

Amana Takaful PLC

Interim Report 30th June 2009

Amana Takaful Insurance



BALANCE SHEET

	Group		Company	
	Unaudited as at 30.06.2009 Rs.	Audited as at 31.12.2008 Rs.	Unaudited as at 30.06.2009 Rs.	Audited as at 31.12.2008 Rs.
ASSETS				
Investments	456,688,003	525,334,427	429,868,003	498,514,427
Investment Property	100,132,619	100,132,619	100,132,619	100,132,619
Intangible Assets	30,337,861	30,306,912	30,337,861	30,306,912
Property, Plant and Equipment	46,098,190	55,199,369	44,849,031	54,126,626
Investment in Subsidiaries	-	-	27,125,000	27,125,000
Improvements to Leasehold Buildings	5,399,673	5,968,061	5,399,673	5,968,061
Retakaful (Reinsurance) Receivables	81,972,600	29,556,829	81,972,600	29,556,829
Contribution (Premium) Receivable	188,239,217	147,679,033	188,239,217	147,679,033
Other Assets	102,453,394	80,377,851	100,548,923	79,236,865
Cash and Bank Balances	47,935,298	82,163,951	45,283,525	80,562,656
Total Assets	1,059,256,855	1,056,719,052	1,053,756,452	1,053,209,028
LIABILITIES				
Family Takaful Fund (Insurance Provision -Long Term)	308,633,964	274,363,850	308,633,964	274,363,850
General Takaful Fund (Insurance Provision-Non Life)	238,765,204	203,274,323	238,765,204	203,274,323
Other Liabilities	135,196,357	130,723,276	135,071,356	130,611,776
Murabaha Facility	5,167,389	5,519,429	5,167,389	5,519,429
Provision for Retirement Benefits	7,547,650	5,820,543	7,547,650	5,820,543
Finance Lease Liability	11,619,224	13,795,759	11,619,224	13,795,759
Borrowings	-	70,000,000	-	70,000,000
Bank Overdrafts	152,998,740	135,633,641	152,998,740	135,633,641
Total liabilities	859,928,528	839,130,821	859,803,527	839,019,321
SHAREHOLDERS' EQUITY				
Stated Capital	500,000,360	500,000,360	500,000,360	500,000,360
Reserves	(300,672,033)	(282,412,129)	(306,047,435)	(285,810,653)
Total Shareholders' Equity	199,328,327	217,588,231	193,952,925	214,189,707
Total Liabilities and Shareholders' Equity	1,059,256,855	1,056,719,052	1,053,756,452	1,053,209,028

The notes form an integral part of the financial statements

I certify that the preparation and presentation of these financial statements comply with the requirements under Companies Act, No. 07 of 2007.

Ehsan Zaheed
Director/CEO

Signed for and on behalf of the Board

Tyeab Akbarally
Chairman

Osman Kassim
Director

Colombo
25th August 2009

INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE

	Note	Group			Company		
		2009 Rs.	2008 Rs.	Change %	2009 Rs.	2008 Rs.	Change %
Revenues	4	437,944,635	387,076,526	13%	434,575,856	387,076,526	12%
Gross Written Contribution (Premium)	5	589,029,126	535,058,939	10%	589,029,126	535,058,939	10%
Retakaful Contribution (Reinsurance Premium)		(136,651,529)	(152,208,272)	-10%	(136,651,529)	(152,208,272)	-10%
Net Written Contribution (Premium)		452,377,597	382,850,667	18%	452,377,597	382,850,667	18%
Net Change in Reserve for Un-Earned Contribution (Premium)		(45,103,310)	(24,863,284)	81%	(45,103,310)	(24,863,284)	81%
Net Earned Contribution (Premium)		407,274,287	357,987,383	14%	407,274,287	357,987,383	14%
Benefits, Losses and Expenses							
Net Claims and Benefits		(232,654,031)	(162,054,128)	44%	(232,654,031)	(162,054,128)	44%
Acquisition Cost (net of reinsurance commission)		(14,813,347)	(4,617,856)	221%	(14,813,347)	(4,617,856)	221%
Increase in Family Takaful (Long Term Insurance) Fund		(34,302,841)	(45,796,199)	-25%	(34,302,841)	(45,796,199)	-25%
Underwriting Results		125,504,068	145,519,200	-14%	125,504,068	145,519,200	-14%
Other Revenue							
Income from investments		28,147,621	27,969,549	1%	26,858,329	27,969,549	-4%
Other income		2,522,727	1,119,594	125%	443,240	1,119,594	-60%
Expenses							
Other operating, investment related and administrative expenses		(161,338,230)	(174,362,994)	-7%	(160,115,663)	(173,476,547)	-8%
Depreciation		(12,251,752)	(7,775,190)	58%	(12,082,418)	(7,775,190)	55%
Profit/(Loss) from Operations		(17,415,566)	(7,529,841)	131%	(19,392,444)	(6,643,394)	192%
Finance cost		(844,338)	(574,814)	47%	(844,338)	(574,814)	47%
Profit/(Loss) Before Taxation	7	(18,259,904)	(8,104,655)	125%	(20,236,782)	(7,218,208)	180%
Income Tax Expenses	8	-	-	-	-	-	-
Net Profit/(Loss) for the Year		(18,259,904)	(8,104,655)	125%	(20,236,782)	(7,218,208)	180%
		Rs	Rs		Rs	Rs	
Basic Earnings/(Loss) Per Share		(0.37)	(0.16)	125%	(0.40)	(0.14)	180%
Dividend per share							
Interim dividend paid per share		-	-	-	-	-	-
Final proposed dividend per share		-	-	-	-	-	-
		-	-	-	-	-	-

