,092	-	27,092
As at 31 December 2023	119,973	-	119,973

7.1 Nature of Intangible Assets

Intangible assets consist of computer software which are in the use and to be used of normal business activities.

7.2 Title Restriction on Intangible Assets

There were no restrictions on title of intangible assets as at the reporting date.

7.3 Assessment of Impairment of Intangible Assets

The Board of Directors has assessed the potential impairment indicators of Intangible Assets as at 31 December 2023. Based on the assessment, no impairment indicators were identified for the year 2023.

Notes to the Financial Statements

8 INVESTMENT IN ASSOCIATE

ACCOUNTING POLICY

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Company's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The income statement reflects the Company's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of results of equity accounted investees' in the Income Statement.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in income statement.

As of 31st December	No of Shares		Value of shares (LKR'000)	
	2023	2022	2023	2022
First Capital Holdings PLC	101,201,799	-	3,754,587	-

The company has acquired 25% equity stake in First Capital Holdings PLC from Janashakthi Limited at LKR 37.10 per share on 29th December 2023.

9. FINANCIAL INVESTMENTS

ACCOUNTING POLICY

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial measurement and classification of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value Through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value Through Profit or Loss are recognised immediately in the Income Statement.

Financial Assets

Financial assets are classified into the following specified categories:

- ▶ Fair Value Through Profit or Loss (either as Held for Trading or designated at Fair Value Through Profit or Loss) (FVTPL)
- ▶ Loans and Receivables
- ▶ Held to Maturity Financial Assets (HTM)
- ▶ Available For Sale Financial Assets (AFS)

a) The financial investments of the Company are summarised by measurement category in the table below.

	Note	2023 LKR'000	2022 LKR'000
Financial Assets at Fair Value Through Profit or Loss	9(c)	15,952,554	5,145,755
Loans and Receivables	9(d)	8,048,870	10,227,545
Available For Sale Financial Assets	9(e)	4,239,216	4,994,855
Total Financial Investments		28,240,640	20,368,155

(b) The following table compares the fair values of the financial investments with their carrying values:

		2023		2022	
		Carrying Value LKR'000	Fair Value LKR'000	Carrying Value LKR'000	Fair Value LKR'000
Financial Assets at Fair Value Through Profit or Loss	9(c)	15,952,554	15,952,554	5,145,755	5,145,755
Loans and Receivables	9(d)	8,048,870	7,689,037	10,227,545	10,006,080
Available For Sale Financial Assets	9(e)	4,239,216	4,239,216	4,994,855	4,994,855
		28,240,640	27,880,807	20,368,155	20,146,690

The Company's existing types of financial assets and their possible classifications are shown in the table below.

Financial Asset	Category
Treasury Bond	Fair value through Profit or Loss
Quoted Shares	Fair value through Profit or Loss/Available for Sale
Unit Trust	Fair value through Profit or Loss
Corporate Debt	Loans & Receivable/Available for Sale
Fixed Deposit	Loans & Receivable
Reverse Repurchase Agreements	Loans & Receivable
Loans to Policyholders	Loans & Receivable
Staff Loans	Loans & Receivable
Reinsurance Receivable	Loans & Receivable
Premium Receivable	Loans & Receivable
Cash & Cash Equivalent	Cash & Cash Equivalent
Other Assets	Loans & Receivable

(c) **Financial Assets at Fair Value Through Profit or Loss**

ACCOUNTING POLICY

a) Financial Assets Held for Trading

Financial assets are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or held as a part of a portfolio that is managed together for short-term profit or position taking. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by the Sri Lanka Accounting Standard – LKAS 39 : Financial Instruments Recognition and Measurement.

Notes to the Financial Statements

9. FINANCIAL INVESTMENTS (Contd.)

Financial assets held for trading are recorded in the Statement of Financial Position at fair value. The changes in fair value are recognised in profit or loss, and interest and dividend income is recorded in 'Net trading income' according to the terms of the contract, or when the right to receive the payment has been established. The Company evaluates its financial assets Held for Trading, other than derivatives, to determine whether the intention to sell them in the near-term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets in rare circumstances.

b) Financial Assets designated at Fair Value Through Profit or Loss

Financial Assets and Financial Liabilities classified in this category are those that have been designated by the Management on initial recognition. Management may only designate an instrument at Fair Value Through Profit or Loss upon initial recognition when the following criteria's are met, and designation is determined on an instrument by instrument basis:

- ▶ The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.
- ▶ The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss are recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in 'Net gain or loss on financial assets designated at Fair Value Through Profit or Loss. Interest earned is accrued in 'Interest income', using the Effective Interest Rate (EIR), while Dividend Income is recorded in 'Net Trading Income' when the right to the payment has been established.

		2023		2022	
		Carrying Value LKR'000	Fair Value LKR'000	Carrying Value LKR'000	Fair Value LKR'000
Equity Securities	9.1	338,755	338,755	304,429	304,429
Investment in Unit Trust		1,199,672	1,199,672	1,315,170	1,315,170
Investment in Government Securities		14,414,127	14,414,127	3,526,156	3,526,156
Total		15,952,554	15,952,554	5,145,755	5,145,755
Held-For-Trading Purposes		15,952,554	15,952,554	5,145,755	5,145,755
Total		15,952,554	15,952,554	5,145,755	5,145,755

(d) Loans and Receivables

ACCOUNTING POLICY

'Loans and receivables, include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, 'Loans and Advances to Customers' are subsequently measured at Amortised Cost using the EIR, less allowance for Impairment. Amortised Cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in 'Interest Income' in the Income Statement.

Gains and losses are recognised in the Income Statement when the investments are derecognised or impaired and also through the amortisation process.

Effective Interest Method

The Effective Interest Method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The Effective Interest Rate(EIR) is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an Effective Interest Basis for debt instruments other than those financial assets classified as at FVTPL.

	2023		2022	
	Carrying Value LKR'000	Fair Value LKR'000	Carrying Value LKR'000	Fair Value LKR'000
Reverse Repurchase Agreements	56,015	56,015	2,869,499	2,869,499
Corporate Debts	3,355,787	2,995,954	4,242,546	4,021,081
Placements with Banks & Financial Institutions	236,667	236,667	877,692	877,692
Commercial Papers	4,400,401	4,400,401	2,237,808	2,237,808
Total	8,048,870	7,689,037	10,227,545	10,006,080

LKR 1626 Mn and LKR 170 Mn have been specially reserved from Government securities (Treasury Bonds) and Placements with Banks and Financial Institutions respectively (In 2022 LKR 320 and LKR 1,476 Mn from Reverse Repurchase Agreements and Placements with Banks and Financials) for the purpose of supporting Regulatory Restricted Reserve.

(e) Available for Sale Financial Assets

ACCOUNTING POLICY

(a) Available for Sale Financial Investments

Available For Sale Investments include equity and debt securities. Equity Investments classified as Available For Sale are those which are neither classified as Held for Trading nor designated at Fair Value Through Profit or Loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, Available For Sale financial investments are subsequently measured at fair value.

Unrealised gains and losses are recognised directly in equity (Other Comprehensive Income) in the 'Available For Sale Reserve'. When the investment is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the Income Statement under 'Net Reasilsed Gains/Losses'. Interest earned whilst holding Available For Sale financial investments is reported as 'Interest Income' using the EIR.

Dividends earned, whilst holding Available For sale Financial investments are recognised in the Income Statement as 'Net Trading Income', when the right of the payment has been established. The losses arising from impairment of such investments are recognised in the Income Statement in 'Impairment losses on financial investments' and removed from the 'Available For Sale Reserve'.

(b) Held-to-Maturity financial assets

Held-to-Maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

After initial measurement, held to maturity financial assets are measured at amortised cost, using the EIR, less impairment. The EIR amortisation is included in 'Investment Income' in the Income Statement.

In the case of an impairment, it is being reported as a deduction from the carrying value of the investment and recognised in the Income Statement as 'Net gains/losses on investment securities'.

If the Company were to sell or reclassify more than an insignificant amount of Held to Maturity investments before maturity (other than in certain specific circumstances permitted in the Sri Lanka Accounting Standard LKAS 39 : Financial Instruments Recognition and Measurement), the entire category would be tainted and would have to be reclassified as Available For Sale. Furthermore, the Company would be prohibited from classifying any financial asset as Held to Maturity during the following two years.

Gains and losses are recognised in the Income Statement when the investments are derecognised or impaired and also through the amortisation process.

Notes to the Financial Statements

9. FINANCIAL INVESTMENTS (Contd.)

Reclassification

As per Sri Lanka Accounting Standard LKAS 39 : Financial Instruments Recognition and Measurement the Company is permitted to reclassify financial instruments in the Held for Trading category as Available For Sale, Loans and Receivables or Held to Maturity categories.

Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortised cost and no reversals of fair value gains or losses are recorded before reclassification date.

The Company evaluates whether the ability and the intention to sell the Available For Sale financial assets in near future would still be applicable and if in case the Company is unable to sell these assets in the near future the Company may elect to reclassify these financial assets in rare circumstances. Reclassification to Loans and Receivable is permitted if the financial assets meet the definition of Loans and Receivables and Management has the ability and intention to hold these assets for a foreseeable future or until maturity, whereas reclassification of instruments to Held to Maturity is permitted only if the entity has the ability and intention to hold these financial assets until maturity.

When a financial asset with a fixed maturity in the 'Available For Sale' category is reclassified, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. In the case of a financial asset that does not have a fixed maturity, the gain or loss is recognised in the profit or loss when such financial asset is sold or disposed of. If the asset is subsequently determined to be impaired, then the amount recorded in equity is recycled to the Income Statement.

The Company may reclassify a non-derivative trading asset under the 'Held for Trading' category as one under 'Loans and Receivables' category if it meets the definition of Loans and Receivables and if the Company has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the Company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Reclassification is at the election of management and is determined on an instrument by instrument basis. The Company does not reclassify any financial instrument under the Fair Value Through Profit or Loss category after initial recognition.

		2023		2022	
		Carrying Value LKR'000	Fair Value LKR'000	Carrying Value LKR'000	Fair Value LKR'000
Equity Securities	9.1	2,433,237	2,433,237	3,443,206	3,443,206
Corporate Debts		1,805,979	1,805,979	1,551,649	1,551,649
Total		4,239,216	4,239,216	4,994,855	4,994,855

De-recognition of Financial Assets and Financial Liabilities

Financial Asset

The Company derecognises a financial asset when;

- ▶ The rights to the cash flows from the financial asset has expired.
- ▶ It transfers the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership.
- ▶ It does not retain control of the financial asset.

Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Company is recognised as a separate asset or liability in the Statement of Financial Position. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial Liability

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Income Statement.

Offsetting financial instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under LKASs/SLFRSs, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

(f) Determination of Fair Value and Fair Value Hierarchy

ACCOUNTING POLICY

Determination of fair value

The Fair Value for Financial Instruments traded in active markets as at the date of Statement of Financial Position is based on their quoted market price without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Certain financial instruments are recorded at fair value using valuation techniques in which current market transactions or observable market data are not available. Their fair value is determined using valuation models with the Company's best estimate of the most appropriate model assumptions.

The following Table provides an analysis on the different bases used by the Company in assessing the Fair Value of Financial Instruments.

Instrument	Fair Value Basis	Fair Value Hierarchy
Treasury Bond	Using Market yield	Level 1
Treasury Bill	Using Market yield	Level 1
Quoted Shares	Volume Weighted Average	Level 1
Corporate Debt	Published Market Prices	Level 1
Fixed Deposit	Carrying Value (Cost + Interest)	Level 2
Reverse Repurchase Agreements	Carrying Value (Cost + Interest)	Level 2
Unit Trust	Published Net Asset Values	Level 2

9. FINANCIAL INVESTMENTS (Contd.)

Impairment of Financial Assets

The Company assesses at each date of a Statement of Financial Position whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, the probability that they will enter the bankruptcy or other financial reorganisation, default or delinquency in interest or principal payments and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Assets carried at Amortised Cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'Impairment charges for loans and other losses'.

The Company has not experienced any indication of impairment and thus no impairment losses were Recognised during the financial year.

Assets classified as Available For Sale

For Available For Sale Financial Investments, the Company assesses at each date of Statement of Financial Position whether there is objective evidence that an investment is impaired. In the case of debt instruments classified as Available For Sale, the Company assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the Income Statement. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The Interest Income is recorded as part of 'Interest and similar income'. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the Income Statement.

In the case of equity investments classified as Available For Sale, objective evidence would also include a 'Significant' or 'Prolonged' decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'Prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the Available For Sale reserve is removed from equity and recognised in the Income Statement. Impairment losses on equity investments are not reversed through the Income Statement; increases in the fair value after impairment are recognised in Other Comprehensive Income.

The following table shows an analysis of financial investments recorded at fair value by level of fair value hierarchy.

As at 31 December 2023	Level 1 LKR'000	Level 2 LKR'000	Level 3 LKR'000	Total fair value LKR'000
Financial Assets at Fair Value Through Profit or Loss				
Equity Securities	338,755	-	-	338,755
Investment in Unit Trust	-	1,199,672	-	1,199,672
Investment in Government Securities	14,414,128	-	-	14,414,128
	14,752,883	1,199,672	-	15,952,555
Loans and Receivables				
Reverse Repurchase Agreements	-	56,015	-	56,015
Corporate Debts	2,995,954	-	-	2,995,954
Placements with Banks & Financial Institutions	-	236,667	-	236,667
Commercial Papers	-	4,400,401	-	4,400,401
	2,995,954	4,693,083	-	7,689,037
Available For Sale Financial Assets				
Equity Securities	2,433,237	-	-	2,433,237
Corporate Debts	1,805,979	-	-	1,805,979
	4,239,216	-	-	4,239,216
Total Financial Assets (Fair Value)	21,988,053	5,892,755	-	27,880,808
As at 31 December 2022	Level 1 LKR'000	Level 2 LKR'000	Level 3 LKR'000	Total fair value LKR'000
Financial Assets at Fair Value Through Profit or Loss				
Equity Securities	304,429	-	-	304,429
Investment in Unit Trust	-	1,315,170	-	1,315,170
Investment in Government Securities	3,526,157	-	-	3,526,157
	3,830,586	1,315,170	-	5,145,756
Loans and Receivables				
Reverse Repurchase Agreements	-	2,869,499	-	2,869,499
Corporate Debts	4,021,081	-	-	4,021,081
Placements with Banks & Financial Institutions	-	877,692	-	877,692
Commercial Papers	-	2,237,808	-	2,237,808
	4,021,081	5,984,999	-	10,006,080
Available For Sale Financial Assets				
Equity Securities	3,443,206	-	-	3,443,206
Corporate Debts	1,551,649	-	-	1,551,649
	4,994,855	-	-	4,994,855
Total Financial Assets (Fair Value)	12,846,522	7,300,169	-	20,146,691

9. FINANCIAL INVESTMENTS (Contd.)

(g) Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 Inputs: Unobservable inputs for the assets or liabilities.

During the reporting period ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

9.1 Investment in Equity Securities

Quoted Shares – Sector Analysis

As at 31st December	2023 LKR'000	2022 LKR'000
Quoted Shares at Fair Value Through Profit or Loss		
Banks, Finance and Insurance	324,352	205,498
Manufacturing	–	45,333
Diversified Holdings	14,402	53,598
	338,754	304,429
Quoted Shares at Available For Sale		
Banks, Finance and Insurance	2,366,610	3,378,436
Land & Property	66,628	64,770
	2,433,238	3,443,206
Total	2,771,992	3,747,635

10. LOANS TO LIFE POLICYHOLDERS & OTHERS

ACCOUNTING POLICY

Policyholder Loans are recognised as a financial asset as Loans and Receivables. Please refer Note 9 of page 190–191 for Accounting Policy of Loans and Receivables.

Policyholder Loans are granted up to 90% of the surrender value of a Life Insurance Policy at a rate equivalent to market rate. Policyholder Loans are initially measured at Fair value of loan amount granted and subsequently measured at the amortised cost. If the policyholder demises before the full repayment of the loan, the loan balance is deducted from the death benefit. If the total receivable of the loan, including interest due and accrued, exceeds the cash surrender value, the policy terminates and becomes void. The Company has a first lien on all policies which are subject to Policy Loans. Policyholder Loans are reviewed for impairment at each reporting date.

As at 31st December	2023 LKR'000	2022 LKR'000
Loans recoverable from Life Policyholders	251,519	292,099
Loans given to Staff	21,195	36,260
Total Policyholder & Other Loans	272,714	328,359

11. REINSURANCE RECEIVABLE

ACCOUNTING POLICY

Reinsurance receivables are recognised as a financial asset as Loans and Receivables. Please refer Note 9 of page 190-191 for Accounting Policy of Loans and Receivables.

The Company cedes insurance risk in the normal course of business with recognised reinsurers through formal reinsurance arrangements.

Reinsurance receivables include the balances due from reinsurance companies for unpaid losses and loss adjustment expenses. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss, if any is recorded in Income Statement.

Ceded reinsurance arrangements do not relieve the Company from its obligations to Policyholders.

Reinsurance assets are de-recognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

As at 31st December	2023 LKR'000	2022 LKR'000
Reinsurance Receivable on Outstanding Claims	26,814	299,781
Total Reinsurance Receivable	26,814	299,781

12. PREMIUM RECEIVABLES

ACCOUNTING POLICY

Premium Receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. The carrying value of Premium Receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Impairment losses on Premium Receivables are the difference between the carrying amount and the present value of the estimated discounted cash flows. The impairment losses are recognised in the Income Statement. Premium Receivables are derecognised when the de-recognition criteria for financial assets have been met.

As at 31st December	2023 LKR'000	2022 LKR'000
Premium Receivables	268,203	121,594
Total Premium Receivables	268,203	121,594

Premium Receivables as disclosed above include amounts that are over due at the end of the reporting period. The allowance has been recognised for impairment loss where the receivables are beyond the extended credit period.

Notes to the Financial Statements

13. OTHER ASSETS

ACCOUNTING POLICY

Other assets include Other Debtors and Receivables, Advances, Deposits, Prepayments, Taxation Receivable, Inventory and Amounts Receivable from Related Companies.

(a) Advances, Deposits and Prepaid Expenditure

Expenditure which is deemed to have a benefit or relationship to more than one financial year is classified as advances, deposits and prepaid expenditure. Such expenditure is written off over the period, to which it relates, on a time proportion basis.

(b) Taxation Receivable

Taxation receivable is recognised at recoverable amount less impairment loss.

(c) Inventories

Inventories include all consumable items that are stated at the lower of cost and net realisable value.

(d) Other Debtors and Amounts Receivable from Related Companies

Other debtors and dues from related parties are recognised at cost less allowances for bad and doubtful receivables.

Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income Statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

	Note	2023 LKR'000	2022 LKR'000
Other Debtors and Receivables		284,112	704,885
Advances, Deposits and Prepayments		166,391	40,449
Tax Receivable	13.1	262,904	176,984
Inventory		10,614	13,575
Total Other Assets		724,021	935,893

13.1 Tax Receivable

	2023 LKR'000	2022 LKR'000
Current Tax Assets		
Withholding Tax Recoverable	210,999	120,621
VAT recoverable	51,905	56,363
Total Tax Receivables	262,904	176,984

14. CASH & CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash in hand and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are held for the purpose of meeting short-term cash commitments.

For the purpose of Cash Flow Statement, Cash and Cash Equivalents consist of cash in hand and deposits in the banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents. In the Consolidated Statement of Financial Position, the bank overdrafts are shown within borrowings under current liabilities.

