

# Amana Takaful upbeat on 3<sup>rd</sup> Quarter results

Composite Insurer- Amana Takaful PLC, records an impressive growth of 26% for the 9 months to September 2012, well above the industry's 12.2%.

The Company's performance in terms of total Gross Written Premium (GWP) of Rs. 1,151.5 Million upto September 2012 compares with Rs. 913.6 Million in the same period of 2011. The General Insurance business accounted for Rs. 891.0 Million, growing significantly at 28.5% over the comparative period in 2011. The Life segment's Gross Written Premium of Rs. 260.4 Million to September 2012, reflects a growth of 18.4% over the corresponding period last year. These results reflect a substantial upside against the industry performance of 18.3% and 4.4% on General and Life businesses respectively as at end September 2012.

ATPLC's General business performance was well supported by a modest Motor portfolio growth of 27.1%, together with all other Non-motor classes ahead by 37.1%. The Medical portfolio's GWP growth of 42.4% came through with the enlistment of new corporates and the flexibility exercised to tailor-make offers. From an industry stand-point, the company's market share improved, retaining its market position, despite fierce price competition.

In the Life segment, ATPLC's protection products showed good promise since re-launch in June, while Prosper - the Unit Link offer is attracting increasing subscription, despite the equity market volatility, with a growth of 54% to September compared to a year ago. These performances propelled the Life Fund during the nine month period by a healthy 30.7%. Moreover, ATPLC's weighted average premium in Life policies remains steadfast at the No. 2 slot among Life Industry players. (Source IASL).

Meanwhile, ATPLC's underwriting result improved from the 2<sup>nd</sup> Quarter, principally on account of better management of the motor portfolio, through the re-fashioning of its Motor product and streamlining the under-writing and claims process to improve efficacy in this fiercely price competitive segment.

Notwithstanding the slide in equity market conditions, the judicious management of the diversified investment portfolio yielded an upside, principally in Bullion in Q3, boosting returns by 451% over the same period last year. These results helped to mitigate the over-run on motor claims and wipe out the loss of Rs 34 Million at the Half Year, to deliver a profit of Rs 4.74 Million to September 2012. This compares with a loss of Rs 58 Million in 2011.

At Group level, a consolidated profit of Rs. 59.8 Million was reported, in which the Maldives Takaful operation contributed substantially among the other subsidiaries. Amana Takaful Maldives (ATM), now in its first year of operation as a PLC, recorded a GWP of MRF 46.7 Million (LKR 397.6 Million) for the 9 Months ended September posting a commendable growth of 63% over 2011.

The profit from this business performance is MRF 7.8 Million (LKR 66.7 Million), of which 45% is attributed to minorityshareholders.

“Responding to market dynamics, the re-launch of our Life products in June, followed by the re-fashioning of our motor flagship brand -Total Drive in July, the company’s portfolio is now in much better shape to take advantage of the immense potential in these segments,” said FazalGhaffoor, CEO, Amana Takaful PLC, commenting on the 3<sup>rd</sup> quarter performance of the company.

“Productivity gains through prudent cost management and process improvement are giving the much needed impetus to improve business results and service delivery,” added Ghaffoor. In addition Amana Takaful’s geographic foot-print has expanded to Trincomalee, Batticaloa, Jaffna and Hambantota with the opening of new branches which re-emphasizes that Takaful is available to all Sri Lankans. Concurrently, four other branches were re-located and refurbished with state of the art connectivity to cater to customer touch points.

“Guided by Shari’ah, our business practices reflect high ethical standards and conformity to all regulatory requirements. That in itself is a challenge in a market that is largely attuned to conventional insurance practice. Notwithstanding these challenges, the Company’s performance to-date gives us the much needed confidence to meet the modest expectations of our stakeholders,”explained Ghaffoor.

“I am pleased to say that in spite of the challenging market forces at play, Amana Takaful has been focussed on delivering stakeholder expectations and returning to profit. I am confident that this growth momentum will be sustained in the final quarter and beyond” said TyeabAkbarally, Chairman, Amana Takaful PLC, commenting on the performance at the end of 9 months of 2012.

Having branches in 22 locations in the island, Amana Takaful has been successful in its journey of more than a decade in establishing a strong position for the Takaful concept amidst stiff competition with 20 other conventional industry players. The company has been able to deliver unique value, the Takaful way, to corporates and individuals alike as a composite insurer.ATPLC also operates 3 key strategic business units that specialise in Life, General and Medical Takaful, which is unique in its approach to serve the respective developing customer segments. Furthermore, by keeping to its tenet of mutuality, the company has also taken financial protection through the Takaful concept to the needy of the Sri Lankan populace by providing Navodhaya -ATPLC’s Micro-Takaful (insurance) solution.

The current Board of Amana Takaful PLC includes, M/S. Tyeab Akbarally (Chairman), Ehsan Zaheed (Executive Director), Non-Executive Directors- Osman Kassim, Dr.A.A.M. Haroon, Dr. T. Senthilverl, Dr.Ifthikar Ismail and Non-Executive Independent Directors M.H.M. Rafiq, Dato' FadzliYusof, A.S.M. Muzzamil, Ali Sabry and, R. Gopinath.