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE 2009

	Number of Shares	Stated Capital (Rs)	Retained Losses (Rs)	General Reserve	Total Equity (Rs)
Audited balance as at 31st December 2007	50,000,036	500,000,360	(233,292,897)	-	266,707,463
Net Loss for the period	-	-	(8,104,655)	-	(8,104,655)
Unaudited balance as at 30th June 2008	50,000,036	500,000,360	(241,397,552)	-	258,602,808
Net loss for the period	-	-	(41,014,577)	-	(41,014,577)
Audited balance as at 31st December 2008	50,000,036	500,000,360	(282,412,129)	-	217,588,231
Net loss for the period	-	-	(18,259,904)	-	(18,259,904)
Transfer to general reserve	-	-	(3,500,000)	3,500,000	-
Unaudited balance as at 30th June 2009	50,000,036	500,000,360	(304,172,033)	3,500,000	199,328,327

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE 2009

	Number of Shares	Stated Capital (Rs)	Retained Losses (Rs)	General Reserve	Total Equity (Rs)
Audited balance as at 31st December 2007	50,000,036	500,000,360	(233,292,897)	-	266,707,463
Net Loss for the period	-	-	(7,218,208)	-	(7,218,208)
Unaudited balance as at 30th June 2008	50,000,036	500,000,360	(240,511,105)	-	259,489,255
Net loss for the period	-	-	(45,299,548)	-	(45,299,548)
Audited balance as at 31st December 2008	50,000,036	500,000,360	(285,810,653)	-	214,189,707
Net loss for the period	-	-	(20,236,782)	-	(20,236,782)
Transfer to general reserve	-	-	(3,500,000)	3,500,000	-
Unaudited balance as at 30th June 2009	50,000,036	500,000,360	(309,547,435)	3,500,000	193,952,925

CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE

	Group		Company	
	2009 Rs	2008 Rs	2009 Rs	2008 Rs
Cash Flows from Operating Activities				
Contribution (Premium) received from customers	548,468,942	454,672,543	548,468,942	454,672,543
Retakaful (Reinsurance) Premium paid	(135,366,264)	(86,022,686)	(135,366,264)	(86,022,686)
Claims, Benefits and Expenses paid	(357,749,398)	(197,094,178)	(357,749,398)	(197,094,178)
Retakaful (Reinsurance) Receipts in respect of Claims	51,236,126	18,897,598	51,236,126	18,897,598
Cash paid to and behalf of Employees	(72,858,415)	(61,821,415)	(70,775,055)	(61,821,415)
Profits received from Investments and Other Income	26,099,750	26,145,843	22,730,971	26,145,843
Dividends received	154,170	1,342,450	154,170	1,342,450
Finance Cost paid	(844,339)	(574,814)	(844,339)	(574,814)
Other operating cash payments	(104,589,408)	(151,109,248)	(104,700,216)	(150,976,253)
Cash Flow from/(used in) Operating Activities (Note A)	(45,448,836)	4,436,093	(46,845,063)	4,569,088
Gratuity Paid	(816,251)	(551,876)	(816,251)	(551,876)
Income Tax Paid	-	-	-	-
Net Cash Flow from/(used in) Operating Activities	(46,265,087)	3,884,217	(47,661,314)	4,017,212
Cash Flows from/(used in) Investing Activities				
Purchase of Liquid Investments	(4,414,674)	(1,869,368)	(4,414,674)	(1,869,368)
Purchase of Other Investments	(278,755,278)	(201,449,511)	(278,755,278)	(201,449,511)
Sale of Liquid Investments	6,032,652	-	6,032,652	-
Sale of Other Investments	365,216,167	175,983,915	365,216,167	175,983,915
Investment in Subsidiaries	-	-	-	(27,125,000)
Purchase of Intangible Assets	(2,681,424)	-	(2,681,424)	-
Purchase of Property, Plant & Equipment	(3,197,008)	(7,158,183)	(2,851,259)	(6,466,783)
Disposal of Property, Plant & Equipment	57,781	32,460	57,781	32,460
Net Cash Flow from/(used in) Investing Activities	82,258,216	(34,460,687)	82,603,965	(60,894,287)
Cash Flows from Financing Activities				
Repayment of Extended Murabah Facility	(352,040)	(234,192)	(352,040)	(234,192)
Repayment of Lease Facility	(2,176,535)	(2,149,017)	(2,176,535)	(2,149,017)
Repayment of Borrowings	(70,000,000)	(22,154,055)	(70,000,000)	(22,154,055)
Net cash flows from financing activities	(72,528,575)	(24,537,264)	(72,528,575)	(24,537,264)
Increase/(Decrease) in Cash and Cash Equivalents (Note B)	(36,535,446)	(55,113,734)	(37,585,924)	(81,414,339)