	2023 LKR'000	2022 LKR'000
Cash and Bank Balances (Note 14.1)	353,570	282,387
	353,570	282,387

14.1 In the preparation of Cash Flow Statements, Cash and Cash Equivalents include Cash in Hand and Balance at Bank net of outstanding Bank Overdrafts. Cash Equivalents at the end of the Financial Year as shown in the Cash Flow Statement can be reconciled to the related items in the Statement of Financial Position as follows:

As at 31st December	2023 LKR'000	2022 LKR'000
Cash and Bank Balances	353,570	282,387
Bank Overdraft (Note 21)	(203,057)	(89,927)
Net Cash and Cash Equivalents at the Year End	150,513	192,461

15. STATED CAPITAL

	2023 LKR'000	2022 LKR'000
Stated Capital of the Company	4,853,752	4,853,752
Number of Fully paid Ordinary shares as at year end ('000)	226,526	226,526

16. REVENUE RESERVES

16.1 Retained Earnings

	2023 LKR'000	2022 LKR'000
Balance as at 1st January	4,892,336	4,037,643
Profit for the year	4,134,828	1,375,702
Actuarial Losses on Defined Benefit Plans	4,207	5,434
Transfer to Life Insurance fund	(4,207)	(5,434)
Dividend Paid to equity holders for 2022/2021	(600,294)	(521,010)
Balance as at 31st December	8,426,870	4,892,336

16. REVENUE RESERVES (Contd.)

16.2 Available For Sale Reserve

	2023 LKR'000	2022 LKR'000
Balance as at 1st January	(150,113)	(101,810)
Changes in fair value of Available For Sale Assets	392,137	(354,519)
Available For Sale Transferred to Income Statement	273,442	306,216
Balance as at 31st December	515,466	(150,113)

17. RESTRICTED REGULATORY RESERVE

	2023 LKR'000	2022 LKR'000
Change in contract liability due to transfer of One-off Surplus	1,795,829	1,795,829
Balance as at 31st December	1,795,829	1,795,829

17.1 The one-off Surplus is defined as the excess of total policy liabilities under the NPV regime as at 31 December 2015 over the total policy liabilities under the RBC regime as at 01.01.2016 where, the total policy liabilities under NPV regime is computed as per the solvency basis, which is the same as minimum regulatory basis. The total policy liabilities under RBC regime is computed as per distribution basis. Under the distribution basis, we have used the risk free rate for discounting of liabilities, zeroised liabilities at a product level and valued the Universal life portfolio and the Optional Rider portfolio using GPV methodology. Further, we have reported Total Benefits Liability for the Participating portfolio under the Distribution basis. The distribution basis is more prudent compared to the Solvency basis (defined in the Solvency Margin Risk Based Capital Rules 2015 RBC guidelines).

17.2 The distribution of 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 assets in note 4 g (d) as per the directions of IRCSL. As of 31 st December 2023 the company has met governance requirements as per IRCSL.

17.3 Composition of Investments supporting the Restricted Regulatory Reserve

Subsequent to the transfer of One-off Surplus from Policyholder Fund other than Participating business to Shareholder Fund the Company will maintain investments in "Government Debt Securities" and "Deposits with Banks & Financial Institutions" to fully support the amount of One-off Surplus at any given time on a market value basis. The composition of those investments are represented below.

	2023 LKR'000	2022 LKR'000
Security Category		
Government Debt Securities	1,625,829	1,475,829
Deposits with Banks & Financial Institutions	170,000	320,000
	1,795,829	1,795,829

18. INSURANCE CONTRACT LIABILITY - LIFE

ACCOUNTING POLICY

Product Classification

Insurance contracts

According to Sri Lanka Accounting Standards SLFRS 4, Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholder. The Company determines whether it has significant insurance risk, by comparing benefits paid against benefits payable if the insured event did not occur.

Investment contract

Investment contracts are those contracts that transfer significant financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Subsequent Classification and Reconciliation

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can however be reclassified as insurance contracts after inception if the insurance risk becomes significant. All of the insurance policies issued by the Company transfer significant insurance risk and have been classified as insurance contracts in accordance with SLFRS 4 : Insurance Contracts. The Company does not have any investment contracts as the reporting date.

Insurance contracts with Discretionary Participating Features (DPF)

Certain insurance and investment contracts contain a Discretionary Participation Feature (DPF). This feature entitles the holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

- ▶ That are likely to be a significant portion of the total contractual benefits.
- ▶ Whose amount or timing is contractually at the discretion of the Company.
- ▶ That are contractually based on:
 - ▷ The performance of a specified pool of contracts or a specified type of contract;
 - ▷ Realised and/or unrealised investment returns on a specified pool of assets held by the Company; or
 - ▷ The profit or loss of the company, fund or other entity that issues the contract.

Local statutory regulations and the terms and conditions of these contracts set out the bases for the determination of the amounts on which the additional discretionary benefits are based (the DPF eligible surplus) and within which the Company may exercise its discretion as to the quantum and timing of payment to contract holders. At least 90% of the eligible surplus must be attributed to contract holders as a group (which can include future contract holders). The amount and timing of the distribution to individual contract holders is at the discretion of the Company, subject to the advice of the relevant appointed actuary.

Insurance Contract Liabilities

Life insurance contract liabilities

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees and investment income from assets backing such liabilities, which are directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet the future cash outflows based on the valuation assumptions used.

The liability is either based on current assumptions or calculated using the assumptions established at the time the contract was issued, in which case a margin for risk and adverse deviation is generally included.

18. INSURANCE CONTRACT LIABILITY - LIFE (Contd.)

Furthermore, the liability for life insurance contracts comprises the provision for unearned premiums and unexpired risks, as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet being reported to the Company. Adjustments to the liabilities at each reporting date are recorded in the Income Statement. Profits originating from margins of adverse deviations on run-off contracts are recognised in the Income Statement over the life of the contract, whereas losses are fully recognised in the Income Statement during the first year of run-off. The liability is derecognised when the contract expires, is discharged or is cancelled.

Liability Adequacy Test- Life Insurance Contract Liabilities

At each reporting date, an assessment is made of whether the recognised long-term business provisions are adequate using current estimates of future cash flows. If that assessment shows that the carrying amount of the liabilities (less related assets) is insufficient in light of the estimated future cash flows, the deficiency is recognised in the Income Statement by creating an additional provision in the Statement of Financial Position as required by SLFRS 4 : Insurance Contracts.

According to the Section 67(2) of new Inland Revenue Act No.24 of 2017 which is effective from 1 April 2018, the surplus distributed to a life insurance policyholder who shares the profit of a person engaged in the business of a life insurance, as provided in the Regulation of Insurance Industry Act No. 43 of 2000, shall be deemed as gains and profits of the business and shall be taxed at a concessionary rate of 30% for three years of assessment after the commencement of the Act.

Long duration contracts included in the Life Insurance Fund result primarily from traditional participating & non-participating Life Insurance products. Short duration contract liabilities are primarily accident & health insurance products. The insurance provision has been established based on the following criteria.

- ▶ Interest rates which vary by product & year of assurance.
- ▶ Mortality rates based on published mortality tables adjusted for actual experience by geographic area & modified to allow the variations in policy form
- ▶ Surrender rates based upon actual experience by geographic area and modified to allow for variation in policy form.

The amount of policyholder bonus to be paid is determined annually by the Company on the recommendation of the Actuary. The bonus includes Life policyholders' share of net income that is required to be allocated by the Insurance Contract or by Insurance Regulations.

Janashakthi Insurance PLC – Insurance Contract Liability – Life

The valuation of the Insurance Liability of Life Insurance Business as at 31 December 2023 was done by M/S K. A. Pandit Consultants & Actuaries, India, for and on behalf of Janashakthi Insurance PLC. In accordance with the Consultant Actuary's report, the total liabilities of the Life Insurance business of the Company as at 31 December, 2023 was LKR 13,832 Mn after taking credit for reinsurance. In the opinion of the Consultant Actuary, the provision is adequate to cover the liabilities pertaining to Life Insurance business.

As recommended by the Consultant Actuary, the Board of Directors have resolved that a sum of LKR 2,576 Mn has been transferred to the Life Shareholders' Fund from Life Insurance Fund (Non participating) as for the year 2023.

Janashakthi Insurance PLC – Insurance Contract Liability – Life

[former National Insurance Corporation Ltd]

The valuation of the Insurance Liability of Life Insurance Business as at 31 December 2023 was done by M/S K. A. Pandit Consultants & Actuaries, India, for and on behalf of former National Insurance Corporation Ltd. In accordance with the Consultant Actuary's report, the total liabilities of the Life Insurance business of the Company as at 31 December, 2023 was LKR 16.22 Mn.

18.1 An internal assessment has been carried out to assess the Adequacy of the provision of Life Insurance Liabilities in keeping with SLFRS 4 requirement and has determined that existing provision levels are adequate as at 31 December, 2023. Accordingly, no further provision or adjustment was deemed as being necessary to be effected.

18.2 Insurance Liability - Life

	2023 LKR'000	2022 LKR'000
Insurance Fund - Life	14,544,804	11,662,912
Claims Outstanding	473,904	546,433
	15,018,708	12,209,345

18.3 The movement of the Insurance Fund - Life is as follows:

	2023 LKR'000	2022 LKR'000
Insurance Fund - Life		
Balance as at 1 January	12,193,639	13,473,701
Increase in Life Fund before Surplus distribution to Shareholders	5,083,016	125,372
Actuarial Losses on Defined Benefit Plans	(4,207)	(5,434)
Surplus distributed From/(to) Shareholders	(2,576,185)	(1,400,000)
Insurance Fund balance as at 31 December	14,696,263	12,193,639

	2023 LKR'000	2022 LKR'000
Available For Sale Reserve - Life Policy Holders		
Balance as at 1 January	(530,727)	(40,483)
Changes in Fair Value of Available For Sale Assets	379,268	(490,244)
Balance as at 31 December	(151,459)	(530,727)
Insurance Fund balance as at period end including AFS Reserve	14,544,804	11,662,912

Notes to the Financial Statements

19. RETIREMENT BENEFIT OBLIGATIONS

ACCOUNTING POLICY

Defined Contribution Plans

A Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Other Comprehensive Income in the periods during which related services are rendered by employees.

Employees' Provident Fund

All employees of the Company are members of the Employees' Provident Fund (EPF). The Company and employees contribute 12% and 8% respectively of the salary to the Employees' Provident Fund managed by the Central Bank of Sri Lanka and have no legal or constructive obligation to pay any further amounts.

Employees' Trust Fund

All employees of the Company are members of the Employees' Trust Fund (ETF). The Company contributes 3% of the salaries of each employee to the Employees' Trust Fund.

Defined Benefit Plans

Gratuity is a Defined Benefit Plan. Provision has been made in the accounts for retiring gratuities. An actuarial valuation of the retirement benefit is performed by a qualified actuary as at the date of Statement of Financial Position using the Projected Unit Credit (PUC) method in terms of Sri Lanka Accounting Standards 19 : Employee Benefits. The provision is not externally funded.

Actuarial gains and losses are recognised in full in the period in which they occur in Other Comprehensive Income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods. The past service cost is recognised as an expense on a straight line basis over the period until the benefits become vested.

However, as per the Payment of Gratuity Act No.12 of 1983, the liability arises only upon completion of five years of continued service.

The actuarial valuation involves making assumptions on the discount rate, salary increment rate and balance service period of the employees. Due to the long term nature of the plans these assumptions and estimates are subject to significant uncertainty.

	2023 LKR'000	2022 LKR'000
Retirement Benefit Obligations - Gratuity		
At 1 January	55,321	89,379
Provision made/(Reversal) during the year	15,414	12,813
Liability Transferred Out/ Divestments	-	(29,889)
Actuarial (Gain) / Loss on Obligation	4,207	5,434
Payments during the Year	(10,497)	(22,416)
As at 31 December	64,446	55,321
Expense Recognised in the Income Statement		
Net Interest Cost	10,234	7,184
Current Service Cost	5,179	5,628
Amount recognised in the Income Statement	15,414	12,813
Expense Recognised in the Other Comprehensive Income Statement		
Actuarial (Gain) / Loss recognised for the Period	4,207	5,434
	4,207	5,434

As at 31 December, 2023, the Gratuity liability of the Company was actuarially valued under the Project Unit Credit Method by M/S K.A. Pandit Consultants and Actuaries, India.

Principal actuarial assumptions used:

	2023 LKR'000	2022 LKR'000
(a) Discount rate	13.50%	18.50%
(b) Salary Increase	12.00%	15.00%
(c) Attrition rate		
For services up to 4 years	30%	26%
For services of 5 years and above	4%	4%
(d) Retirement Age	60 Years	60 Years

Sensitivity of assumptions used

A one percentage point change in the assumptions used would have the following effects

	2023 LKR'000	2022 LKR'000
Effect on the defined benefit obligation liability:		
Discount Rate		
Increase by one percentage point	(4,033)	(3,263)
Decrease by one percentage point	4,554	3,639
Salary Increment		
Increase by one percentage point	4,576	3,722
Decrease by one percentage point	(4,119)	(3,385)
Employee Turnover		
Increase by one percentage point	353	793
Decrease by one percentage point	(404)	(887)

Maturity Analysis of Projected Benefit Obligation: From the Employer

Projected benefits payable in future years from the date of reporting

1st Following Year	8,024	7,490
2nd Following Year	2,760	5,694
3rd Following Year	5,141	3,470
4th Following Year	3,232	4,312
5th Following Year	4,066	2,705
Sum of Years 6 To 10	20,273	17,316
Sum of years 11 and above	20,950	14,334
	64,446	55,321

20. OTHER LIABILITIES

ACCOUNTING POLICY

Financial Liabilities

Classification And Subsequent Measurement Of Financial Liabilities

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss (held for trading or designated at fair value through profit or loss) and financial liabilities at amortised cost. Financial liabilities of the Company include amounts due to banks, customer deposits, etc.

The subsequent measurement of financial liabilities depends on their classification.

(a) Financial Liabilities At Fair Value Through Profit Or Loss

Financial liabilities at Fair Value Through Profit or Loss include financial liabilities Held for Trading and financial liabilities designated upon initial recognition as Fair Value Through Profit or Loss.

Financial liabilities are classified as Held for Trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognised in the Income Statement. The Company has not designated any financial liabilities upon initial recognition as at Fair Value Through Profit or Loss.

(b) Financial Liabilities at Amortised Cost

Financial liabilities not classified as Fair Value Through Profit or Loss are classified as liabilities at Amortised Cost. Such financial liabilities are subsequently measured at Amortised Cost using the EIR method.

Amounts due to the banks are recorded under financial liabilities at amortised cost.

Provisions (excluding Insurance contracts)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Other Liabilities

Other liabilities include payables to life insurance policyholders (claims payable), Agents/Brokers (commission payable), reinsurers and other creditors (including accrued expenditure). These are stated at their historical values which are deemed to be their fair value.

	2023 LKR'000	2022 LKR'000
Policyholder Advance Payments	167,624	147,073
Agency Commission Payable	15,580	44,417
Taxes Payable	746,243	13,063
Other Creditors including Accrued Expenses	792,116	534,566
Outstanding Claims - Life Insurance	473,904	546,433
	2,195,468	1,285,551

21. BANK OVERDRAFT

	2023 LKR'000	2022 LKR'000
Bank Overdraft	203,057	89,927
	203,057	89,927

Bank Overdraft includes unrepresented cheques as of the reporting date.

22. GROSS WRITTEN PREMIUM

ACCOUNTING POLICY

Income Recognition

Gross Premium

Life Insurance

Gross recurring premiums on life and investment contracts with Discretionary Participating Feature (DPF) are recognised as revenue when payable by the policyholder. For single premium business, revenue is recognised on the date on which the policy is effective. Any premium received in advance is not recorded as revenue at time of receipt but recorded as a liability until the premium is due and transferred to the revenue.

Reinsurance Premium

Reinsurance Premiums are recognised as an expense on the earlier of the due date or on the date on which the policy is effective.

	2023 LKR'000	2022 LKR'000
Life Insurance		
First Year Premium	2,627,339	2,844,706
Renewal Premium	1,957,483	2,022,305
Total Life Premium	4,584,822	4,867,011

23. FEE AND COMMISSION INCOME

ACCOUNTING POLICY

Policyholders are charged for policy administration services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed.

	2023 LKR'000	2022 LKR'000
Policy Fees	16,180	25,865
Profit Commission	15,454	31,508
	31,634	57,373

24. INVESTMENT INCOME

ACCOUNTING POLICY

Income Recognition

Interest Income

Interest income is recognised within 'investment income' in the Income Statement using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established. For equity securities this is the ex-dividend date.

	2023 LKR'000	2022 LKR'000
Financial Assets at Fair Value Through Profit or Loss		
Interest income	2,543,423	1,011,227
Dividend income	15,865	53,455
Available For Sale Financial Assets		
Interest income	267,524	281,403
Dividend income	50,914	107,053
Loans and Receivables Interest Income	1,716,462	1,388,252
Total Investment Income	4,594,188	2,841,390

25. NET REALISED GAINS/ (LOSSES)

ACCOUNTING POLICY

Income Recognition

Realised gains and losses

Realised gains and losses on investments recorded in the Income Statement, include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on the occurrence of the sale transaction.

	2023 LKR'000	2022 LKR'000
Financial Assets at Fair Value Through Profit or Loss Assets		
Government Securities	90,601	13,080
Equity securities	6,412	28,253
Available For Sale Financial Assets		
Equity securities	(214,125)	-
Investment in Debentures	(1)	-
Loans and Receivables		
Investment in Debentures	(18)	-
Total Net Realised Gains/(Losses)	(117,130)	41,333

26. FAIR VALUE GAINS / (LOSSES)

	2023 LKR'000	2022 LKR'000
Gain / (Loss) on Fair Valuation of Investment Properties	11,272	473,584
Fair Value Gains on Financial Assets at Fair Value Through Profit or Loss	4,745,167	(1,309,256)
Impairment of Available for Sale Financial Assets transferred to Statement of Profit or Loss	-	(306,216)
Total Fair Value Gains/(Losses)	4,756,439	(1,141,888)

Impairment of Available for Sale Financial Assets transferred to Statement of Profit or Loss – Equity

The Company assesses at each reporting date, whether there is objective evidence that an investment is impaired. In the case of equity investments classified as Available-For-Sale, objective evidence includes: A 'significant' or 'prolonged' decline in the fair value of the investment below its cost and/or other information about the issuer that may negatively affect an equity issuer's performance. Based on the assessment, no impairment indicators were identified during the year 2023. (An impairment of LKR 306.23 Mn pertaining to NTB shares were identified and transferred to Income Statement for the year 2022).

27. OTHER OPERATING REVENUE

ACCOUNTING POLICY

Other income is recognised on an accrual basis and it includes profit on disposal of Property, Plant and Equipment/Investment Property, rent income, etc.

	2023 LKR'000	2022 LKR'000
Rent Income	12,430	110,391
Late Fee Recovery	1,951	1,959
Sundry Income	16,650	160,830
Gain on Disposal of Investment Property	-	3,200
	31,031	276,380

28. INSURANCE CLAIMS & BENEFITS

Benefits, claims & expenses recognition

Life Insurance

Claims of Life insurance include claims on death or maturity and are charged against revenue on notification of death or on expiry of the term. Claims on participating business include bonus payable and interest.

Survival benefit payments are recognised on the due date or on notification and surrenders are accounted for only at the time of settlement.

Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

	2023 LKR'000	2022 LKR'000
28.1 Gross Benefits and Claims Paid		
Life Insurance Contracts	(3,443,465)	(3,375,519)
Total Gross Benefits and Claims Paid	(3,443,465)	(3,375,519)
28.2 Claims Ceded to Reinsurers		
Life Insurance Contracts	378,481	131,418
Total Claims Ceded to Reinsurers	378,481	131,418
28.3 Gross Changes in Claim Liabilities		
Changes in Life Insurance Claim Liabilities	(72,528)	212,081
Total Gross Change in Claim Liabilities	(72,528)	212,081
28.4 Changes in Contract Liabilities Ceded to Reinsurers		
Changes in Life Insurance Contract Liabilities	(273,971)	250,691
Total Change in Contract Liabilities Ceded to Reinsurers	(273,971)	250,691
Net Benefits and Claims	(3,411,483)	(2,781,329)

29. UNDERWRITING & NET ACQUISITION COST

	2023 LKR'000	2022 LKR'000
Commission Expenses for Insurance Contracts	572,578	1,241,036
Staff Cost - Marketing	590,014	442,972
	1,162,592	1,684,008

30. OTHER OPERATING AND ADMINISTRATION EXPENSES

	Note	2023 LKR'000	2022 LKR'000
Staff Expenses	30.1	666,812	543,243
Administration & Establishment Expenses		307,518	654,979
Selling Expenses		67,134	232,187
Government Levies		32,580	9,999
Depreciation & Amortisation		120,844	123,382
Loss on Disposal of Investment Property		3,830	-
Others		26,087	8,341
		1,224,805	1,572,132

30.1 Staff Expenses

	2023 LKR'000	2022 LKR'000
Wages and Salaries	339,649	316,773
Compulsory Social Security Contributions	46,189	45,012
Contribution to Defined Contribution Plans	11,500	10,983
Bonuses	182,232	82,973
Other Expenses	87,242	87,502
	666,812	543,243

31. FINANCE COST

	2023 LKR'000	2022 LKR'000
Interest Expense on Bank Overdrafts	308	244
Interest Expense on Borrowings	80,588	11,541
Interest Expense on Lease Creditor	27,671	77,781
	108,567	89,566

Notes to the Financial Statements

32. PROFIT BEFORE TAX

The Profit Before Tax for the year is stated after charging the following expenses.

	2023 LKR'000	2022 LKR'000
Auditors' Remuneration (Fees and Expenses)		
Audit	2,688	2,339
Legal Fees	30,710	183,154
Depreciation and Amortisation	197,041	177,787
Directors' Emoluments	12,680	10,488

33. INCOME TAX EXPENSE

ACCOUNTING POLICY

Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in these Financial Statements.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted on the reporting date, and any adjustment to tax payable in respect of previous years.

From 1st April 2018 onwards the gains and the profits from the Life Insurance Business are ascertained in terms of Section 67 of the Inland Revenue Act No.24 of 2017. As per this section, the gains and profits on which tax is payable is the aggregate of,

- ▶ Surplus distributed to shareholders from the Life Insurance Policyholders Fund as certified by the actuary at the rate of 30%;
- ▶ Investment income of the shareholder fund less any expenses incurred in the production of such income at the rate of 30%;
- ▶ Surplus distributed to the Life Insurance policyholder who shares the profits of a person engaged in the business of life insurance at the rate of 30%.

Current income tax relating to items recognised directly in Equity or Other Comprehensive Income is recognised in Equity or Other Comprehensive Income and not in the Income Statement.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the Statement of Financial Position and the values attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, and unutilized tax credits and tax losses, carried forward to the extent that it is probable that taxable profits will be available against such deductible temporary differences, and the tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realised or the liability is settled, based on tax rates proposed and tax laws that have been enacted or substantively enacted at the reporting date. Changes in deferred tax as a result of changes in tax rates are also recognised in the Income Statement.

	2023 LKR'000	2022 LKR'000
Current Tax Charge		
Income Tax on Current Year's profits	(1,115,900)	-
	(1,115,900)	-
Deferred Income Tax		
Deferred Tax related to the Current Year	-	(460,962)
Total Income tax (expense)/ income recognised in the current year	(1,115,900)	(460,962)

33.1 The Income tax expense for the year can be reconciled to the accounting profit as follows:

For the Year Ended 31 December	2023 LKR'000	2022 LKR'000
Accounting Profit before Tax	5,250,728	1,836,664
Income Tax Expense	(1,101,498)	(421,468)
Effect on Exempt Gains	39,277	7,628
Effect on Aggregate Disallowable Expenditure	(53,679)	(47,122)
	(1,115,900)	(460,962)

33.1.1 Retrospective Application of Income Tax Legislations

According to the Inland Revenue (Amendment) Act No. 45 of 2022, there are changes to the tax rates applicable to Companies effective from October 1, 2022 from 24% to 30%, and the income tax payable by the Companies for the year of assessment 2023/2024. Both income tax and deferred tax provisions for the year ended 31st December 2023 were calculated at the rate of 30%.

As such, the Company accounted for current tax and deferred tax for the year 2022 in accordance with the guideline issued by CA Sri Lanka on the 'Application of Tax Rates in Measurement of Current Tax and Deferred Tax in LKAS 12 dated 23rd April 2021.

33.2 Tax Loss Analysis

	2023 LKR'000	2022 LKR'000
Balance as at 1 January	650,434	2,733,715
During the year adjustment	(507,512)	34,273
Tax Losses Utilised during the Year	(142,922)	(2,117,555)
Balance as at 31 December	-	650,434

Notes to the Financial Statements

33. INCOME TAX EXPENSE (Contd.)

33.3 Deferred Taxation

As at the date of the Statement of Financial Position, Company has Fully utilised the brought forward deferred tax assets.

For the Year Ended 31 December	2023 LKR'000	2022 LKR'000
Balance as at 1st January	195,130	656,093
Utilised during the period	(195,130)	(460,963)
Balance as at 31st December	-	195,130

34. BASIC EARNINGS PER SHARE

ACCOUNTING POLICY

The Company presents basic Earnings per Share (EPS) based on profit or loss attributable to the ordinary shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

	2023 LKR'000	2022 LKR'000
Amount Used as the Numerator		
Net Profit Attributable to Equity holders	4,134,828	1,375,702
Number of Ordinary Shares Used as Denominator		
Weighted Average Number of Ordinary Shares in Issue	226,526	226,526
	226,526	226,526
Basic earnings per share (LKR)	18.25	6.07

35. DIVIDEND PER SHARE

35.1 Proposed Dividend

ACCOUNTING POLICY

There has been no dividend declared for 2023 as at the reporting date.

Proposed Dividend

For the Year Ended 31 December	2023 LKR'000	2022 LKR'000
Proposed Dividend per Share - Final (LKR)	-	2.65

	2023 LKR'000	2022 LKR'000
Number of Ordinary Shares in Issue	226,526	226,526
Proposed Dividends to Shareholders	-	600,294

35.2 Dividend Paid During the Year

	2023	2022
Dividend per Share - Final (LKR)	2.65	2.30

	2023 LKR'000	2022 LKR'000
Weighted Average Number of Ordinary Shares in Issue	226,526	226,526
Dividend Paid for the Year	600,294	521,010

36. RELATED PARTY TRANSACTIONS

The Company carries out transactions in the ordinary course of business with parties who are defined as related parties as per Sri Lanka Accounting Standard 24 "Related Party Disclosures". This note provides details of the Company's ("Janashakthi Insurance PLC") related parties and the transactions which have taken place between the company and its related parties.

(a) Transactions with the Ultimate Controlling Party of the Company.

Janashakthi Limited is the parent/ ultimate controlling party of Janashakthi Insurance PLC. Dunamis PLC amalgamated with Janashakthi Limited effectively from 6th December 2019. The Company has transactions with its parent as follows.

Recurrent Transactions - For the year ended 31st December

Nature of Transaction	2023 LKR'000	2022 LKR'000
Recurrent Transactions		
Insurance Premium Received	818	5,418
Claim Paid	366	1,012
Investment in Corporate Debts	250,000	500,000
Interest on Corporate Debts	53,683	64,375
Investment in Commercial paper in Janashakthi Limited	1,514,762	477,741
Interest on Commercial paper	424,550	87,279
Corporate Guarantees received	350,000	350,000

Non Recurrent Transactions - For the year ended 31st December

Nature of Transaction	2023 LKR'000	2022 LKR'000
Non Recurrent Transactions		
Acquisition of 25% of Equity Stake in First Capital Holdings PLC (Note 8)	3,754,587	-

The pricing, terms & conditions applicable to transactions with Janashakthi Limited mentioned above are similar to those applicable to arms length transactions between JIPLC and its unrelated customers.

Notes to the Financial Statements

36. RELATED PARTY TRANSACTIONS (Contd.)

(b) Transactions with the Other Related companies of the Company.

Recurrent Transactions – For the year ended 31st December 2023

First Capital Holdings PLC & related companies

Nature of Transaction	2023 LKR'000	2022 LKR'000
Insurance premium	5,356	5,594
Claim paid	2,495	1,692
Investment in Corporate Debts	260,000	260,000
Interest on Corporate Debts	32,875	32,875
Investment in Commercial papers	618,208	618,208
Interest on Commercial papers	160,982	68,190

Management of Company Investment Portfolio

The Company (Janashakthi Insurance PLC) has outsourced the management of its' Investment Portfolio to First Capital Asset Management Limited during the year 2020.

The fee structure agreed with First Capital is as follows:

Structure	LKR Mn	Remarks
Fixed Fee	18 p.a.	Payable monthly in equal installments
Performance Based	30 p.a.	Based on fund performance , capped at LKR 30 Mn

Oriant Finance PLC

Nature of Transaction	2023 LKR'000	2022 LKR'000
Insurance premium	17,989	23,489
Claim paid	2,450	32,205
Rent Income	996	929

Kelsey Developments PLC & related companies

Nature of Transaction	2023 LKR'000	2022 LKR'000
Insurance premium	-	1,455
Claim paid	-	252

Janashakthi Corporate Services Limited

Nature of Transaction	2023 LKR'000	2022 LKR'000
Insurance premium	-	98
Secretarial Fees	380	994

Janashakthi Business Services (Pvt) Ltd

Nature of Transaction	2023 LKR'000	2022 LKR'000
Insurance premium	1,937	-
Claim paid	1,139	-

The pricing, terms & conditions applicable to transactions with Other Related Parties mentioned above are similar to those applicable to arms length transactions between JIPLC and its unrelated customers.

(c) Transactions with Key Management Personnel (KMP) of the Company.

According to the Sri Lanka Accounting Standards (LKAS) 24 Related Party Disclosure, Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the JIPLC. Accordingly, the Directors of the Company have been classified as KMP of the JIPLC. The close members of the family of a KMP are those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the JIPLC.

- ▶ The Key Management Personnel (KMP) and Close Family Members (CFM) Claims for the period ended 31st December 2023 amount to LKR 306.231 Mn.
- ▶ The Directors' fee for the period ended 31st December 2023 amount to LKR 12.681 Mn.
- ▶ There are no post-employment benefits or termination benefits linked to the remuneration of the Directors.

37. BORROWINGS & ASSETS PLEDGED

Long Term Borrowings include LKR 2.7 Bn, 5 year term loan obtained during the year with accrued interest. Shares of the Associate Company (First Capital Holdings PLC) has been pledged against the said loan.

Short Term Borrowings include Reverse Repo Borrowings of LKR 624 Mn (2022 - LKR 307 Mn).

The following assets have been pledged as security against liabilities.

Nature of Asset	Nature of Liability	Amount 2023 LKR Mn	Amount 2022 LKR Mn
Fixed Deposits	Pledged against Bank Guarantees	66	58
Treasury Bond	Pledged against Bank Guarantees	100	-
Shares of Associate Company	Pledged against Long Term Borrowings (No of Shares)	101,201,799	-

Notes to the Financial Statements

38. COMMITMENTS AND CONTINGENCIES

38.1 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 material impact to 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.

38.2 Contingent Liabilities

ACCOUNTING POLICY

Contingent Liabilities are possible obligations that may arise only on the occurrence of uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard - 37 on 'Provisions, Contingent Liabilities and Contingent Assets'. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed as a Note to the Financial Statements unless its occurrence is remote.

VAT on Re-Insurance

The Department of Inland Revenue (IRD) has issued assessments in relation to the years 2003, 2004 & 2005 imposing VAT on reinsurance commissions and claim recoveries. The Company has filed cases in the Court of Appeal with the consultation of Tax Consultant and the Company's lawyers. As such no provisions are made in the Financial Statements for the taxes in dispute and penalties. The status of each case is provided in the below table.

Year of Assessment	Status of Assessment (VAT on RI)
2002/2003	An appeal to tax appeals commission (TAC) has been made against the determination made by the commissioner general of inland revenue (CGIR). Appeal is pending before the Court of Appeal. The impact on present value of contingent liability is LKR28 Mn. The case was scheduled for argument on January 9th, 2023, and subsequently set for further discussion on November 13th, 2023. During the latter session, the case was stated for additional argumentation on January 22nd, 2024. However, on this specified date, the case was not addressed, prompting its rescheduling for mention on May 7th, 2024.
2004/2005	The company made an application to Court of Appeals seeking its opinion which has been decided in IRD's favour previously. Then the Company appealed to Supreme Court against the Court of Appeals order. Judgement was delivered by Supreme Court in favour of Janashakthi Insurance PLC and the Court of Appeal (CA) judgement was set aside. The matter was reverted to Court Appeals to rehear based on the SC judgement. Written submissions were scheduled for December 7th, 2023, with both parties submitting their arguments on that date. The case is now scheduled for arguments on June 11th, 2024. The impact on the present value of contingent liability has been assessed at LKR524 Mn.

Status of Assessment (I - E) - JIPLC

The Company has also received assessments relating to Income Taxes for the years of assessment of 2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2016/17, 2017/18, 2018/19 & 2019/20 where the Department of Inland Revenue has disallowed management expenses relating to the Life Insurance Business including capital allowance. The Company has appealed against the assessments. The appeals had been filed following due process. Further, these Income Tax Assessments have been common Assessments for all Life Insurance Companies in the insurance industry. It is the view of the industry and the Company's Tax Consultant that these assessments will not materialise. Therefore, no additional provisions has been made in the Financial Statements.

This has been reinforced by a recent decision from the Court of Appeal (CA) in favour of another participant in the industry in their CA appeal no. CA/Tax/019/2019. Further, the Tax Appeals Commission (TAC) also has determined in favour of the company for the year 2018/19. The TAC determined that the assessment for this period was inconsistent with section 92 of the Inland Revenue Act No. 10 of 2006.

Being aggrieved by the decision of TAC, the Commissioner General of Inland Revenue (CGIR) has challenged this decision at Court of Appeal.

Status of each income tax assessment is provided in the below table.

Year of Assessment	Status of Assessment	Nature of Contingent Impact to the Company	Measurement of Contingent Impact to the Company
2010/2011	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss).	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 43 Mn.
2011/2012	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 58 Mn.
2012/2013	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 86 Mn.
2013/2014	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 173 Mn.
2014/2015	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 207 Mn.
2016/2017	Pending Decision from Tax Appeals Commission	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 140 Mn.
2017/2018	Pending Decision from Tax Appeals Commission	Loss Adjustment (Decrease in Brought Forward Tax Loss).	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 56 Mn.
2018/2019	Following a determination by the TAC in favour of the Company, Commissioner General of Inland Revenue has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss).	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 98 Mn.
2019/2020	Pending Decision from Tax Appeals Commission	Loss Adjustment (Decrease in Brought Forward Tax Loss).	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 99 Mn.

Status of Assessment - VAT & NBT on FS - JIPLC

Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services represent a broader concern impacting all life insurance companies within the insurance sector. The industry has recently obtained a favourable decision from the Court of Appeal (CA). As a result, no additional provisions have been recorded in the Financial Statements, and these cases will not be considered as contingent liabilities going forward.

Status of Assessment - Income Tax - JGIL

Janashakthi Insurance PLC has indemnified the purchaser with respect to pending tax matters of its subsidiary Janashakthi General Insurance Limited (JGIL). IRD has issued Tax Assessments for JGIL for the years 2015/16, 2016/17 & 2017/18. The amount cannot be quantified at this time due to pending finalization of tax credits.

Status of Assessment - VAT & NBT - JGIL

Year of Assessment	Status of Assessment VAT & NBT - JGIL
2016-Q3	Assessment issued by CGIR and Company has submitted an appeal. Administrative review to be initiated by the CGIR. IRD issued a default notice and Allianz lodged a late objection against the default notice. The present value of the contingent liability is estimated to be LKR76 Mn.
2016-Q1	Assessment issued by CGIR and Allianz is expected to log an objection. The present value of the contingent liability is estimated to be LKR31 Mn.
2016	Assessment issued by CGIR and Company has submitted an appeal. Administrative review to be initiated by the CGIR. The present value of the contingent liability is estimated to be LKR306,540

Notes to the Financial Statements

38. COMMITMENTS AND CONTINGENCIES (Contd.)

Status of Assessment – Income Tax & PAYE – Former AIA GI

Year of Assessment	Status of Assessment – Income Tax & PAYE – Former AIA GI
2015/16 CIT	IRD has issued a default notice. JIPLC filed an objection. The present value of the contingent liability is estimated to be LKR16 Mn.
2015/16 PAYE	IRD has issued a default notice. JIPLC filed an objection. The present value of the contingent liability is estimated to be LKR0.9 Mn.

Arbitration with Allianz SE Singapore Branch

An arbitration was initiated by Allianz SE Singapore Branch (Allianz) alleging reinsurance fraud and violation of certain warranties of the share sale and purchase agreement entered into by the Company and Allianz in relation to the sale of Janashakthi General Insurance Ltd. Allianz has provisionally quantified the claim for the sum of S\$3.4 Mn. Singapore International Arbitration Centre decided the case in favour of Janashakthi Insurance PLC. The Arbitration Centre, in dismissing the case filed by Allianz, also directed Allianz to reimburse all legal cost incurred by Janashakthi Insurance PLC in defending our position. Janashakthi Insurance PLC incurred legal cost up to SGD 1,202,499.97 during the case. These amounts were reimbursed to us by Allianz in April 2023.

Janashakthi Insurance PLC is currently in the process of applying for recognition of the award as a judgment of the High Court of Singapore, and the Commercial High Court in Sri Lanka.

Currently, counsel for JIPLC in Singapore is proceeding with the application to the Singapore High Court for recognition of the award in Singapore (Case No. HC/OA 837/2023), having filed the supporting affidavit and application. The Parties were initially directed to agree on a Public Statement to be issued regarding the arbitration's outcome. As the parties failed to reach an agreement, Allianz SE was directed to file their reply affidavit by 8th February 2024. The next case conference in the matter is fixed for 20th February 2024.

In Sri Lanka, The Commercial High Court case was filed under case no 1551/2023/ARB against Allianz SE by JIPLC and the case was taken up for support on 10th January 2024. The court ordered that notice should be issued to the defendants (Allianz SE Singapore Branch) by way of courier, and the Court will also issue notice by way of speed post. The next date is March 4th, 2024, for notice returnable.

39. TRANSFER PRICING

Provision on transfer pricing under sections 104 and 104A of the Inland Revenue Act, No.10 of 2006 covers the transactions with associated undertakings since compliance reporting is enforced from the year of assessment 2015/16.

During the financial year, certain transactions including provisions of insurance solutions have taken place with the associated enterprises. Company is of the view that the transactions with the associated enterprises have taken place at arms length pricing.

As the aggregate value of transactions of each company with the associated undertaking is more than LKR 200 Mn, both companies are required to maintain separate documentation as prescribed by Transfer Pricing Regulations issued by Inland Revenue Department (IRD). The companies have prepared and maintained the relevant documentation and filings to comply with transfer pricing regulations.

40. EVENTS OCCURRING AFTER THE REPORTING DATE

ACCOUNTING POLICY

Events after reporting periods are those events, favourable or unfavourable, that occur between the reporting date and the date when Financial Statements are authorised for issue.

The Directors give due consideration to and where necessary adjustments or disclosures are made in the current Financial Statements in respect of material post Statement of Financial Position events as appropriate.

Proposed Dividend

There has been no any dividend declared for 2023 as at the reporting date.

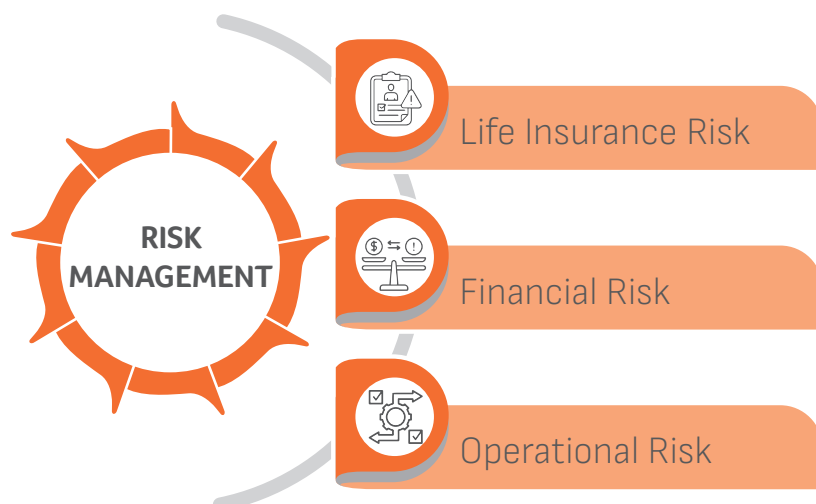
Any other material event has not occurred that needs to be adjusted or disclosed in the Financial Statements other than the events disclosed above.

Risk Management

RISK MANAGEMENT REVIEW

Risk management is a process that allows individual risk events and overall risk to be understood and managed proactively, optimizing success by minimizing threats and maximizing opportunities. The Company's risk framework and the management of the risk, including those attached to the Company's financial statements including financial assets, financial liabilities and insurance liabilities, together with the inter-relationship with the management of capital have been included in the Company Risk and Compliance Officer's Report on the risks facing our business and how these are managed.

The financial and insurance assets and liabilities on the Company's balance sheet are to varying degrees, subject to market and insurance risk and other changes of experience assumptions that may have a material effect on IFRS/SLFRS basis profit or loss and shareholders' equity. The market and insurance risks, including how they affect Company's operations and how these are managed are discussed in the Risk report referred to above. Following note provides the detail discussion about risk as a whole in a Company according to SLFRS 7 and SLFRS 4.