CASH FLOW STATEMENT cont..

NOTE A				
Reconciliation of Operating Profit/(Loss) with Cash Flows from Operations				
Profit/(Loss) from Operations	(17,415,566)	(7,529,841)	(19,392,444)	(6,643,394)
Depreciation	12,251,751	7,775,190	12,082,418	7,775,190
Amortisations	3,249,811	1,670,523	3,249,811	1,670,523
Provision for Gratuity	2,543,358	2,225,944	2,543,358	2,225,944
Unrealised Capital (Gain)/Loss	(4,397,091)	(1,597,603)	(4,397,091)	(1,597,603)
(Increase)/Decrease in Debtors and Other Assets	(129,048,349)	(113,672,216)	(128,284,864)	(114,425,668)
Increase in Family Takaful (Long Term Insurance) fund	34,302,841	45,796,199	34,302,841	45,796,199
Increase/(Decrease) in Unearned Contribution (Premium)	45,103,310	24,863,284	45,103,310	24,863,284
Increase/(Decrease) in Claims Provision	4,351,694	7,822,656	4,351,694	7,822,656
Increase/(Decrease) in Other Creditors	4,473,081	37,660,018	4,459,580	37,660,018
Finance Cost Paid	(844,339)	(574,814)	(844,339)	(574,814)
Profit on sale of Property, Plant & Equipment	(19,337)	(3,247)	(19,337)	(3,247)
Cash Flows from/(usedin) Operating Activities	(45,448,836)	4,436,093	(46,845,063)	4,569,088
Note B				
Increase/(Decrease) in Cash and Cash Equivalents				
Cash at bank and in Hand and Cash Equivalents	269,434,438	189,465,319	266,782,665	163,164,714
Over drafts	(152,998,740)	(138,783,346)	(152,998,740)	(138,783,346)
Cash and Cash Equivalents at the end of the period	116,435,698	50,681,973	113,783,925	24,381,368
Cash and Cash Equivalents at the beginning of the year	152,971,144	105,795,707	151,369,849	105,795,707
Increase/(Decrease) in Cash and Cash Equivalents	(36,535,446)	(55,113,734)	(37,585,924)	(81,414,339)

BALANCE SHEET
LONG TERM INSURANCE (FAMILY TAKAFUL) FUND - SUPPLEMENTAL

	Unaudited as at 30.06.2009 Rs.	Audited as at 31.12.2008 Rs.
ASSETS		
Investments	221,690,507	206,680,149
Investment Property	66,758,619	66,758,619
Intangible Assets	23,749,540	23,744,445
Property, Plant and Equipment	3,238,842	4,733,694
Inter-Fund Receivable	-	455,175
Other Assets	899,563	1,776,982
Cash and Bank balances	10,783,319	9,719,061
Total Assets	327,120,390	313,868,125
LIABILITIES		
Family Takaful Fund Balance (Insurance Provision - Long Term)	308,633,964	274,363,850
Inter Fund Payables	495,302	16,430,343
Retakaful (Reinsurance) Payable	2,100,519	2,976,227
Management Fee Payable	4,020,845	3,104,740
Other Liabilities	11,869,760	16,992,965
Total Liabilities	327,120,390	313,868,125

The above Long Term Insurance (Family Takaful) Balance Sheet is to be read in conjunction with the company Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS

1. Figures as at 30th June 2009 are provisional and unaudited.
2. The Group financial statements of Amana Takaful PLC and its subsidiary have been prepared in accordance with Sri Lanka Accounting Standards (SLAS's) and are in compliance with the said standards.
3. The same accounting policies and methods of computation as stated in the Annual Report 2008 are followed in preparation of these Interim Financial Statements.