RISK POLICY

The Risk Policy specifies the Company's risk tolerance, risk limits and authorities, reporting requirements, procedures to approve any exceptions and procedures for referring risk issues to the Board Audit Committee (BAC) and the Board of Directors.

RISK CULTURE

Janashakthi promotes a strong Risk Culture, encourages risk awareness and understanding of controls by way of clear communication and training. Every employee is responsible for managing risks in his/her working environment and is accountable for the implementation and oversight of risk policies.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board considers Risk Management and Internal Controls as integral to the Management of the Company and its business processes. The Board has overall responsibility for the Company's Risk Management and Internal Controls, in particular for their adequacy and integrity. The Company's Internal Control System increases the reliability of its financial reporting, makes operations more effective, and aims to ensure legal and regulatory compliance. Management, as the first line of defence, is responsible for identifying, evaluating and addressing significant risks, and designing, implementing and maintaining mitigating strategies and internal controls.

VISION

To enhance the value of Janashakthi by embedding disciplined risk management culture, ensuring risk-reward trade-offs are transparent, understood and risks taken are appropriately rewarded.

OBJECTIVES

- ▶ Enhance value creation, contributing to an optimal risk-return profile by providing the basis for efficient capital deployment
- ▶ Protect the capital base by continuous monitoring to ensure that risks are not taken beyond the Company's risk tolerance levels
- ▶ Transferring, minimising and mitigating risks
- ▶ Support decision making process by providing consistent, reliable and timely risk information
- ▶ Protect the Company's reputation and brand by promoting a sound culture of risk awareness and informed risk taking
- ▶ Integrating risk management with strategy development

RISK MANAGEMENT FRAMEWORK



1. GOVERNANCE FRAMEWORK

Governance Framework act as a supporting structure to entity management and compliance by providing the trunk from which the various branches of compliant operations can grow. It is through governance that companies and other organisations stay on the right side of regulators, not just in terms of filing requirements, but in terms of such aspects as Company culture, remuneration methods and transparency of operations.

The primary objective of the Company's financial risk management is to manage financial risks within its risk appetite and provide reasonable assurance on the achievement of financial objectives.

This framework span across the Company with clear objectives, duties and responsibilities specified at each level. Overall responsibility for establishment and oversight of the risk management framework popped-up by the Board of

Directors and the Board of Risk Committee. Then developing, facilitating and monitoring the framework is done by the Executive Risk Management Committee. Also, they execute proper risk management strategies. The responsibility for day to day risk management is borne by the line management.

2. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND APPROACH

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- ▶ To maintain the required level of solvency of the Company in order to provide a degree of security to policyholders.
- ▶ To allocate capital efficiently and support the development of business by ensuring that return on capital employed meets the requirements of its shareholders.

- ▶ To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- ▶ To align the profile of assets and liabilities taking account of risks inherent to the business.
- ▶ To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- ▶ To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholders' value.

The Company has complied with all these regulatory requirements throughout the financial period under review. The Company maintains capital, investments and solvency as per the regulations prescribed by the Insurance Regulatory Commission of Sri Lanka (IRC SL). New changes in regulations are timely adopted and necessary changes are made to the internal processes.

APPROACH TO CAPITAL MANAGEMENT

The Company allocates sufficient capital to corroborate ample returns to main stakeholders who are shareholders and policyholders. Capital management oversees the assets and liabilities by establishing required liquidity level. This is managing the risks in a coordinated manner by assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. The primary source of capital used by the Company is equity shareholders' funds. The capital adequacy ratios are computed monthly and reviewed to ensure that there is no constraint in regulatory compliance and in the Company's ability to write new businesses. The Company has no significant changes in its policies and processes to its capital structure during the past year from previous years.

3. REGULATORY FRAMEWORK

The Insurance Regulatory Commission of Sri Lanka (IRCSL) is the Insurance regulator of the country and is primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit in line with the Regulations of the Insurance Industry Act No.43 of 2000 and subsequent amendments. The operations are primarily subjected to regulatory requirements. All insurance companies need to comply with the rules in respect to the solvency position and the determination requirements to ensure the Company maintains appropriate level of admissible and approved investments in excess of liabilities to meet risk arising from unforeseen events. Further the Company is compliant with the Risk Based Capital (RBC) as per IRCSL. The Company has adequate Total Available Capital (TAC) in the policyholder's and shareholder's fund collectively, to support the Risk Based Capital Required (RCR).

Total Available Capital (TAC) and Risk-based Capital Adequacy Ratio (CAR)

Janashakthi Insurance PLC	31 December 2023	31 December 2022
Total Available Capital (TAC) LKR Mn	13,202	15,780
Risk Based Capital Adequacy Ratio (CAR)%	272%	325%
Regulatory Minimum CAR Ratio %	120%	120%

The Company is also subjected to the regulatory requirements of the Colombo Stock Exchange (CSE), the Securities and Exchange Commission of Sri Lanka (SEC), the Central Bank of Sri Lanka (CBSL), the Department of Inland Revenue and the provisions of the Companies Act No.07 of 2007.

4. ASSET LIABILITY MANAGEMENT (ALM) FRAMEWORK

ALM framework is a process of formulating, implementing, monitoring and revising strategies related to our assets and liabilities. Also, it is used to manage the risks arising from mismatch of investment and liability cash flow. Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Company faces, due to the nature of its investments and liabilities, is interest rate risk. The Company manages these positions prudently, within a strategically crafted ALM framework that has been developed to achieve long term investment returns in excess of its obligations under insurance and investment contracts.

Insurance Risk

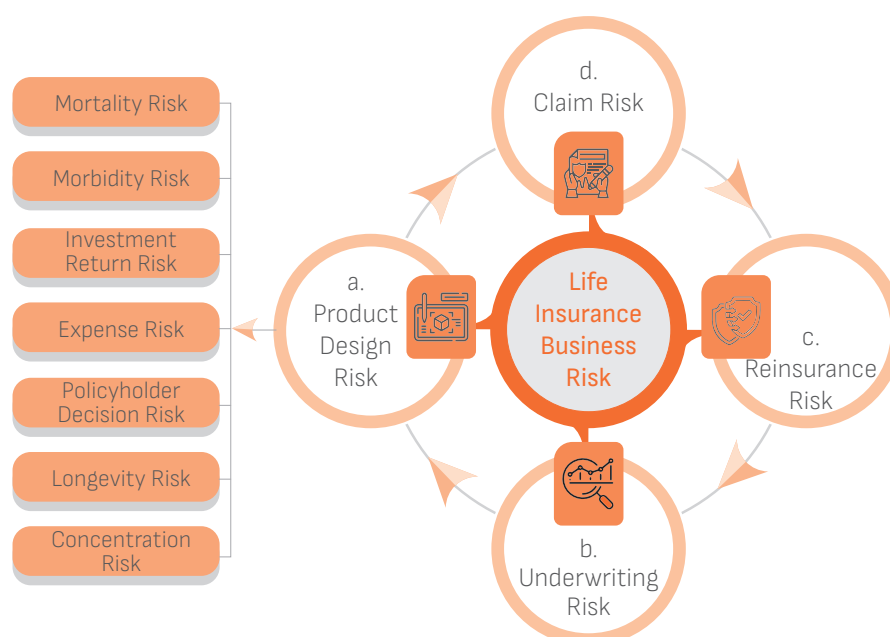
Life Insurance Business Risk

The principal insurance risk the Company faces under its insurance contracts is that the actual claims and benefit payments or the timing thereof, differ

from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient financial and reinsurance protection is available to cover these liabilities. The Company mitigates the above risk exposure by diversification across a large portfolio of insurance contracts, by careful selection and implementation of underwriting strategies and by use of reinsurance agreements. The Company has entered into long term reinsurance treaties with the world's leading reinsurers as part of its

risk mitigation programme. The reinsurance programme is designed to mitigate the group's net exposure to a single claim as well as to catastrophic losses.

Life insurance is a contractual agreement between a policyholder and a life insurance Company. Policyholders come to an agreement to make premium payments to the Company, and the Company agrees to pay beneficiaries if an insured event occurred. Traditional life insurance products comprise protection and annuity cover. Protection products convey product designing, underwriting, claims and reinsurance risk.



a. Production Design Risk

Life insurance contracts offered by the Company includes whole life, term assurance, retirement plans, critical illness benefit, endowment plans, disability insurance, major surgery benefit and daily hospital cash. The fundamental assumptions used in product development are as follows;

KEY RISKS FACED AND MITIGATION STRATEGIES TAKEN DURING THE YEAR

Risk	Description	Risk Response
Mortality risk	Risk of loss arising due to policyholder's death experience being different from expected	Using standard mortality table with sensitivity to Company's mortality experience
Morbidity Risk	Risk of loss arising due to policyholder's health experience being different from expected	Decisions made based on reinsurance tables and adjustments made when appropriate to reflect the Company's own risk experience
Investment Return Risk	Risk of loss arising from actual returns being different from expected	The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy
Expense Risk	Risk of loss arising from the expense experience being different from expected	Expense assumptions reflect the projected costs of maintaining and servicing in policies and associated overhead expenses
Policyholder Decision Risk	Risk of loss arising due to policyholders' experiences (lapses and surrenders) being different from expected	Lapse and surrender rates are projected according to the Company's past experience
Longevity Risk	Risk of loss arising due to the annuitant living longer than expected	Terms and conditions included in insurance applications have been designed to address nonstandard and unpredictable risks
Concentration Risk	Risk of losses due to not maintaining a balanced product portfolio	Developing a proper product mix in line with the Company strategy

Mainly Janashakthi Insurance PLC offers traditional participating products, Non-participating products and Universal life products. Universal life product category's key risk is interest rate risk which means differences in duration and yield of assets and liabilities. Another main risk is investment credit risk. We are matching asset and liability cash flows and investing in investment grade assets to mitigate risks which arise from Universal life products.

Participating Fund vs. Non-Participating Fund

The following analysis depicts the concentration of the Participating and Non- Participating fund positions of the Company.

Janashakthi Insurance PLC	31 December 2023		31 December 2022	
	LKR Mn	%	LKR Mn	%
Participating	1,377	10	980	8
Non-Participating (Traditional - Non Participating and Universal Life)	13,168	90	10,638	92
Total	14,545	100	11,618	100

b. Underwriting Risk

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk level of insured benefits. This is largely achieved through the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing. Underwriting limits are in place to enforce appropriate risk selection criteria.

The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company. For contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims than expected. The Company limits exposure on any single life by way of retention limits agreed with the reinsurers.

Life Underwriting Risk Management

- ▶ Separate life underwriting division headed by a well-qualified management along with a trained staff is in place in order to closely monitor the life underwriting functions of the Company.
- ▶ Pricing decisions of the products are reviewed and guided by a qualified actuary to facilitate the management to make accurate pricing decisions.
- ▶ Reinsurers' advices are obtained before deciding on the terms and conditions of the products in order to assist the proper pricing strategies.
- ▶ The Company carefully analyses the current health condition and the family medical history of the proposal holder before deciding on the premiums.

Reinsurance Risk

Notwithstanding the advantage reinsurance provides insurers, it can expose them, at varying degrees, to various risks inherent in its use. A new or continuing reinsurance contract could give rise to one or more of the following risks:

- ▶ Residual insurance risk may arise from discrepancies between reinsurance needs and the actual coverage provided for in the contract, resulting in the

insurer retaining greater risk than anticipated. Similarly, an insurer may face a basic risk related to alternative risk transfer mechanisms where the amounts obtained by the insurers through the mechanisms do not match the losses incurred by the insurer.

- ▶ Legal risk may arise when the terms of the contract do not accurately reflect the intent of the insurers or when the contract cannot be legally enforced.
- ▶ Counterparty risk may result from the inability or potential refusal of the reinsurer, or a stakeholder in the case of an alternative risk transfer mechanism, to honour its obligations towards the ceding insurer.
- ▶ Liquidity risk may arise from the possible lag time between the payment of a claim by the insurer to its insured and receipt of the reinsurance recoverable.

- ▶ Operational risk may result from inadequate contractual arrangements or from insufficient technological or administrative capacity to manage and collect sums owed by reinsurers.

Some of the specific actions made by the Company to mitigate Reinsurance Risks are shown below.

- ▶ Outstanding reinsurance receivables are viewed on a monthly basis to ensure that all dues are collected or set off against payables on time.
- ▶ A very close and professional relationship is maintained with all reinsurers.
- ▶ No cover is issued without a confirmed reinsurance in place.
- ▶ Only a globally trusted and stable portfolio of reinsurance companies is used, and they are rated highly by A.M Best.

The Company reinsures approximately 4.8% of gross written premium.

For the year ended 31 December	2023 LKR Mn	2022 LKR Mn
Gross Written Premium	4,584	4,867
Reinsurance	(220)	(258)
Net Written Premium	4,364	4,609

c. Reinsurance Credit Ratings

The following table shows the credit ratings of reinsurance companies with whom the Company has entered in to reinsurance arrangements as of 31 December 2023.

Re insurer	Rating		Rating agency
	Financial Strength	Credit	
Partner Reinsurance ASIA Pte Ltd	A+	AA-	A.M. Best
Hannover -Life Reinsurance Co. Ltd	A+	AA	A.M. Best
SCOR SE Singapore Branch	A	A+	A.M. Best
Munich Re India Branch	A+	AA	A.M. Best

d. Claims Risk

The possibility of adverse variance in claim pattern of the product which is not expected at the product development stage. Some of the specific actions taken by the Company to mitigate the claims risks are as follows;

- ▶ Strict claim review policies to assess all new and ongoing claims.
- ▶ Regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims.

- ▶ Obtaining adequate reinsurance covers.
- ▶ A qualified actuary is employed within the Company in order to assist the management to review the life insurance business.
- ▶ Life fund valuation is carried out by a qualified independent actuarial valuer on a regular basis.
- ▶ Claims are reserved immediately at the intimation or on the availability of information of the death or injury of an insured.

The purpose of these underwriting, claims and reinsurance strategies was to limit risk exposure based on the Company's risk appetite as decided by the management. The Board decided to increase or decrease the maximum tolerances based on market conditions and other factors.

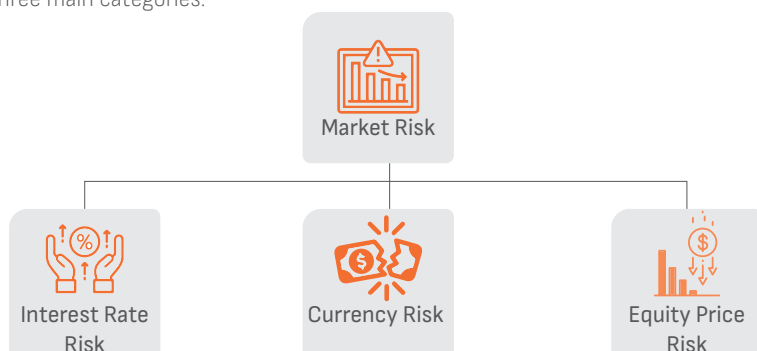
Financial Risk

Financial risk is the probability of loss inherent in financing methods which may impair the ability to provide adequate return. The Company is exposed to financial risk primarily through financial assets, financial liabilities and insurance liabilities.



Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company has assessed the market risk under three main categories.



a. Interest Rate Risk

Interest rate risk is the risk that market value or future cash flows of a financial instrument will fluctuate due to changes in the absolute level of interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

Our interest rate risk is mitigated by the Investment Committee, as they keep regular track of macroeconomic scenarios and their likely impact on interest rates. Also, initial recognition of investments is closely monitored. Further, the Company always proactively evaluate and execute forward purchases to lock in future cash flows at favourable interest rates.

The following table presents the financial assets and liabilities which are subject to interest rate risk.

31 December 2023 LKR Mn	Fixed Interest Rate	Non-Interest Bearing	Total
Fair Value Through Profit and Loss	-	15,953	15,953
Loans and Receivables	8,049	-	8,049
Available for Sale	1,806	2,433	4,239
Total Financial Assets	9,855	18,386	28,241
Total Percentage	35%	65%	100%

31 December 2022 LKR Mn	Fixed Interest Rate	Non-Interest Bearing	Total
Fair Value Through Profit and Loss	-	5,146	5,146
Loans and Receivables	10,228	-	10,228
Available for Sale	1,552	3,443	4,995
Total Financial Assets	11,779	8,589	20,368
Total Percentage	58%	42%	100%

b. Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Company's principal transactions are carried out in Sri Lankan rupees and its exposure to foreign exchange risk is very minimal. The Company's financial assets are primarily denominated in the same currencies as its insurance liabilities. The Company has no significant concentration of currency risk.

c. Equity Price Risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in market prices (Other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The equity price risk is relatively negligible due to our low exposure to the equity market. However, the Company maintains a closer watch on movements in stock prices and indicators. The Company mitigates the equity price risk, since all equity investment decisions are based on fundamentals rather than on assumptions.

The following table represents the diversification of equity investments of the Company in different industries.

For the year ended 31 December

For the year ended 31 December Janashakthi Insurance PLC	2023		2022	
	LKR Mn	%	LKR Mn	%
Banks Finance and Insurance	2,691	97	3,584	96
Diversified Holdings	14	1	54	1
Land & Property	67	2	65	2
Manufacturing	-	-	45	1
Total	2,772	100	3,748	100

Liquidity Risk

Liquidity risk is the risk that Janashakthi Life may not have sufficient liquid financial resources to meet efficiently, both expected and unexpected current and future cash flow and collateral needs, without affecting either daily operations or financial conditions.

To mitigate the Company's exposure to liquidity risk, the Company uses the following policies and procedures.

- ▶ The Company liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the management.
- ▶ An investment guideline is in place to review the asset allocations, duration allocations and the asset liability mismatches on a regular basis.
- ▶ Setting up contingency funding plans which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- ▶ The Company has pre-approved overdraft facilities to meet sudden cash requirements.

Maturity Profile

The following table summarises the maturity analysis of the Company's financial investments.

31 December 2023	Less than 1 year LKR Mn	1 to 3 year LKR Mn	3 to 5 year LKR Mn	More than 5 Years LKR Mn	Total LKR Mn
Fair Value Through Profit or Loss	1,538	-	7,927	6,487	15,953
Loans & Receivables	6,278	700	781	289	8,049
Available for Sale	3,370	473	-	396	4,239
Total	11,187	1,173	8,708	7,173	28,241
Total Percentage	40%	4%	31%	26%	100%

31 December 2023	Less than 1 year LKR Mn	1 to 3 year LKR Mn	3 to 5 year LKR Mn	More than 5 Years LKR Mn	Total LKR Mn
Fair Value Through Profit or Loss	2,643	-	390	2,113	5,146
Loans & Receivables	6,937	2,120	100	1,071	10,228
Available for Sale	3,991	731	33	240	4,995
Total	13,571	2,851	522	3,424	20,369
Total Percentage	67%	13%	3%	17%	100%

The following table summarizes the maturity analysis of the Company's financial assets and liabilities.

31 December 2023	Less than 1 year LKR Mn	1 to 3 year LKR Mn	3 to 5 year LKR Mn	More than 5 Years LKR Mn	Total LKR Mn
Financial Investments	11,187	1,173	8,708	7,173	28,241
Right of Use Lease Assets	70	146	16	-	232
Premium Receivable	268	-	-	-	268
Reinsurance Receivable	26	-	-	-	26
Other Assets	217	243	261	-	721
Cash in Hand and Balance at Bank	353	-	-	-	353
Total	12,121	1,562	8,985	7,173	29,841
Total Percentage	41%	5%	30%	24%	100%
Reinsurance Creditors	276	-	-	-	276
Lease Creditor	50	181	30	1	262
Gratuity Payable	8	8	7	41	64
Other Liabilities	1,464	-	-	-	1,464
Bank Overdraft	203	-	-	-	203
Total	2,001	189	37	42	2,269
Total Percentage	88%	8%	2%	2%	100%

31 December 2022	Less than 1 year LKR Mn	1 to 3 year LKR Mn	3 to 5 year LKR Mn	More than 5 Years LKR Mn	Total LKR Mn
Financial Investments	13,571	2,851	522	3,425	20,369
Right of Use Lease Assets	87	52	36	17	192
Premium Receivable	122	-	-	-	122
Reinsurance Receivable	286	10	4	-	300
Other Assets	502	318	116	-	936
Cash in Hand and Balance at Bank	282	-	-	-	282
Total	14,849	3,231	678	3,442	22,200
Total Percentage	67%	15%	3%	15%	100%
Reinsurance Creditors	88	33	-	-	120
Lease Creditor	78	61	53	41	233
Gratuity Payable	7	9	7	32	55
Other Liabilities	1,593	-	-	-	1,593
Bank Overdraft	90	-	-	-	90
Total	1,849	94	53	41	2,036
Total Percentage	91%	5%	2%	2%	100%

Credit Risk

Credit risk means the risk that is associated with a loss or potential loss from counterparties failing to fulfil their financial obligations. Credit risk to the Company could arise from following.

- ▶ Financial investments in debt securities
- ▶ Cash and cash equivalent
- ▶ Premium receivables
- ▶ Reinsurance receivables
- ▶ Other financial receivables

The Company's credit risk exposure is depicted in the below table using carrying values as at the Statement of Financial Position date.

For the year ended 31 December	2023		2022	
	LKR Mn	%	LKR Mn	%
Janashakthi Insurance PLC				
Government Securities	14,414	51	3,526	20
Corporate Debt	5,162	18	5,794	32
Unit Trust	1,200	4	1,315	7
Investment in Shares	2,772	10	3,748	21
Fixed Deposits	237	1	878	5
Commercial Papers	4,400	15	2,238	12
Reinsurance Receivables	26	-	300	2
Premium Receivables	268	1	122	1
Total	28,479	100	17,920	100

The following table shows the credit risk exposure of the Company based on credit rating. AAA is considered the highest possible rating, while assets that fall outside the range of AAA to BBB- are classified as speculative grade.

31 December 2023	Government Guarantee LKR Mn	AAA+ to AA-	A+ to A-	BBB+ to BBB-	Unrated	Total
Fair Value Through Profit or Loss	14,414	-	-	-	1,538	15,953
Loans and Receivables	56	1	3,220	4,087	686	8,049
Available for Sale Financial Assets	-	42	1,154	538	2,505	4,239
Total	14,470	43	4,374	4,625	4,729	28,241
	51%	-	16%	16%	17%	100%

31 December 2022	Government Guarantee LKR Mn	AAA+ to AA-	A+ to A-	BBB+ to BBB-	Unrated	Total
Fair Value Through Profit or Loss	3,526	-	-	-	1,620	5,146
Loans and Receivables	2,869	923	4,673	1,762	10,228	10,228
Available for Sale Financial Assets	-	-	845	707	3,443	4,995
Total	6,396	923	5,518	2,469	5,063	20,368
	31%	5%	27%	12%	25%	100%

The Company's credit risk exposure is depicted in the above table using carrying values as at the Statement of Financial Position date.

31 December	Rating	Rating Agency	2023 LKR'000	2023 LKR'000
Bank of Ceylon	AA-	Fitch rating	15,508	14,062
Sampath Bank PLC	AA-	Fitch rating	142,254	127,508
Hatton National Bank PLC	AA-	Fitch rating	20,041	3,160
Commercial Bank of Ceylon PLC	AA-	Fitch rating	17,430	38,880
Nations Trust Bank PLC	A	Fitch rating	5,930	2,555
Union Bank	BBB-	Fitch rating	2,348	525
Sanasa development Bank PLC	BB+	ICRA	14	13
National Savings Bank	AAA	Fitch rating	5,297	1,811
Regional Development Bank	A-	ICRA	3,532	834
Seylan bank	A	Fitch rating	28,751	9,782
Pan Asia Banking Corporation PLC	BBB-	Fitch rating	10,133	917
Peoples Bank	AA-	Fitch rating	5,918	6,428
Cargills Bank	AA-	Fitch rating	9,579	6,153
National Development Bank	A+	Fitch rating	75,640	64,013
DFCC Bank PLC	A+	Fitch rating	7,007	1,178
Sarvodaya Bank	B+	ICRA	2,389	371
Total Exposure to credit Risk			351,770	278,192
Cash in hand			1,800	4,195
Cash and Cash Equivalent			353,570	282,387

Some of the specific actions undertaken by the Company to mitigate credit risk in investments are shown below.

- ▶ Check the creditworthiness of the institutions and the instruments before placing an investment
- ▶ Investment Committee continuously evaluates the credit risk of the Company arising from investments
- ▶ The Company gives more concentration on investing in high rated instruments or in high rated institutions

The Company is exposed to a credit risk through premium receivables where the policyholder or any other intermediary party are in default the payment. In certain life insurance policies issued under single premium mode the credit risk is minimal when compared to other policies.

The following table summarizes the aging analysis of premium receivables balances in relation to Life Insurance.

31 December 2023	< 30 Days LKR Mn	31 to 60 Days LKR Mn	61 to 90 Days LKR Mn	> 91 Days LKR Mn	Total LKR Mn
Premium Receivable	268	-	-	-	268
Total Percentage	100%	0%	0%	0%	100%

31 December 2022	< 30 Days LKR Mn	31 to 60 Days LKR Mn	61 to 90 Days LKR Mn	> 91 Days LKR Mn	Total LKR Mn
Premium Receivable	122	-	-	-	122
Total Percentage	100%	0%	0%	0%	100%

Concentration Risk

Concentration risk is the risk when the investor's investment portfolio is not diversified. This risk might arise when the investor invests too heavily in one industry, one geographical area or one type of security. It may also be defined as the risk of loss due to over exposure to one investment, asset class, risk factor, etc. To mitigate the risk, the Company's Asset Liability Committee (ALCO) sets an overall asset allocation target at the beginning of the year. The decision is based on a number of factors including an analysis of the macroeconomic environment, regulatory requirements, liquidity position and return expectations during the planned period. Also, ALCO sets sectorial asset allocation limits for equity investments as well as related party exposure limits. The Company limits the maximum cash amount that can be deposited with a single counterparty.

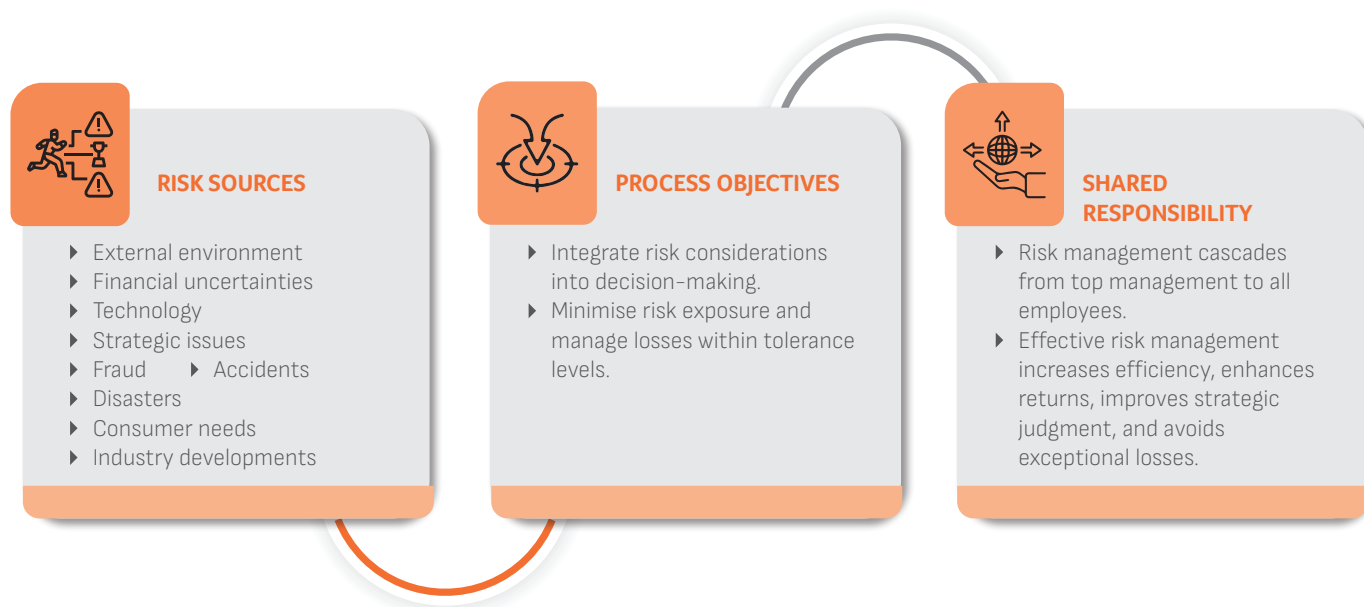
Operational Risk

Operational risk emanates from inadequate or failed internal processes, people and systems or from external events which may result in direct or indirect business impact. The Board of Directors have delegated responsibility of the operational risk to risk owners and managers who are responsible for the development and implementation of controls to address operational risks.

The Company diminishes the aforementioned risks by performing the following.

- ▶ Preparing and using the procedure manual for the controls and processes of the Company
- ▶ Segregation of duties by including independent authorisation of transactions
- ▶ Reconciling and monitoring transactions
- ▶ Complying with regulatory and Company standards and policies
- ▶ Internal audit reviews performed periodically
- ▶ Conducting training and professional development programmed to the employees of the Company

Risk management lies at the core of Janashakthi Life's operational ethos, serving as an indispensable component in navigating the dynamic landscape of the financial services industry. As an organisation deeply committed to excellence and sustainability, we recognise the inherent uncertainties that accompany our daily operations and have thus embraced a comprehensive risk management framework to safeguard our interests and those of our stakeholders.



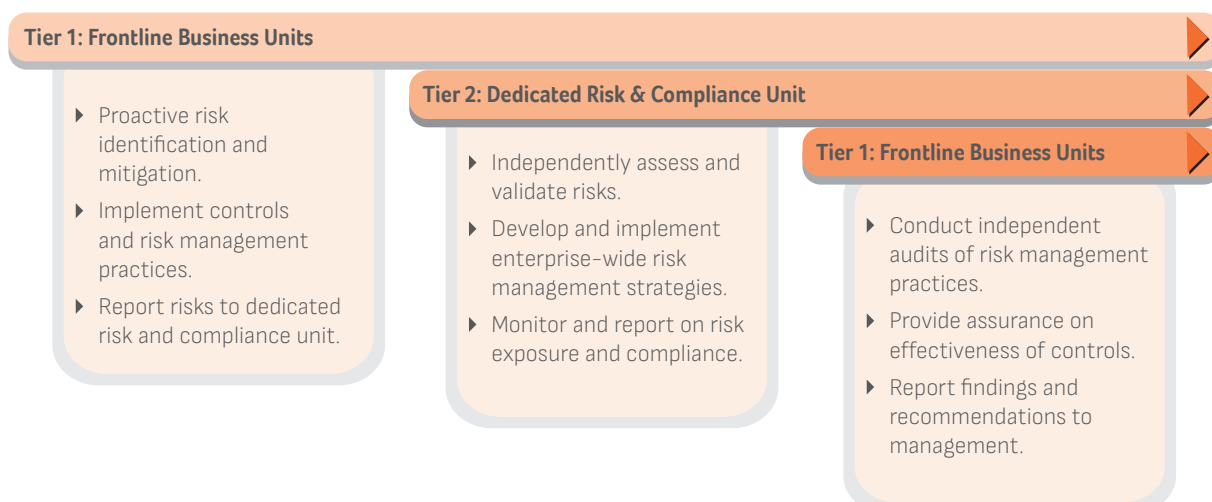
APPROACH TO RISK MANAGEMENT

Our approach to risk management transcends mere adherence to regulatory requirements; it embodies a proactive stance aimed at identifying, evaluating, and mitigating risks across all facets of our business. Through strategic deployment of resources and alignment with our risk appetite, we strive to not only protect our assets but also capitalise on emerging opportunities in a rapidly evolving market environment.

At Janashakthi Life, risk management is not confined to the boardroom; it permeates every level of our organisation, underscoring our collective responsibility to uphold the highest standards of integrity and resilience. By fostering a culture of risk awareness and accountability, we empower our employees to become vigilant guardians of our Company's reputation and financial well-being.

RISK MANAGEMENT PROCESS

Our risk management process is characterised by a three-tiered defence mechanism, comprising frontline business units, a dedicated risk and compliance unit, and internal audit functions. This layered approach ensures robust oversight and continuous improvement, enabling us to adapt swiftly to changing circumstances and emerging threats.



GOVERNANCE AND OVERSIGHT

The Board of Directors, through the dedicated Board Audit Committee, shoulders the ultimate responsibility for Janashakthi Life's risk management framework. To ensure transparency and informed decision-making, the risk and compliance division prepares and submits comprehensive risk assessment reports to the Board Audit Committee every quarter. These reports are meticulously reviewed and presented to the Board of Directors with relevant observations and recommendations, establishing a clear chain of accountability.

COLLABORATIVE RISK ASSESSMENT

The risk and compliance division spearheads the risk assessment process, fostering a collaborative approach with various departmental heads. This collaboration allows for the comprehensive identification of both existing and potential risks across different areas of the business. Recognising the critical need for independence, the risk and compliance function operates autonomously from business functions, providing an objective and unbiased perspective. This independent oversight strengthens the integrity and effectiveness of the entire risk management framework.

Furthermore, the framework defines "risk tolerance limits" to guide decision-making. Any identified risk exceeding these limits undergoes a rigorous mitigation process. This involves implementing appropriate measures to reduce the risk to an acceptable level within the company's risk appetite, ensuring informed risk management and minimising potential losses.

KEY RISK AREAS

Janashakthi Life proactively addresses a spectrum of key risk factors, each with a potential impact on the Company's operations and performance. These key areas include:

Macroeconomic Risk: Fluctuations in the broader economic climate can significantly impact the business environment and require close monitoring and strategic adjustments.

Strategic Risk: Risks associated with the Company's business strategy, strategic objectives, and their implementation are carefully assessed and minimised.

Compliance Risk: Janashakthi Life remains vigilant in minimising the cost of non-compliance, potential regulatory sanctions, and litigation that could arise from regulatory breaches.

Credit Risk: The risk of financial loss due to loan defaults or investment failures is actively managed through robust creditworthiness evaluations and risk mitigation strategies.

Financial Risk: This encompasses various factors affecting the Company's financial stability, such as interest rate fluctuations and management of financial assets and liabilities.

Business Process Risk: The reliability and effectiveness of operational procedures are continuously evaluated and improved to minimise errors and disruptions.

Capital Management Risk: Maintaining adequate capital reserves, exceeding regulatory requirements, and incorporating an additional buffer, ensures the Company's ability to weather unforeseen losses and maintain financial stability.

By proactively addressing these diverse risk factors, Janashakthi Life establishes a robust and adaptable risk management framework, safeguarding its long-term sustainability and stakeholder value creation.

KEY RISKS FACED AND MITIGATION STRATEGIES TAKEN DURING THE YEAR

Key Risk Faced	Mitigation Action	Successful Management
Market Risks	Continuous and dynamic market risk management involves the monitoring of movements of key global and local economic indicators and frequent stress testing carried out as part of market risk mitigation, enabling the risk unit to pre-warn the Company on impacts arising from extreme volatilities of key economic indicators. Assessing the sensitivity to the said volatilities also enabled the Company to understand the resulting impacts on its: ▶ Investment Portfolio, ▶ Unrealised /realised losses via the same, ▶ Impacts via the existing asset and liability mismatch, ▶ Asset quality and potential credit risks, ▶ Capital Adequacy Ratio, and ▶ Solvency Ratio. The monitoring of movements of key global and local economic indicators and frequent stress testing carried out as part of Market Risk Mitigation, enabled the Risk Unit to pre-warn the Company on impacts arising from extreme volatilities of key economic indicators.	✓

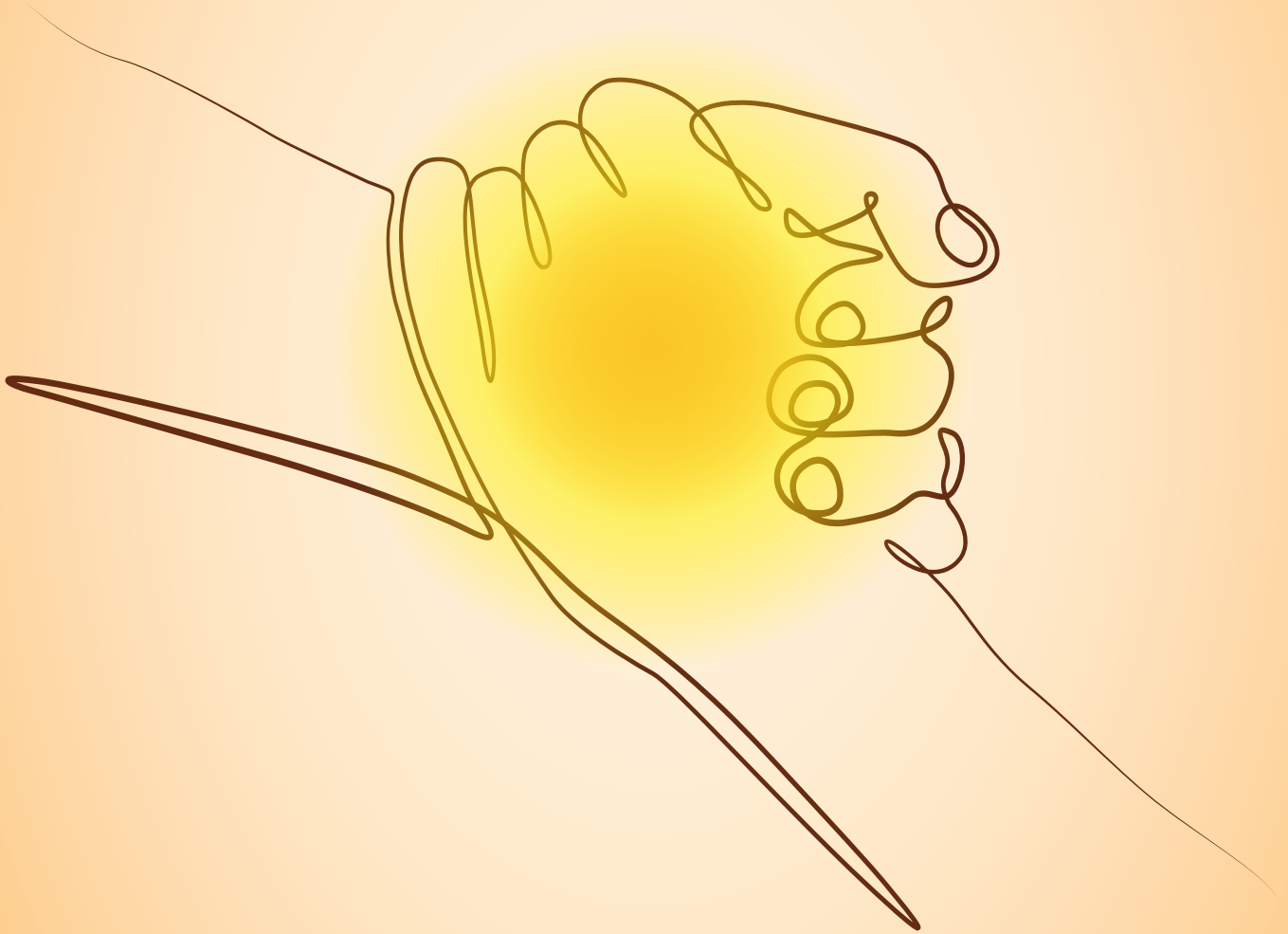
Key Risk Faced	Mitigation Action	Successful Management
Sovereign Risks	Resulting risks and impacts on the Company's exposure to Government securities were assessed under multiple scenarios. Based on the impact assessment, prudent and cautious treatment has been evaluated and decided through 2023.	✓
Interest Rate Risks	The dynamic Market Risk Management as detailed above has resulted in the Company understanding the strategies required to mitigate and allow for opportunities from varying interest rate scenarios. The continuous increase of rates through 2022/2023, resulted in the Company strategising on maximising the movement of rates, whilst fully understanding the factors and time frame of when the trend will reverse and preparing for the same.	✓
Lapse Risk	Scenario/stress testing and sensitivity analysis of key insurance risks allowed the Company to understand the impacts that could arise in the event of lapse risks owing to inflation and limited disposable income. This led to a concentrated renewal campaign and targeted KPIs on persistency that were closely monitored throughout 2023.	✓
Inflation Risk / Claims Risk	The Risk Unit performs a detailed economic analysis every quarter. The analysis details economic performance as well as expected economic performance and expected values of key economic indicators. A close watch is also kept on global industry trends.	✓

OVERVIEW OF STRATEGIC RISKS

Key Risk Faced	Mitigation Action
Economic and Political Risk	The Risk Unit performs a detailed economic analysis every quarter. The analysis details economic performance as well as expected economic performance and expected values of key economic indicators. A close watch is also kept on global industry trends.
Competitor Risk	▶ Constant monitoring and comparison of the Company's performance against peers. ▶ Implementation of a market intelligence force to ensure timely gathering of competitor activity. ▶ Product Implementation Committee to ensure that the Company's product portfolio remains competitive based on the above information.
Co-operation and awareness of common direction	▶ Clear communication of the Company's strategy and business objectives to all employees through interactive town hall sessions. ▶ Communication through 2023 was approached via a top-down method, where all employees were informed of the Company's plans through their Heads of Departments via e-flyers circulated through email and WhatsApp groups.
Minimum Capital Adequacy Ratio	▶ Capital Management Policy and Limits specific to capital adequacy. ▶ Forecasted internal capital model to ensure capital adequacy is above regulatory requirements. ▶ Monthly CAR calculations to understand trends of key driving factors
Increased Regulatory/ Compliance Requirements	▶ A close watch is kept on all potential regulatory directions by the Risk Unit. ▶ The Risk and Compliance Unit also informs of regulatory developments to the relevant business units to support such business teams to align business activities or report requirements with such regulatory developments. It also reports on the compliance status with relevant regulatory requirements to the Audit Committee every quarter.