4. Revenue

4.1 Revenue by Segment

Segment	Group		Company	
	30.06.2009 Rs.	30.06.2008 Rs.	30.06.2009 Rs.	30.06.2008 Rs.
Non-Life (General Takaful)	314,124,480	264,165,576	314,124,480	264,165,576
Long Term (Family Takaful)	107,969,081	104,076,020	107,969,081	104,076,020
Shareholders' Fund	15,851,074	18,834,930	12,482,295	18,834,930
	437,944,635	387,076,526	434,575,856	387,076,526

4.2 Revenue

	Group		Company	
	30.06.2009 Rs.	30.06.2008 Rs.	30.06.2009 Rs.	30.06.2008 Rs.
Gross written Contribution (Premium)	589,029,126	535,058,939	589,029,126	535,058,939
Less :				
Reinsurance premium	(136,651,529)	(152,208,272)	(136,651,529)	(152,208,272)
Net written premium	452,377,597	382,850,667	452,377,597	382,850,667
(Increase)/decrease in net unearned premium	(45,103,310)	(24,863,284)	(45,103,310)	(24,863,284)
Net earned premium	407,274,287	357,987,383	407,274,287	357,987,383
Income from investments	28,147,621	27,969,549	26,858,329	27,969,549
Other income	2,522,727	1,119,594	443,240	1,119,594
Revenue	437,944,635	387,076,526	434,575,856	387,076,526

NOTES TO THE FINANCIAL STATEMENTS

5. Gross Written Premium (Contribution)

	Group		Company	
	30.06.2009 Rs.	30.06.2008 Rs.	30.06.2009 Rs.	30.06.2008 Rs.
5.1 Non-Life (General Takaful)				
Fire	48,985,411	42,290,604	48,985,411	42,290,604
Marine	50,427,266	91,301,964	50,427,266	91,301,964
Motor	186,834,681	163,078,441	186,834,681	163,078,441
Miscellaneous	188,846,467	132,274,263	188,846,467	132,274,263
Terrorism	15,578,585	14,338,120	15,578,585	14,338,120
	490,672,410	443,283,392	490,672,410	443,283,392
5.2 Long Term Insurance (Family Takaful)				
Individual policies	98,356,716	91,775,547	98,356,716	91,775,547
Corporate policies	-	-	-	-
	98,356,716	91,775,547	98,356,716	91,775,547
Total Gross Written Premium	589,029,126	535,058,939	589,029,126	535,058,939

6. Pending valuation by our consultant actuary at the year end, no provision or appropriation has been made in respect of transfers to or from Life Fund.

7. Profit/(Loss) before taxation by segment

Segment	Group		Company	
	30.06.2009 Rs.	30.06.2008 Rs.	30.06.2009 Rs.	30.06.2008 Rs.
Non Life - General Takaful	(34,052,386)	(12,435,234)	(34,052,386)	(12,435,234)
Long Term -Family Takaful	-	-	-	-
Shareholders Fund	15,792,482	4,330,579	13,815,604	5,217,026
Total	(18,259,904)	(8,104,655)	(20,236,782)	(7,218,208)

NOTES TO THE FINANCIAL STATEMENTS

8. **8.1** Amana Takaful PLC is liable to income tax at 35% of its taxable profits in accordance with the provisions of the Inland Revenue Act, No.10 of 2006 and subsequent amendments thereto.

8.2 Amana Global Ltd. which is approved under Section 17 of the BOI Law is exempted from taxation until year of assessment 2011/2012.

9. The nature of related party transactions in the current period is similar to those reported in the Annual Report 2008.

10. Comparative figures have been restated wherever necessary to conform to the current periods presentation.

11. No events have occurred since the Balance Sheet date that necessitates adjustments to or disclosure in the Financial Statements.