Key Risk Faced	Mitigation Action
Business Continuity	▶ The Company is equipped with a formal Business Continuity Plan, that details all services and systems that are considered critical for business continuity as well as their recovery time objectives. ▶ Knowledge sharing sessions and advanced Testing of the procedures are also carried out annually for teams identified as critical and ensure that Recovery Time Objectives can be fulfilled in the event of a disaster.
Internal Controls	▶ The Company's Internal Control environment is reviewed continuously as per the plan approved by the Audit Committee annually. Findings are reported to the Audit Committee as well as the Senior Management every month. ▶ The unit has also established both a ▷ Claims Monitoring Unit and ▷ A Fraud Detection Unit. ▶ The completion rate/adoption rate of all suggestions and recommendations remains at approximately 95%-100% as of the above date.
Staff Turnover	The following strategies were initiated to reduce Non-Sales Staff Turnover at the beginning of the year and have continued throughout the year. ▶ Identification of critical resources across all departments and submission of a detailed succession plan. ▶ Recruiting staff at branches with prior exposure to customer service and those that possess a higher set of skills. ▶ Utilising the Town Hall sessions conducted as a tool to identify issues faced by the staff and to provide relevant solutions.
Reputation Risk	▶ The Company's social media page is also monitored closely and all customer complaints directed through social media are handled and directed to the Customer Relationship Management Unit. ▶ All customer complaints are handled in line with the guidelines issued by IBSL on complaint management.

Safeguarding You



SUPPLEMENTARY

We are dedicated to providing comprehensive protection and support tailored to your unique needs. With our unwavering commitment and expertise, you can rest assured knowing that we're here to safeguard you through life.

Statement of Solvency

LONG TERM INSURANCE BUSINESS

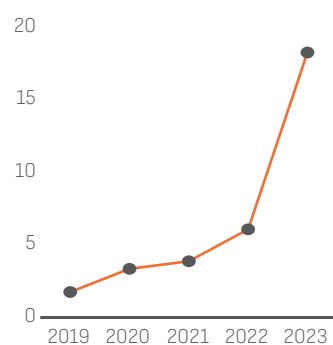
For the year ended 31 December	2023 LKR'000	2022 LKR'000
01. Janashakthi Insurance PLC		
Total Available Capital (TAC)	13,202,354	15,780,394
Formula Risk-based Capital Required (RCR)	4,859,195	4,853,596
Surrender Value Capital Charge (SVCC)	-	4,424,167
Risk Based Capital requirement(RCR)	4,859,195	4,853,596
Risk-based Capital Adequacy Ratio (CAR)	272%	325%
Required Ratio	120%	120%
02. Former National Insurance Corporation Ltd		
Total Available Capital (TAC)	144,273	129,086
Formula Risk-based Capital Required (RCR)	29,154	18,888
Surrender Value Capital Charge (SVCC)	-	-
Risk Based Capital requirement(RCR)	29,154	18,888
Risk-based Capital Adequacy Ratio (CAR)	495%	683%
Required Ratio	120%	120%

Shareholder Information

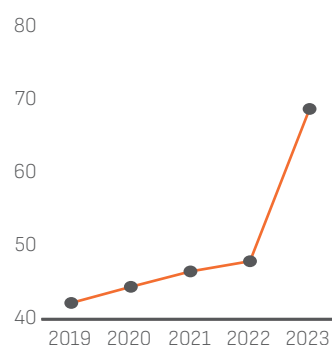
VALUATION

31st December		2023 LKR'000	2022 LKR'000
Earning Per Share (EPS)	LKR	18.25	6.07
Net Assets per Share	LKR	68.83	47.95
Price Earning Ratio	Times	2.11	5.22
Price/Book Value	Times	0.559	0.661

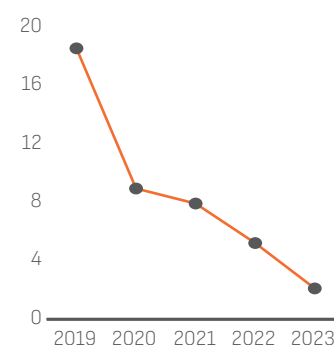
EPS



NAPS



PE Ratio



MARKET INFORMATION ON ORDINARY SHARES OF THE COMPANY

MARKET VALUE

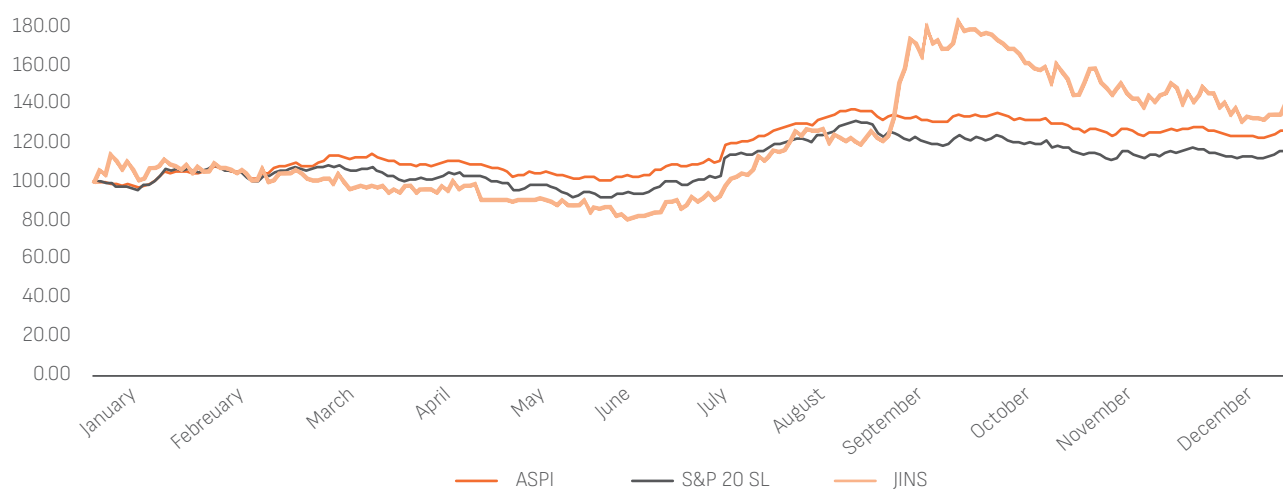
	2023		2022	
	Value LKR	Date	Value LKR	Date
Highest Price	55.00	September 6th 2023	36.00	January 12th 2022
Lowest Price	23.40	June 7th 2023	18.50	May 9th 2022
Year end Price	38.50	December 29th 2023	31.70	December 30th 2022

TRADING STATISTICS

		2023 LKR'000	2022 LKR'000
Number of Transactions		10,717	6,656
Number of Shares Traded		25,029,075	16,660,086
% of Total Shares in Issue		19.97%	19.98%
Value of Shares Traded	LKR	970,228,165	487,202,387
Market Capitalisation	LKR	8,721,256,891	7,180,879,050

Shareholder Information

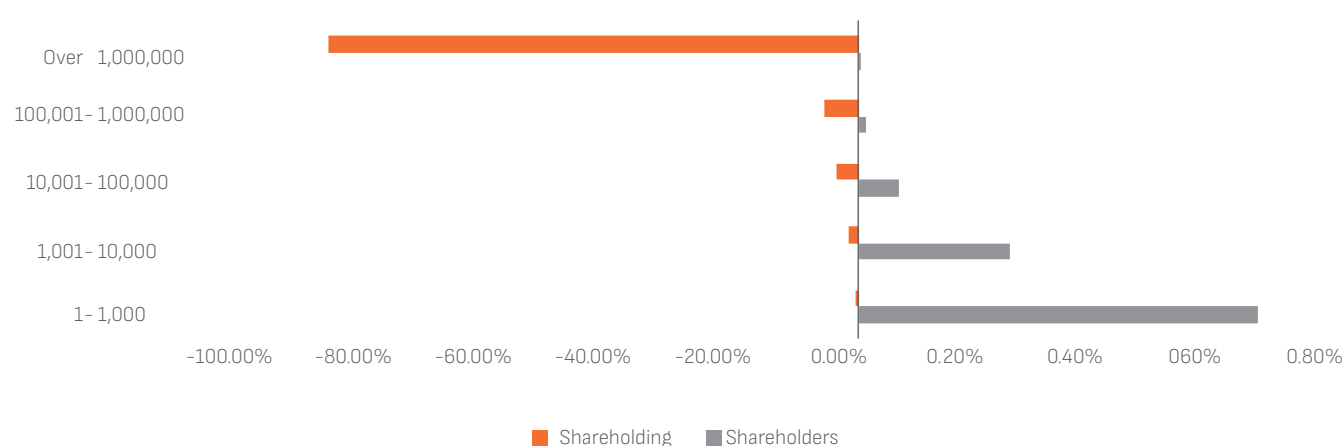
CSE Indicators Vs Janashakthi Insurance PLC Share prices LKR



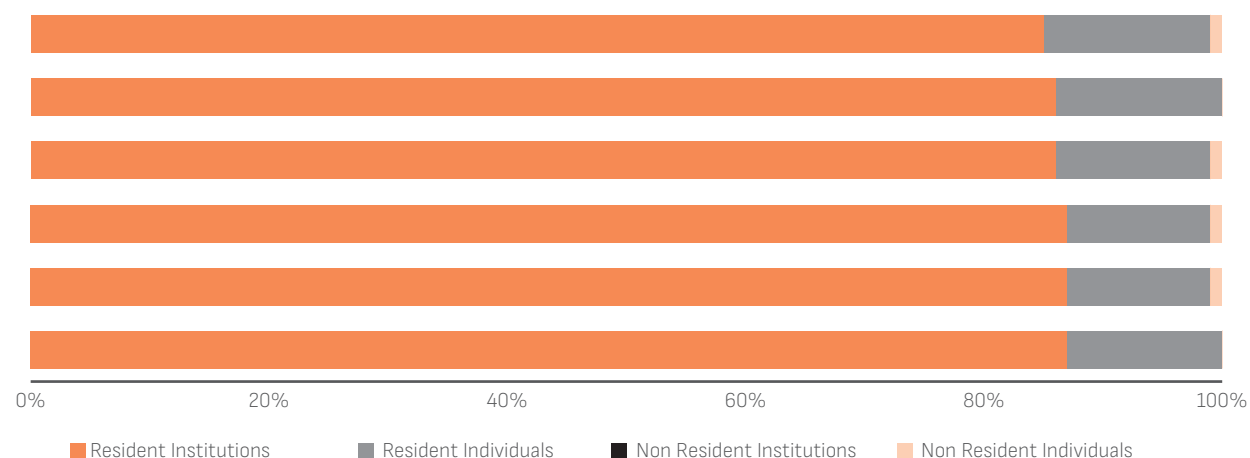
DISTRIBUTION OF SHAREHOLDERS

Number of Shares	2023				2022			
	No of Holders	%	Total Holding	%	No of Holders	%	Total Holding	%
1 - 1,000	2,852	66.50%	1,068,378	0.47%	2,969	65.30%	1,141,750	0.50%
1,001 - 10,000	1,087	25.34%	4,082,171	1.80%	1,234	27.14%	4,604,408	2.03%
10,001 - 100,000	289	6.74%	8,554,054	3.78%	283	6.22%	8,158,464	3.60%
100,001 - 1,000,000	53	1.24%	12,798,298	5.65%	52	1.14%	12,248,457	5.41%
Over - 1,000,000	8	0.19%	200,023,252	88.30%	9	0.20%	200,373,074	88.45%
	4,289	100.00%	226,526,153	100.00%	4,547	100.00%	226,526,153	100.00%

Shareholders Vs Shareholding- 2023- LKR



Ownership %



COMPOSITION OF SHAREHOLDERS

Shares	2023				2022			
	No of Holders	%	Total Holding	%	No of Holders	%	Total Holding	%
Resident :								
Individuals	4,107	95.76%	28,651,048	12.65%	4,363	95.95%	27,416,394	12.10%
Institutions	148	3.45%	197,089,775	87.01%	151	3.32%	198,271,943	87.53%
Non Resident :								
Individuals	33	0.77%	785,329	0.35%	32	0.70%	837,815	0.37%
Institutions	1	0.02%	1	0.00%	1	0.02%	1	0.00%
Total	4,289	100.00%	226,526,153	100.00%	4,547	100.00%	226,526,153	100.00%

Shareholder Information

Twenty Largest Shareholder

	2023		
	No of Shares	% of Top Twenty	% of Total
Janashakthi Limited	168,144,497	81.13%	74.23%
First Capital Limited	13,099,471	6.32%	5.78%
Mr. Y.S.H.I. Silva	7,281,572	3.51%	3.21%
Hatton National Bank Plc/Suktam Holdings (Pvt) Ltd	6,720,000	3.24%	2.97%
J.B. Cocoshell (Pvt) Ltd	4,777,712	2.31%	2.11%
Mr. M.A. Jafferjee	801,561	0.39%	0.35%
Mr. C.H. Mendis	740,000	0.36%	0.33%
Mr. D.K.A.K. Weerathunga	580,958	0.28%	0.26%
Mr. K.R.E.M.D.M.B. Jayasundara	569,985	0.28%	0.25%
Mr. K.A.R. Ranasinghe	520,000	0.25%	0.23%
Mrs.. M. Mathews	510,000	0.25%	0.23%
Miss S.P.S. Nishara	500,000	0.24%	0.22%
Merchant Bank Of Sri Lanka Ltd/C. Sathkumara	498,389	0.24%	0.22%
Mr. N. Balasingam	492,600	0.24%	0.22%
Mr. M.B. Herath	450,000	0.22%	0.20%
Devi Holding (Pvt) Ltd	418,127	0.20%	0.18%
Mr. P. Vijendran	350,000	0.17%	0.15%
Estate Of Jayatissa Nalin Rodrigo	300,000	0.14%	0.13%
Sanasa Life Insurance Company Plc	251,395	0.12%	0.11%
Mr B.R.C. Perera	241,899	0.12%	0.11%
	207,248,166	100%	91%
Others	19,277,987		9%
Total	226,526,153		100%

Twenty Largest Shareholder

	2022		
	No of Shares	% of Top Twenty	% of Total
Janashakthi Limited	168,144,497	80.95%	74.23%
First Capital Limited	13,099,471	6.31%	5.78%
Suktam Holdings (Pvt) Ltd	7,753,531	3.73%	3.42%
Mr. Y.S.H.I. Silva	7,281,572	3.51%	3.21%
J.B. Cocoshell (Pvt) Ltd	4,376,221	2.11%	1.93%
National Savings Bank	881,521	0.42%	0.39%
Mr. C.H. Mendis	740,000	0.36%	0.33%
Mr. D.K.A.K. Weerathunga	580,958	0.28%	0.26%
Mr.C. Sathkumara	831,840	0.40%	0.37%
Mr. K.A.R. Ranasinghe	550,000	0.26%	0.24%
Mrs. M. Mathews	510,000	0.25%	0.23%
Mr. N. Balasingam	492,600	0.24%	0.22%
Mr. M.B. Herath/ Joint - 1: Mrs. L.R.K. Herath, Lalani Ramya Kumari	450,000	0.22%	0.20%
Mr. P. Vijendran / Joint - 1 : Mrs. P. Vijendran	350,000	0.17%	0.15%
Seylan Bank PLC/Senthilverl Holdings (PVT) LTD.	341,183	0.16%	0.15%
Phoenix Ventures Private Limited	306,895	0.15%	0.14%
Estate of Jayatissa Nalin Rodrigo	300,000	0.14%	0.13%
Mr. K. Sriskantharajah	240,000	0.12%	0.11%
Mr. T.G. Thoradeniya	240,000	0.12%	0.11%
MR. T. Loganathan	231,609	0.11%	0.10%
	207,701,898	100%	92%
Others	18,824,255		8%
Total	226,526,153		100%

Shareholding Information

Directors Shareholding

	2023	2022
31st December	No of Shares	No of Shares
Mr. P.A. Schaffter (Deputy Chairman)	-	-
Mr. J.A.G. Rodrigo	-	-
Mr. P. Sivagananathan (Resigned W.E.F 31.12.2023)	-	-
Ms. A.H.W. Senanayake	-	-
Mr. D.P.M.De S. Jayawardena (Resigned W.E.F 31.12.2023)	-	-
Ms. W.D. De Costa	-	-
Mr. R.N. Liyanage	-	-
Mr. N.C. De Mel	-	-
Mr. S.Renganathan	-	-
Mr. R.Schaffter	-	-

Record of Share Issue/Repurchase

Record of Share Issue/Repurchase	Issue/ Repurchase	Basis	No of Shares
2006	31st December 2006		27,500,011
2007	Bonus Issue-30th March 2007	1:3	82,500,033
2008	Share Split-28th March 2008	1:2	220,000,088
2008	Initial Public Issue-16th June 2008		33,000,000
2015	Rights Issue-30th November 2015	2:1	181,500,066
2018	Share-repurchase - 18th April 2018	3:5	(317,974,045)
			226,526,153

Decade at a Glance - Income Statement

(Values to the nearest rupees thousand)

For the year ended 31st December	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Life Insurance - Income Statement										
Gross Written Premium	4,584,822	4,867,011	5,460,892	3,819,817	3,511,660	3,008,842	2,902,873	2,943,963	2,550,782	2,170,419
Net Earned Premium	4,364,639	4,609,048	5,248,931	3,697,637	3,373,691	2,893,752	2,803,868	2,853,371	2,468,790	2,128,159
Other Revenue	9,296,162	2,074,590	1,919,098	2,598,051	2,242,625	1,877,046	1,299,867	1,362,363	1,055,995	954,728
Gain on Disposal of Subsidiary			-	-	-	9,200,155	-	-	-	-
Total Revenue	13,660,800	6,683,638	7,168,029	6,295,688	5,616,316	13,970,953	4,103,735	4,215,734	3,524,785	3,028,887
Net Acquisition Cost	(1,162,592)	(1,684,008)	(1,864,486)	(860,858)	(900,029)	(893,099)	(662,326)	(691,739)	(714,990)	(561,835)
Net Claims and Benefits	(3,411,483)	(2,781,329)	(2,134,248)	(1,758,226)	(1,924,424)	(1,560,644)	(1,118,843)	(1,103,408)	(839,310)	(666,456)
Other Expenses	(1,333,373)	(1,661,698)	(1,198,038)	(1,070,747)	(1,060,197)	(1,383,940)	(679,184)	(634,685)	(760,506)	(606,783)
Change in Contract Liability due to transfer of One-off surplus	-	-	-	-	-	-	1,795,829	-	-	-
Increase in Life Insurance Fund	(2,502,624)	1,280,062	(791,920)	(1,584,947)	(1,199,295)	(241,982)	(1,747,577)	(832,885)	(893,925)	(843,693)
Profit/(Loss) before Taxation	5,250,728	1,836,664	1,179,338	1,020,911	532,370	9,891,288	1,691,635	953,016	316,054	404,120
Income Tax Expense	(1,115,900)	(460,962)	(303,164)	(261,586)	(136,040)	1,306,596	-	-	-	-
Profit/(Loss) After Taxation	4,134,828	1,375,702	876,174	759,325	396,330	11,197,884	1,691,635	953,016	316,054	404,120

Decade at a Glance - Statement of Financial Position

(Values to the nearest rupees thousand)

For the year ended 31st December	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Assets										
Financial Assets	28,240,640	20,368,155	21,545,101	19,374,743	16,961,520	15,657,029	12,375,224	11,115,417	10,849,889	7,828,088
Property, Plant and Equipment	220,078	194,307	257,550	354,972	442,502	257,742	-	-	-	-
Right of Use Asset	232,200	191,634	173,532	224,524	261,812	-	-	-	-	-
Other Assets and Receivables	7,145,721	4,109,264	3,302,280	3,959,816	4,100,170	4,145,182	7,453,609	7,469,151	8,222,629	505,248
Cash and Cash Equivalents	353,570	282,387	404,634	282,891	268,280	223,268	192,120	180,311	250,803	325,142
Total Assets	36,192,210	25,145,748	25,683,097	24,196,946	22,034,284	20,283,221	20,020,953	18,764,879	19,323,321	8,658,478
Liabilities and Shareholders Equity										
Shareholders' Equity										
Stated Capital	4,853,752	4,853,752	4,853,752	4,853,752	4,853,752	4,853,752	4,853,752	4,853,752	4,853,752	-
Restricted Regulatory Reserve	1,795,829	1,795,829	1,795,829	1,795,829	1,795,829	1,795,829	1,795,829	-	-	-
Revenue Reserves	8,942,336	4,211,496	3,895,352	3,417,569	2,917,052	2,671,460	2,811,297	3,294,882	2,903,236	-
Total Shareholders' Equity	15,591,916	10,861,076	10,544,933	10,067,150	9,566,633	9,321,041	9,460,878	8,148,634	7,756,988	-
Liabilities										
Insurance Provision-Life	14,544,804	12,193,639	13,473,701	12,681,780	11,096,474	9,897,807	9,651,593	9,699,136	8,865,737	7,831,496
Other Liabilities	6,055,489	2,091,032	1,664,463	1,448,016	1,371,177	1,064,373	908,482	917,109	2,700,596	826,982
Total Liabilities	20,600,293	14,284,672	15,138,164	14,129,796	12,467,651	10,962,180	10,560,075	10,616,245	11,566,333	8,658,478
Total Liabilities and Shareholders' Equity	36,192,210	25,145,748	25,683,097	24,196,946	22,034,284	20,283,221	20,020,953	18,764,879	19,323,321	8,658,478

Horizontal Analysis - Statement of Profit and Loss

(Values to the nearest rupees thousand)

For the Year Ended 31st December	2023		2022		2021		2020		2019	
Life Insurance - Income Statement										
Gross Written Premium	4,584,822	-6%	4,867,011	-11%	5,460,892	43%	3,819,817	9%	3,511,660	17%
Net Earned Premium	4,364,639	-5%	4,609,048	-12%	5,248,931	42%	3,697,637	10%	3,373,691	17%
Other Revenue	9,292,331	348%	2,074,590	8%	1,919,098	-26%	2,598,051	16%	2,242,625	19%
Total Revenue	13,660,800	104%	6,683,637	-7%	7,168,029	14%	6,295,688	12%	5,616,316	-60%
Net Acquisition Cost	(1,162,592)	-31%	(1,684,008)	-10%	(1,864,486)	117%	(860,858)	-4%	(900,029)	1%
Net Claims and Benefits	(3,411,483)	23%	(2,781,329)	30%	(2,134,248)	21%	(1,758,226)	-9%	(1,924,424)	23%
Other Expenses	(1,329,542)	-20%	(1,661,698)	39%	(1,198,038)	12%	(1,070,747)	1%	(1,060,197)	-23%
Increase in Life Insurance Fund	(2,502,624)	-296%	1,280,062	-262%	(791,920)	-50%	(1,584,947)	32%	(1,199,295)	396%
Profit/(Loss) before Taxation	5,250,728	186%	1,836,664	56%	1,179,337	16%	1,020,910	92%	532,371	-95%
Income Tax Expense	(1,115,900)	142%	(460,962)	52%	(303,164)	16%	(261,586)	92%	(136,040)	-110%
Profit/(Loss) After Taxation	4,134,828	201%	1,375,702	57%	876,173	15%	759,324	92%	396,331	-96%

Horizontal Analysis - Statement of Financial Position

(Values to the nearest rupees thousand)

For the Year Ended 31st December	2023		2022		2021		2020		2019	
Assets										
Financial Assets	28,240,640	39%	20,368,155	-5%	21,545,101	11%	19,374,743	14%	16,961,520	8%
Property, Plant and Equipment	220,078	13%	194,307	-25%	257,550	-27%	354,972	-20%	442,502	72%
Right of Use Asset	232,200	21%	191,634	10%	173,532	-23%	224,524	-14%	261,812	
Other Assets and Receivables	7,145,721	74%	4,109,264	24%	3,302,280	-17%	3,959,816	-3%	4,100,170	-1%
Cash and Cash Equivalents	353,570	25%	282,387	-30%	404,634	43%	282,891	5%	268,280	20%
Total Assets	36,192,210	44%	25,145,747	-2%	25,683,097	6%	24,196,946	10%	22,034,284	9%
Liabilities and Shareholders' Equity										
Shareholders' Equity										
Stated Capital	4,853,752	0%	4,853,752	0%	4,853,752	0%	4,853,752	0%	4,853,752	0%
Restricted Regulatory Reserve	1,795,829	0%	1,795,829	0%	1,795,829	0%	1,795,829	0%	1,795,829	0%
Revenue Reserves	8,942,336	112%	4,211,496	8%	3,895,352	14%	3,417,569	17%	2,917,052	9%
Total Shareholders' Equity	15,591,916	44%	10,861,077	3%	10,544,933	5%	10,067,150	5%	9,566,633	3%
Liabilities										
Insurance Provision-Life	14,544,804	19%	12,193,639	-10%	13,473,701	6%	12,681,780	14%	11,096,474	12%
Other Liabilities	6,055,489	190%	2,091,032	26%	1,664,463	15%	1,448,016	6%	1,371,177	29%
Total Liabilities	20,600,294	44%	14,284,671	-6%	15,138,164	7%	14,129,796	13%	12,467,651	14%
Total Liabilities and Shareholders' Equity	36,192,210	44%	25,145,748	-2%	25,683,097	6%	24,196,946	10%	22,034,284	9%

Vertical Analysis -Statement of Profit and Loss

(Values to the nearest rupees thousand)

For the Year Ended 31st December	2023		2022		2021		2020		2019	
Life Insurance - Income Statement										
Gross Written Premium	4,584,822	100%	4,867,011	100%	5,460,892	100%	3,819,817	100%	3,511,660	100%
Net Earned Premium	4,364,639	95%	4,609,048	95%	5,248,931	96%	3,697,637	97%	3,373,691	96%
Other Revenue	9,296,162	203%	2,074,590	43%	1,919,098	35%	2,598,051	68%	2,242,625	64%
Total Revenue	13,600,800	297%	6,683,638	137%	7,168,029	131%	6,295,688	165%	5,616,316	160%
Net Acquisition Cost	(1,162,592)	-25%	(1,684,008)	-35%	(1,864,486)	-34%	(860,858)	-23%	(900,029)	-26%
Net Claims and Benefits	(3,411,483)	-74%	(2,781,329)	-57%	(2,134,248)	-39%	(1,758,226)	-46%	(1,924,424)	-55%
Other Expenses	(1,329,542)	-29%	(1,661,698)	-34%	(1,198,038)	-22%	(1,070,747)	-28%	(1,060,197)	-30%
Increase in Life Insurance Fund	(2,502,624)	-55%	1,280,062	26%	(791,920)	-15%	(1,584,947)	-41%	(1,199,295)	-34%
Profit/(Loss) before Taxation	5,250,728	115%	1,836,664	38%	1,179,337	22%	1,020,910	27%	532,371	15%
Income Tax Expense	(1,115,900)	-24%	(460,962)	-9%	(303,164)	-6%	(261,586)	-7%	(136,040)	-4%
Profit/(Loss) After Taxation	4,134,828	90%	1,375,702	28%	876,173	16%	759,324	20%	396,331	11%

Vertical Analysis - Financial Position

(Values to the nearest rupees thousand)

For the Year Ended 31st December	2023		2022		2021		2020		2019	
Assets										
Financial Assets	28,240,640	78%	20,368,155	81%	21,545,101	84%	19,374,743	80%	16,961,520	77%
Property, Plant and Equipment	220,078	1%	194,307	1%	257,550	1%	354,972	1%	442,502	2%
Right of Use Asset	232,200	1%	191,634	1%	173,532	1%	224,524	1%	261,812	1%
Other Assets and Receivables	7,145,721	20%	4,109,264	16%	3,302,280	13%	3,959,816	16%	4,100,170	19%
Cash and Cash Equivalents	353,570	1%	282,387	1%	404,634	2%	282,891	1%	268,280	1%
Total Assets	36,192,210	100%	25,145,747	100%	25,683,097	100%	24,196,946	100%	22,034,284	100%
Liabilities and Shareholders' Equity										
Shareholders' Equity										
Stated Capital	4,853,752	13%	4,853,752	19%	4,853,752	19%	4,853,752	20%	4,853,752	22%
Restricted Regulatory Reserve	1,795,829	5%	1,795,829	7%	1,795,829	7%	1,795,829	7%	1,795,829	8%
Revenue Reserves	8,942,336	25%	4,211,496	17%	3,895,352	15%	3,417,569	14%	2,917,052	13%
Total Shareholders' Equity	15,591,916	43%	10,861,077	43%	10,544,933	41%	10,067,150	42%	9,566,633	43%
Liabilities										
Insurance Provision-Life	14,544,804	40%	12,193,639	48%	13,473,701	52%	12,681,780	52%	11,096,474	50%
Other Liabilities	6,055,489	17%	2,091,032	8%	1,664,463	6%	1,448,016	6%	1,371,177	6%
Total Liabilities	20,600,293	57%	14,284,671	57%	15,138,164	59%	14,129,796	58%	12,467,651	57%
Total Liabilities and Shareholders' Equity	36,192,210	100%	25,145,748.00	100%	25,683,097	100%	24,196,946	100%	22,034,284	100%

Simplified Financials Statements

01. INCOME STATEMENT

	Note	2023 LKR'000	2022 LKR'000
Gross Written Premium	22	4,584,822	4,867,011
Premium Ceded to Reinsurers		(220,183)	(257,964)
Gross Claims and Benefits Paid	28.1	(3,443,465)	(3,375,519)
Underwriting & Net Acquisition Cost	29	(1,162,592)	(1,684,008)
Operating and Administrative Expenses	30	(1,220,975)	(1,572,132)

Gross Written Premium (GWP)

GWP represents the total revenue of a Manufacturing or Trading organisation, which is basically the amount charged for the service provided under the Life Insurance policy.

Premium Ceded to Reinsurers

The premium ceded to reinsurers is the premium paid to reinsurers to transfer a part of the insurance risk undertaken by Janashakthi Life to respected third-party insurers. The Company continues to evaluate the re-insurance process against the risk that the re-insurers cover.

Net Insurance Claims & Benefits

The most important customer success factor is the speedy claim settlement and the fair payment of claims. As per the reinsurance agreement, the insurance company has the right to recover part of its claim expense from its reinsurers. Net benefit and claims refers to the difference between the amount of claim expense for policyholder and the amount recovered from the reinsurance partner.

Underwriting and Net Acquisition Cost

Underwriting and acquisition cost is a direct cost incur by the company to acquire premiums. This includes sale's staff salaries, commissions and incentives to acquire business.

Operating and Administration Expenses

Other operating, investment-related, and administration expenses mainly include staff cost and administration, selling, and marketing expenses; which incurred during the normal cause of business.

02. STATEMENT OF FINANCIAL POSITION

Life Insurance Fund

The Company's insurance contract liabilities (referred to as Life Fund) is the fund maintained by the Company for the long-term insurance business in accordance with the Insurance Industry Act, No. 43 of 2000, as amended. The size of the life fund indicates the financial strength and stability of a life insurer. The larger the life fund, the stronger the insurance company.

Capital Adequacy Ratio

Capital Adequacy Ratio, also known as capital to risk-weighted asset ratio, measures the financial strength of an organisation using its capital and assets portfolio.

Impact of IFRS 17 on the organisation and on Financial Statements

The impact of IFRS 17 implementation on the organisation are as follows.

Data	People and Structure	Technology	Strategy and Governance
Higher data requirement: more granular, more historical information	Training & Education	Better technology and less End-User-Computing	Capital generation and earnings
Effective data storage	Integration of Actuarial, Risk and Finance functions		Asset allocation
Better auditability	Policies & processes		Product design and distribution
			Operational impact of the transition - KPI
			Cross-subsidisation of losses

The impact of IFRS 17 implementation on the organisation are as follows.

Disclosure	Regulation	Transition	Intrinsic / Embedded Value
Higher degree of disclosure and transparency	Impact and alignment to existing RBC framework	One-time transition exercise	Reduced gap between accounting value and embedded value
Method, assumptions, estimation approaches, risk information, etc.	Future RBC2 development	Subject to data and operational constraint	M&A evaluation
		Different transition method leading to different outcomes	

In order to implement IFRS 17, new integrated approach is required in the aspects of,

IT	Finance	Actuarial
Will have arguably the most resource intensive workstream	A new way of engaging with users of financial statements	Significant knowledge transfer role
Need to knit the reporting process together	Need to understand pricing of insurance contracts in significant detail	Models and processes need to be industrialised in order to meet reporting requirements
	Auditor engagement	Significant input /driving role in accounting policies

How will the Financial Statements change?

TYPICAL EXISTING IFRS 3 PROFIT & LOSS STATEMENT

'Source of earnings' difficult to identify

Current P&L	Year	
Gross premiums		
Premiums ceded to reinsurers		➔ Cash based and includes collection of deposits. Inconsistent with other industries
Investment income		
Total Income	A	
Gross claim, benefits and expenses		➔ Includes repayment of deposits
Claims and expenses ceded to reinsurers		
Acquisition cost amortisation		
Change in insurance contract liabilities		➔ Confusing adjustment that incorporates multiple factors
Total expenses	B	
Profit before tax	C=A-B	➔ Inconsistent measurement reduces comparability

THE STATEMENT OF COMPREHENSIVE INCOME (INCOME STATEMENT)

Example of IFRS 17 statement of comprehensive income

Statement of Comprehensive Income	Year	
Insurance revenue		➔ Volume based metric of reporting premiums as income is replaced with insurance revenue – essentially excluding deposit components
Insurance service expenses		
Insurance service result	A	➔ Insurance performance
Investment income		
Insurance finance expenses		
Net financial result	B	➔ Investment performance
Profit or loss	C=A+B	
Other comprehensive income (OCI) (effect of market value changes on insurance liabilities and some assets)		➔ ALM performance
Comprehensive income	E=C+D	

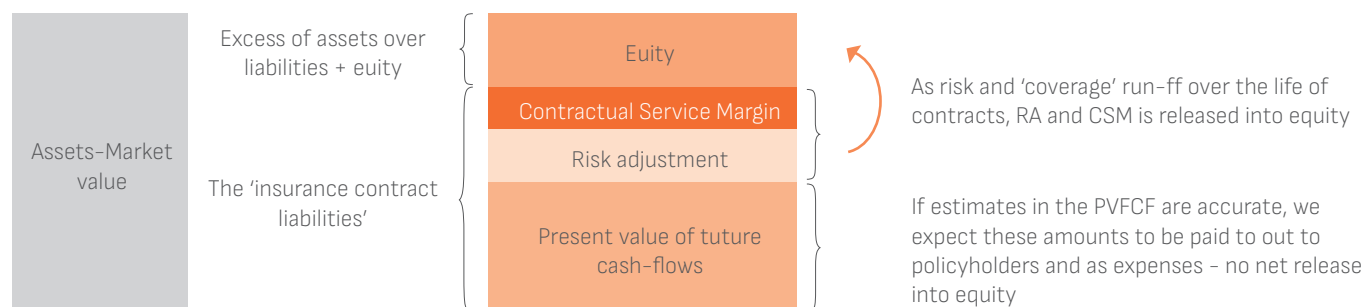
Two drivers of profit presented separately

ALM performance highlighted on financial statements 'below the line'.

Impact of IFRS 17 on the organisation and on Financial Statements

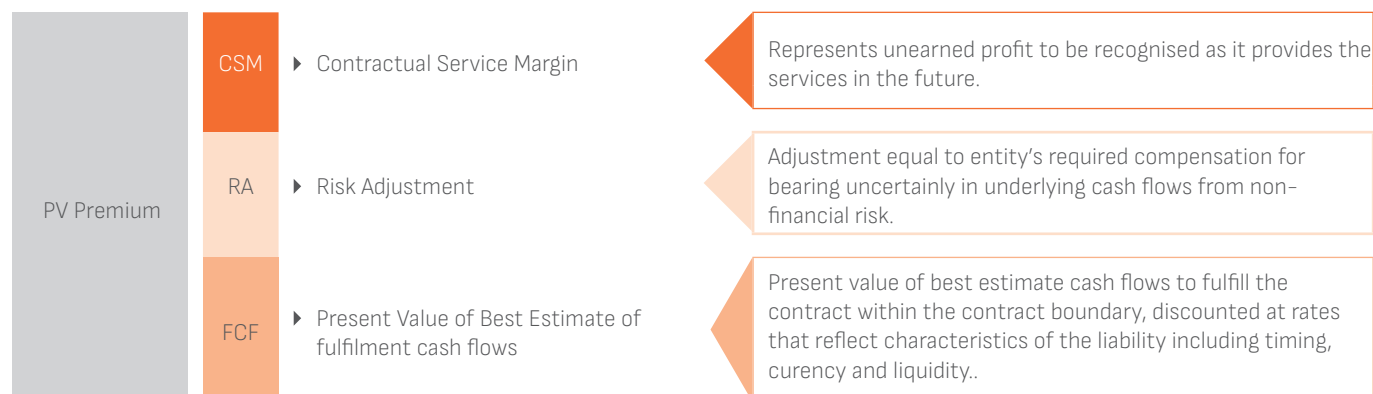
THE IFRS 17 STATEMENT OF FINANCIAL POSITION

The statement of financial position or 'balance sheet' records the current value of each calibrated element over time



INITIAL CALIBRATION OF GENERAL MODEL AND VFA

When a new insurance contract is written, it must be 'calibrated' to set the initial CSM - the risk - adjusted expected profit

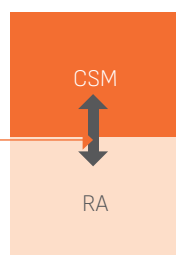


PROFIT DRIVERS

RA and CSM release will drive the income statement

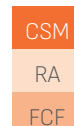
Relative weight of profit release between CSM and RA will depend on, amongst other things:

- ▶ The overall level of product profitability
- ▶ The 'riskiness' of the product
- ▶ The Company's risk tolerance and level of prudence in the RA



Release of CSM driven by coverage units - a customer perspective

Release of RA driven by the product risk profile and Company's risk tolerance - a company perspective



Recall that at the time of pricing, the SCl collapses to $SCl = RA \text{ release} + CSM \text{ Release}$



Read more about IFRS 17

Glossary of Insurance Terms

ACTUARY

An expert concerned with the application of probability and statistical theory to problems of Insurance, Investment, financial management and demography.

ACTUARIAL VALUATION

A determination by an actuary at a specific date of the value of a life Insurance company's assets and its liabilities. The purpose of a valuation is to determine if the Company holds adequate assets to fund the Company's liabilities.

ANNUITY

A contract that provides an annual income for a specific period.

AVAILABLE FOR SALE (AFS)

Securities that have been acquired neither for short term sale nor to be held to maturity. These are shown at fair value on the statement of financial position and changes in value are taken straight to equity instead of the Profit or Loss statement.

BANCASSURANCE

An arrangement whereby banks sell Insurance and Investment products to their customers on behalf of other financial providers

BENEFICIARY

A person or financial institution named by the policyholders as the recipient of the sum insured and other benefits due in the event of the policyholder's death.

BONUS

Bonus is a method of distribution of surplus amongst the participating policyholders of a life insurance company. A bonus is an enhancement to the basic sum assured under a contract, and is declared as percentage of the sum assured.

BROKER

A sales and service representative who handles Insurance for clients, generally selling Insurance of various kinds and for several companies.

CASH FLOW STATEMENT

Statement on the origin and utilization of cash and cash equivalents during the accounting period. It shows the changes in liquid funds separated to cash flows from operating, investing and financing activities.

CLAIMS

The amount payable under a contract of insurance arising from the occurrence of an insured event such as destruction or damage of property and related death or injuring of hospital or medical bills, death or disability of the insured and gratuity claims.