Share Information

	Group		Company	
	30.06.2009 Rs.	30.06.2008 Rs.	30.06.2009 Rs.	30.06.2008 Rs.
Net asset value per share	3.99	5.17	3.88	5.19
Market price per share as at	10.75	11.25	-	-
Highest price per share for the period	12.50	14.75	-	-
Lowest price per share for the period	6.50	11.25	-	-

NOTES TO THE FINANCIAL STATEMENTS

Twenty Largest Shareholders

Name of Shareholder	No. of Shares	%
Amana Investments Limited	39,074,296	78.15
Expolanka Holdings Limited	5,000,000	10.00
Falcon Trading (Pvt) Ltd	1,250,000	2.50
Mr. Segu Lebbe Mohamed Fausz	325,000	0.65
Mrs. Nabila Qureshi	275,000	0.55
Anverally And Sons (Pvt) Ltd	256,900	0.51
Calibrated Colours Of Ceylon (Private) Limited	238,500	0.48
Mr.Salem Ali Othman Ali Abo Qamaz	200,000	0.40
Mr.Mohamed Haji Omar	184,900	0.37
Expolanka Commodities (Pvt) Limited	110,300	0.22
DPMC Financial Services (Pvt) Ltd/ Account No. 01	75,800	0.15
Mr. Susil Janaka Thebuwana	68,000	0.14
Standard Holdings (Pvt) Limited	63,600	0.13
Mr.Mohamed Hussain Mohamed Nazeer	62,500	0.12
X-Ont Software (Pvt) Ltd	50,000	0.10
Mr.Piyasiri Polwatte Gamage	48,900	0.10
Mr.Pathira Vasam Thilak Jayasekera	47,500	0.09
Dr.Sarath Padma Kularatne	41,900	0.08
Mrs.Firthouse Marina Ahamed	39,100	0.08
Mr.Semasinghe Navaratne Chandrasekera Wanninayake Mudiyansele	36,100	0.07
	<hr/>	
	47,448,296	94.90
Others	2,551,740	5.10
Total	<hr/> 50,000,036	<hr/> 100.00

Directors' Shareholdings

	30.06.2009	31.12.2008
Mr. Tyeab Akbarally	4	4
Mr. Faisz Musthapha	2	2
Mr. Osman Kassim	25,004	25,004
Dr. A.A.M. Haroon	2	2
Mr. M.H.M. Rafiq	6,902	110,402
Mr. M. Ehsan Zaheed	3,000	3,000

The percentage of shares held by the public as at 30.06.2009 was 9.28%

CORPORATE INFORMATION

NAME OF THE COMPANY

Amana Takaful PLC

LEGAL STATUS

Public Quoted Company with Limited Liability incorporated in Sri Lanka on 7th December 1998. Registered under the Companies Act, No. 07 of 2007 on 27th June 2007.

COMPANY REGISTRATION NUMBER

PQ 23

TAX PAYER IDENTIFICATION NUMBER(TIN)

134007958

STOCK EXCHANGE LISTING

The shares of the Company are listed in the Second Board of the Colombo Stock Exchange, Sri Lanka in November 2006. Stock Exchange Code for Amana Takaful PLC shares is 'ATL'.

DIRECTORS

Tyeab Akbarally - Chairman
Osman Kassim
M. Faisz Musthapha (resigned w.e.f. 01.06.2009)
Dato' Mohd Fadzli Yusof
Dr. A.A.M. Haroon
M.H.M. Rafiq
M. Ehsan Zaheed (CEO)
M.O. Faizal Salieh
M. Javed Mansoor
M. Aslam Omar

SHARIAH ADVISORY COUNCIL

Moulavi M.M.A. Mubarak - Chairman
Mufti M.I.M. Rizvi
Moulavi M. Fazil Farook
Moulavi M. Murshid - Secretary

CHIEF EXECUTIVE OFFICER

M. Ehsan Zaheed

GM/CEO - LIFE

A. Reyaz Jeffrey

REGISTERED OFFICE

No. 98, Bauddhaloka Mawatha, Colombo 04, Sri Lanka

SUBSIDIARY

Amana Global Ltd.
No.102 1/3, Bauddhaloka Mawatha, Colombo 04, Sri Lanka

AUDITORS

Ernst & Young
Chartered Accountants

CONSULTANT ACTUARIES

Mercer Zainal Consulting Sdn. Bhd.
Suite 17.02 Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

REINSURANCE PANEL

Best Re
Labuan Reinsurance (L) Ltd.
Malaysian Reinsurance Berhad
Asian Reinsurance Corporation
Kuwait Re

SECRETARIES

Managers & Secretaries (Pvt) Ltd

PRINCIPAL BANKERS

Pan Asia Bank/NDB Bank/BOC/Commercial Bank
Public Bank/Nations Trust