CLAIMS INCURRED

The aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate, adjusted by the gross claims reserve at the beginning and end of the accounting period.

CLAIMS OUTSTANDING- LONG TERM INSURANCE

The amounts provided to cover the estimated ultimate cost of setting claims arising out of an event which have been notified by date of Statement of Financial Position, being sums due to beneficiaries together with claims handling expenses, less amounts already paid in respect of those claims.

COMMISSION

Remuneration to an intermediary for services such as selling and servicing and insurer's products. This is one component of acquisition expenses.

CORPORATE GOVERNANCE

Serves to ensure responsible management and supervision of enterprises and is intended to foster the trust of investors, clients, employees and the general public in companies.

DEPOSIT PREMIUM

A premium paid on the inception of a contract of Insurance or re-insurance, which is subject to adjustment at a later date. A deposit premium may represent the minimum amount payable.

EARNINGS PER SHARE

Ratio calculated by dividing the consolidated net income/(loss) by the weighted average number of shares outstanding.

EXPENSE RESERVE

Expenses which vary with and are primarily related to the acquisition of new Insurance contracts and renewal of existing contracts, which are deferred as they related to a period of risk subsequent to the date of Statement of Financial Position.

ENDOWMENT

Life Insurance payable to the policyholder if living on the maturity date stated in the policy or to a beneficiary if the insured dies before that date.

FAIR VALUE

The price that a reasonable buyer would be willing to pay and reasonable seller would be willing to accept for a product on the open market.

GROSS WRITTEN PREMIUM – LIFE

Premium to which the insurer is contractually entitled and received in the accounting period.

INSURANCE

Insurance is a contract whereby one party the insurer, in return for a consideration i.e. the premium, undertakes to pay the other party – the insured, a sum of money or its equivalent in kind, upon the happening of a specified event that is contrary to the interest of the insured.

INSURANCE PROVISION – LONG TERM

The fund or funds to be maintained by an insurer in respect of its Long Term Insurance business in accordance with the Regulation of Insurance Industry Act No. 43 of 2000.

INTERIM PAYMENTS

Periodic payments to the policyholders on a specific type of policy.

JJPLC

Janashakthi Insurance PLC

Glossary of Insurance Terms

LIFE SURPLUS

The excess of the assets over the liabilities as determined by the actuary (taking into account solvency requirements) and after distribution of dividends to policyholders.

LONG TERM INSURANCE

Commonly referred to as Life Insurance contracts, as opposed to annual Non-Life Insurance policies.

MATURITY

The time at which payment of the sum insured under a Life Insurance policy falls due at the end of its term.

NET EARNED PREMIUM

Gross Written premium adjusted for the re-insurance incurred and for the increase or decrease in unearned premium.

NET WRITTEN PREMIUM

Gross written premium less re-insurance premium payable.

NET CLAIMS INCURRED

Claims incurred less re-insurance recoveries.

POLICY LOAN

A loan given to the policyholder on the security of the surrender value of a life Insurance policy. The loan is limited to a percentage of the current surrender value of the policy and interest is charged on such loan.

PREMIUM

The consideration payable by the insured for an Insurance contract.

PROFIT COMMISSION

Commission received from the reinsurer based on the net profit of the reinsurer as defined in the agreement between the insurer and the reinsurer.

REVENUE ACCOUNT

An account which shows a financial summary of the Insurance related revenue transactions for the accounting period.

RE-INSURANCE

Transfer of all or part of the risk assumed by an insurer under one or more Insurances to another insurer, called the reinsurer.

RE-INSURANCE COMMISSION

Commission received or receivable in respect of premium paid or payable to the reinsurer.

SEGMENT

Constituent business units grouped in terms of nature and similarity of operations.

SOLVENCY MARGIN - LIFE

The difference between the value of assets and the value of liabilities, required to be maintained by the insurer who carries on Long Term Insurance business as defined in the Regulation of Insurance Industry Act No.43 of 2000.

SURRENDER

Termination of an Insurance policy by the insured before the expiry of its term.

SURRENDER VALUE

The sum payable by an Insurance company upon the surrender of a Life Insurance policy before it has run its full course.

Corporate Information

NAME OF COMPANY

JANASHAKTHI INSURANCE PLC

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

Insurance Company licensed by the Insurance Board of Sri Lanka in terms of Section 113 (2) (a) of the Regulation of Insurance Industry Act No.43 of 2000 on 01 January 2002.

COMPANY REGISTRATION NUMBER

PB 307 / PQ

STOCK EXCHANGE LISTING

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

REGISTERED OFFICE

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

CONTACT DETAILS

Telephone Number: 2636636
Fax Number: 2094019
E-mail: insurance@janashakthi.com
Corporate Website: <http://www.janashakthi.com>

ACCOUNTING YEAR-END

December 31

TAX PAYER IDENTIFICATION NUMBER (TIN)

134003642

VAT REGISTRATION NUMBER

134003642 – 7000

BOARD OF DIRECTORS

Mr. Prakash Schaffter
(Executive Deputy Chairman)

Mr. R. N. Liyanage
(Chief Executive Officer / Non-Independent Executive Director)

Mr. Ramesh Schaffter

Ms. Warini de Costa

Dr. Nishan de Mel

Ms. Annika Senanayake

Mr. Sivakrishnarajah Renganathan

Dr. Gehan Gunatilleke
(Appointed w.e.f 24.01.2024)

Mr. Dilip de S Wijeyeretane
(Appointed w.e.f 14.02.2024)

Mr. Piranavan Sivagananathan
(Resigned w.e.f 31.12.2023)

Mr. Mahela Jayawardena
(Resigned w.e.f 31.12.2023)

Mr. Avindra Rodrigo
(Resigned w.e.f 01.03.2024)

CHIEF EXECUTIVE OFFICER

Mr. R.N. Liyanage

EXECUTIVE COMMITTEE

Mr. R.N. Liyanage
Chief Executive Officer

Mr. K V Kuganathan
Chief Information Officer - Janashakthi Group

Mr. Thanushka Jayasundera
Chief Financial Officer

Ms. Wasanthi Stephen
Chief Human Resources Officer - Janashakthi Group

Mr. Nilanga Wickramasinghe
Consultant - Partnership Development

Mr. Rehen Gunawardena
General Manager – Sales Distribution

Mr. H E T Sampath
General Manager Sales - Retail Business Channel

Mr. Gamika De Silva
Group Chief Brand Marketing Officer - Marketing Department

COMPANY SECRETARY

Janashakthi Corporate Services Limited
Level 39
No. 324, Havelock Road
Colombo 06.
Tel: +94 11 2145030

COMPANY REGISTRAR

SSP Corporate Services (Private) Limited
No.101
Inner Flower Road
Colombo 03
Tel: +94 11 2573894

EXTERNAL AUDITORS

M/s. Ernst and Young
Chartered Accountants,
Rotunda Towers
No. 109, Galle Road
Colombo 03
Tel: 2463500

CONSULTANT ACTUARY

M/S K. A. Pandit, Consultants and Actuaries, India.
2nd Floor, Churchgate House,
Veer Nariman Road, Fort,
Mumbai – 400 001

RE-INSURANCE PANEL

Partner Reinsurance ASIA Pte Ltd
Hannover Rueck SE-Malaysian Branch
SCOR SE Singapore Branch
Munich Re India Branch

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon
DFCC Bank
Hatton National Bank
Nations Trust Bank
National Savings Bank
NDB Bank
Pan Asia Banking Corporation PLC
People's Bank
Sampath Bank
Seylan Bank
Cargills Bank
Sanasa Development Bank
Regional Development Bank
Union Bank

Branches

	Branches	Branch Contact Number	Branch Address
1	Akuressa	041-2117228	No.124, Matara Road, Akuressa
2	Aluthgama	034-2117229	No. 140, Galle Road, Kaluwamodara, Aluthgama.
3	Ambalangoda	091-2117212	No. 14, Galle Road, Ambalangoda
4	Ambalantota	047-2117200	No.76 A, Mallika Building, Tangalle Road, Ambalantota.
5	Ampara	063-2117232	No. 32, Indrawansa Building, 6th Lane, D.S Senanayaka Mw, Ampara
6	Anamaduwa	032-2117228	No.9, Maha Uswewa Road, Anamaduwa.
7	Anuradhapura	025-2117233	No.36, Maithreepala Senanayake Mawatha, Anuradhapura
8	Awissawella	036-2117240	No. 125, Colombo Road, Ukwatta, Avissawella.
9	Badulla	055-2117244	13 1/1, R.H. Gunawardena Mawatha, Badulla
10	Balangoda	045-2117237	No. 58 B, Kalthota Road, Balangoda.
11	Bandarawela	057-2117200	No.348/1, Badulla Road, Bandarawela.
12	Batticaloa	065-2117200	No.38 , 38 1/1, 38 ½, New Road , Batticaloa
13	Chilaw	032-2117220	No. 81/A, Kurunegala Road, Chilaw
14	Dambulla	066-2117242	No. 632, Anuradhapura Road,Dambulla
15	Dehiattakandiya	027-2117200	No. 59E, Shopping Complex, New Town, Dehiattakandiya.
16	Elpitiya	091-2117216	No.40 A, Ambalangoda Road, Elpitiya
17	Embilipitiya	047-2117204	No.115, New Town Road, Embilipitiya
18	Galewela	066-2117246	No. 59 F, Kurunegala Road, Galewela
19	Galgamuwa	037-2117200	No.37, Anuradhapura Road, Galgamuwa
20	Galle	091-2117220	No. 153 1/1, Colombo Road, Kaluwella, Galle
21	Gampaha	033-2117200	No. 163/1/1, Ja Ela Road, Gampaha
22	Gampola	081-2117216	No. 68/A/1/1, Gangasiri Road (T. B Panabokka Mawatha), Gampola.
23	Giriulla	037-2117204	Hemamaliya, Sirimangala, Circular Road, Giriulla
24	Hanwella	011-2127328	Disagewatta, Hanwella.
25	Hettipola	066-2117236	Hettipola, Wilgamuwa, Matale
26	Hatton	051-2225412	No. 184, Colombo Road, Hatton.
27	Hingurakgoda	027-2117204	No. 25, Airport Road, Hingurakgoda
28	Horana	034-2117234	No. 138 B, Anguruwathota Road, Horana.
29	Ja-Ela	0112-127340	No. 356 2/1, Colombo Road, Weligampitiya, Ja-Ela.
30	Jaffna	021-2117212	No. 171A, Manipay Road, Jaffna.
31	Kadawatha	011-2127344	No. 1/430 C, Ganemulla Road, Kadawatha
32	Kalmunai	067-2117204	No. 312, Main Street, Pandirippu 2 C.
33	Kalubowila	011-2127300	No. 247, Hospital Road, Kalubowila
34	Kalutara	034-2117225	No. 195/4, Galle Road, Kalutara South, Kalutara.
35	Kandy	081-2117212	163, D.S. Senanayake Street, Kandy
36	Kegalle	035-2117224	No. 190/ 004 - 1/2, Kandy Road, Kegalle
37	Kilinochchi	021-2117224	A9 Road, Karadippokku, Kilinochchi.
38	Kiridiwela	033-2117204	No. 65/G/5, Nugahenawatta, Kiridiwela.

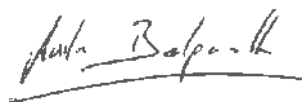
	Branches	Branch Contact Number	Branch Address
39	Kotahena	011-2127332	No.295 1/3, George R. De Silva Mawatha, Colombo 13
40	Kuliyapitiya	037-2117232	No. 107, Kurunegala Road, Kuliyapitiya.
41	Kurunegala	037-2117236	No. 140, Colombo Road, Kurunegala
42	Maharagama	011-2127312	223 1/1, High Level Road, Maharagama
43	Mahiyanganaya	055-2117240	No. 40/41, Kandy Road, Mahiyanganaya
44	Malabe	011-2127348	No. 411/A, Athurugiriya Road, Malabe.
45	Matale	066-2117220	83, King Street, Matale
46	Matara	041-2117224	No. 38, Station Road, Matara
47	Medawachchiya	025-2117241	Horopathana Road, Medawachchiya
48	Medirigiriya	027-2117238	Yamuna Hotel, Pola Asala, Medirigiriya
49	Melsiripura	037-2117208	No.328, Dambulla Road, Melsiripura
50	Monaragala	055-2117208	No.38 and 40, Wijesuriya Building, Wellawaya Road, Monaragala
51	Moratuwa	011-2127304	No. 492 1/1 (Formally 435 1/1), Galle Road, Rawathawatta, Moratuwa
52	Negombo	031-2117212	No.32, Ave Maria Road, Negombo
53	Neliyadi	021-2117228	Vickneswara College Rd, Karaveddy, Neliyadi.
54	Nikawaratiya	037-2117240	No. 31 A, Heelogama Road, Nikaweratiya
55	Nittambuwa	033-2117208	No. 195/2, Colombo Road, Nittambuwa
56	Nugegoda	011-2127320	No. 19, Railway Avenue, Nugegoda.
57	Nuwara Eliya	052-2117216	No.9, Lawson Street, Nuwara-eliya
58	Padukka	011-2127324	No. 35/C 1/2, M. D. H Jayawardana Mawatha, Padukka
59	Panadura	038-2117233	No.21/1-A Grace Peiris Mawatha, Panadura
60	Pilimathalawa	081-2117228	No. 207/1/2, Colombo Road, Pilimathalawa
61	Piliyandala	011-2127308	No.14/A, Hospital Road, Piliyandala
62	Polonnaruwa	027-2117208	No.46, Shanas Bldg, Main Street, Kaduruwela, Polonnaruwa
63	Puttalam	032-2117224	No. 126 C, Kurunegala Road, Puttalam.
64	Rathnapura	045-2117241	No. 27/1/2, Bandaranayaka Mawatha, Rathnapura
65	Ruwanwella	036-2117232	No.195 A, Avisawella Road, Ruwanwella.
66	Tambuttegama	025-2117237	No. 271A, Anuradhapura Road, Thambuttegama
67	Tangalle	011-3673446	No.104, Beliatha Road, Tangalle.
68	Tissamaharama	047-2117208	No.75/1/1, Jayaweera Bld, Main Street, Tissamaharamaya
69	Trincomalee	026-2117208	No.323/1, Ehambaram Road, Trincomalee
70	Urubokka	041-3040917	K.A.D. Oil Mart Building, Udahavave Waththa. Urubokka
71	Vavuniya	024-2117236	No.72, 2nd Cross Street, Vavuniya
72	Welimada	057-2117204	No. 19, Hemapala Munidasa Mawatha, Welimada
73	Wellawatta	011-2127336	No.416, Galle Road, Colombo 06
74	Wellawaya	055-2117224	Monaragala Road, Wellawaya
75	Wennappuwa	031-2253671	No.31, Main Street, Wennappuwa.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the 31st Annual General Meeting ("AGM") of Janashakthi Insurance PLC will be held, as a virtual meeting on 28th March 2024 at 10.00 a.m. for the following purposes:

1. To receive the Annual Report and the Audited Financial Statements of the Company for the year ended 31st December 2023 together with the Report of the Auditor's thereon.
2. To re-elect Ms. Annika Senanayake who retires by rotation in terms of Article 25 of the Articles of Association of the Company and offers herself for re-election as a Director
3. To re-appoint Mr. Ramesh Schaffter who was appointed to the Board on 1st June 2023, in terms of Article 21(3) of the Articles of Association of the Company
4. To re-appoint Dr. Gehan Gunatilleke who was appointed to the Board on 24th January 2024, in terms of Article 21(3) of the Articles of Association of the Company.
5. To re-appoint Mr. Dilip de S Wijeyeratne who was appointed to the Board on 14th February 2024, in terms of Article 21(3) of the Articles of Association of the Company.
6. To re-appoint Messrs. Ernst & Young, Chartered Accountants, as Auditors of the Company for the ensuing year and authorize the Board of Directors to determine their remuneration.
7. To authorize the Directors to determine and make donations.

By order of the Board



Janashakthi Corporate Services Limited
Secretaries

05th March 2024

Notes:

1. The Shareholders are requested to register with their first names and last names via the below link before 4.00 p.m, on 26th March 2024, to receive the link to join the AGM. The same names should be used to log in to participate in the AGM on 28th March 2024

<http://TIKIM.com/JIPLC-AGM2024>

2. A member entitled to attend and vote at the above Meeting is entitled to appoint a Proxy to attend and vote on behalf of him/her.
 3. A Proxy need not be a member of the Company.
 4. A Form of Proxy is enclosed for this purpose.
 5. The completed Form of Proxy must be forwarded by email to secretaries@jcs.lk, WhatsApp on +94 773647178 or directly deposited at the Office of the Company Secretaries.
- No registration of proxies will be accommodated after this deadline.
6. Shareholders who are unable to participate at the Meeting through the online meeting platform are encouraged to appoint a director as his/ her/its proxy by forwarding the duly completed Proxy Form clearly indicating their vote under each matter set out in the Proxy Form to the Company Secretaries as specified above in order that their vote may be identified and recorded as if he/she/it were present at the Meeting.

Form of Proxy

I/We of

being a member/s of the above named Company, hereby appoint Mr/Mrs/Miss

..... (holder of N.I.C. No)

..... failing him/her

1. Mr. Prakash Schaffter failing him
2. Ms. Warini De Costa failing her
3. Ms. Annika Senanayake failing her
4. Mr. Sivakrishnarajah Renganathan failing him
5. Dr. Nishan de Mel failing him
6. Mr. Ramesh Schaffter failing him
7. Dr. Gehan Gunatilleke failing him
8. Mr. Dilip de S Wijeyeratne failing him
9. Mr. Ravi Liyanage

as my/our Proxy to represent me/us and vote on my/our behalf for/or against the resolution and/or to speak at the 31st Annual General Meeting of the Company to be held as a virtual meeting on 28th March, 2024 at 10.00 a.m. and at any adjournment thereof for the following purposes;

Please indicate your preference by placing a 'X' in the box of your choice against each resolution.

		For	Against
1.	Receiving of the Annual Report and the Audited Financial Statements of the Company for the year ended 31st December 2023 together with the Report of the Auditor's thereon.	☐	☐
2.	Re-election of Ms. Annika Senanayake who retires by rotation in terms of Article 25 of the Articles of Association of the Company.	☐	☐
3.	Re-appointment of Mr. Ramesh Schaffter in terms of Article 21(3) of the Articles of Association of the Company.	☐	☐
4.	Re-appointment of Dr. Gehan Gunatilleke in terms of Article 21(3) of the Articles of Association of the Company.	☐	☐
5.	Re-appointment of Mr. Dilip de S Wijeyeratne in terms of Article 21(3) of the Articles of Association of the Company.	☐	☐
6.	Re-appointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors of the Company for the ensuing year and authorizing the Board of Directors to determine their remuneration.	☐	☐
7.	Authorizing the Directors to determine and make donations.	☐	☐

Signed this day of 2024

Signature

INSTRUCTIONS FOR THE COMPLETION OF THE FORM OF PROXY

1. Please perfect the form of Proxy overleaf, after filling in legibly your full name and address, by signing in the space provided and filling the date of signature and your National Identity Card Number.
2. The completed form of Proxy must be forwarded to the Company Secretaries by email secretaries@jcs.lk, WhatsApp on +94 773647178 or directly deposited at the office of Company Secretaries, Janashakthi Corporate Services Limited, Level 39, No. 324, Havelock Road, Colombo 06 not less than 48 hours before the time fixed for the Meeting. No registration of proxies will be accommodated after this deadline.
3. If an Attorney has signed the form of Proxy, the relative Power of Attorney should also accompany the completed form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
4. If the Shareholder is a company or a corporate body, the Proxy should be executed in accordance with its Articles of Association or Constitution. The Company may but shall not be bound to require evidence of the authority of any such attorney or officer.
5. If there is any doubt as to how the vote is to be exercised, by reason of the manner in which the form of Proxy has been completed, no vote will be recorded by the form of Proxy.

Stakeholder Feedback Form

To request information or submit a comment/query to the Company, please complete the following and return this page to,

Janashakthi Corporate Services Limited

Level 39

No. 324, Havelock Road

Colombo 06

Sri Lanka.

WhatsApp on +94 773647178

Email: secretaries@jcsl.lk

Name :

Permanent Mailing Address :

Contact Numbers (Tel) :
Country Code Area Code Number

(Fax) :
Country Code Area Code Number

Email :

Name of Company :
(If Applicable)

Designation :
(If Applicable)

Company Address :
(If Applicable)

Comments/Queries :

Designed & produced by

emagewise



JANASHAKTHI
Life