

Amana Takaful PLC

Interim Report

30th June 2019



STATEMENT OF FINANCIAL POSITION

AS AT	Notes	Group		Company	
		Unaudited as at 30.06.2019 Rs.	Audited as at 31.12.2018 Rs.	Unaudited as at 30.06.2019 Rs.	Audited as at 31.12.2018 Rs.
ASSETS					
Intangible Assets		108,983,988	86,942,914	30,177,423	31,025,948
Property, Plant and Equipment		87,173,512	96,024,241	56,055,273	63,757,277
Right of use of asset	3	3,293,772	-	-	-
Deferred Tax Asset	13	96,792,137	103,483,264	96,792,137	96,792,137
Investment Property		190,929,000	220,429,000	46,000,000	75,500,000
Investment in Subsidiary		-	-	1,052,867,811	1,052,867,811
Financial Assets	4	2,896,421,487	2,835,180,727	858,423,465	837,492,607
Financial Assets - Unit Linked	5	1,715,324,809	1,621,208,465	-	-
Retakaful (Reinsurance) Receivables		487,792,621	437,579,148	460,499,511	410,365,133
Contribution (Premium) Receivable		866,381,588	711,244,729	465,617,505	529,532,922
Other Assets		408,705,078	252,737,848	163,425,784	135,396,673
Cash and Bank Balances		178,921,342	217,105,631	48,390,602	94,692,309
Cash and Bank Balances - Unit Linked		2,593,134	8,155,160	-	-
Total Assets		7,043,312,472	6,590,091,126	3,278,249,512	3,327,422,817
LIABILITIES					
Insurance Contract Liabilities - Non Life		1,657,982,398	1,394,786,725	1,031,041,388	972,644,129
Insurance Contract Liabilities - Family Takaful Fund		501,652,352	534,967,470	-	-
Insurance Contract Liabilities- Family Takaful Unit Linked		1,701,739,459	1,660,124,030	-	-
Employee Benefits		64,852,703	66,878,749	33,866,596	35,028,091
Subordinated Debt		65,991,697	46,599,805	125,821,500	97,024,473
Other Liabilities - Unit Linked		47,277,326	51,285,609	-	-
Other Liabilities		896,953,058	657,554,055	177,881,581	183,116,946
Lease creditor		3,296,415	-	-	-
Short Term Borrowings		142,560,411	200,777,276	142,560,411	200,777,276
Total Liabilities		5,082,305,819	4,612,973,718	1,511,171,477	1,488,590,915
SHAREHOLDERS' EQUITY					
Stated Capital		1,860,001,339	1,860,001,339	1,860,001,339	1,860,001,339
Other Reserves		128,312,230	140,955,732	31,400,577	31,400,577
Revenue Reserves		(415,027,274)	(377,685,807)	(124,323,882)	(52,570,013)
		1,573,286,296	1,623,271,264	1,767,078,034	1,838,831,904
Non Controlling Interest		387,720,355	353,846,144	-	-
Total Equity		1,961,006,650	1,977,117,408	1,767,078,034	1,838,831,904
Total Liabilities and Equity		7,043,312,472	6,590,091,126	3,278,249,512	3,327,422,817

We certify that the preparation and presentation of these Financial Statements comply with the requirements under Companies Act, No. 07 of 2007.

Signed

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M. Rinaz Niyas
Head of Finance

Signed for and on behalf of the Board

Signed

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Director

Colombo
15th August 2019

Signed

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M. Fazal Ghaffoor
Chief Executive Officer

Signed

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Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE	Notes	Group			Company		
		Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %
Gross Written Contribution (Premium)	6	2,464,927,648	2,267,381,050	9%	1,002,692,209	1,015,230,685	-1%
Retakaful Contribution (Reinsurance Premium)		(678,456,711)	(502,852,008)	-35%	(248,828,980)	(201,011,420)	-24%
Net Written Contribution (Premium)		1,786,470,937	1,764,529,041	1%	753,863,229	814,219,266	-7%
Net Change in Reserve for Un-Earned Contribution (Premium)		(53,732,923)	(203,150,015)	74%	47,526,134	(71,339,160)	167%
Net Earned Contribution (Premium)		1,732,738,014	1,561,379,027	11%	801,389,363	742,880,106	8%
Other Revenue							
Income from investments		162,462,790	162,040,284	0%	46,997,462	63,105,211	-26%
Other income		66,011,474	37,227,924	77%	3,452,285	5,812,443	-41%
Total Revenue	7	1,961,212,277	1,760,647,235	11%	851,839,110	811,797,761	5%
Benefits, Losses and Expenses							
Takaful (Insurance) claims and benefits		(1,061,157,995)	(830,000,293)	-28%	(512,167,772)	(389,085,510)	-32%
Acquisition Cost (net of reinsurance commission)		(176,891,346)	(135,102,070)	-31%	(75,093,563)	(58,575,142)	-28%
Change in Family Takaful Contract Liability		(8,352,592)	100,534,164	108%	-	-	-
Other Operating and Administration Expenses		(632,739,757)	(686,854,301)	8%	(306,406,182)	(270,138,480)	-13%
Depreciation		(16,263,693)	(16,485,532)	1%	(9,738,737)	(12,485,532)	22%
Total Claims, Benefits and Expenses		(1,895,405,382)	(1,567,908,033)	-21%	(903,406,253)	(730,284,663)	-24%
Profit / (Loss) from Operations		65,806,895	192,739,202	-66%	(51,567,144)	81,513,097	-163%
Finance cost		(19,796,852)	(21,910,032)	10%	(20,186,725)	(21,478,811)	6%
Profit / (Loss) Before Taxation	10	46,010,043	170,829,171	-73%	(71,753,869)	60,034,286	-220%
Income Tax Expenses	12	(25,650,419)	(25,989,566)	1%	-	(4,843,140)	-
Net Profit / (Loss) for the Period		20,359,624	144,839,605	-86%	(71,753,869)	55,191,146	-230%
Attributable to:							
Equity holders of the parent		Rs (30,325,180)	Rs 100,235,230				
Non-Controlling Interest		50,684,804	44,604,375				
		20,359,624	144,839,605				
Dividend per share		Rs (0.17)	Rs 0.56	-130%	Rs (0.40)	Rs 0.31	-230%
Interim dividend paid per share		-	-	-	-	-	-
Final proposed dividend per share		-	-	-	-	-	-

OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE	Group			Company		
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %
Profit/(Loss) for the period	20,359,624	144,839,605	-86%	(71,753,869)	55,191,146	-230%
Fair Value of Available for Sale Financial Assets Transferred to Policyholder's Reserve	1,639,731	1,288,475	-27%	-	-	-
Foreign Currency Translation Differences for Foreign Operations	(22,988,186)	(55,674,769)	-59%	-	-	-
Total Comprehensive Income for the period	(988,831)	90,453,311	-101%	(71,753,869)	55,191,146	-230%
Attributable to:						
Equity holders of the parent	(41,619,184)	65,627,725				
Non-Controlling Interest	40,630,353	24,825,586				
	(988,831)	90,453,311				

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 30 JUNE	Group			Company		
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %
Gross Written Contribution (Premium)	1,354,884,563	1,142,498,742	19%	483,435,680	493,528,459	-2%
Retakaful Contribution (Reinsurance Premium)	(437,852,706)	(202,370,658)	-116%	(132,578,814)	(91,944,403)	-44%
Net Written Contribution (Premium)	917,031,857	940,128,084	-2%	350,856,865	401,584,056	-13%
Net Change in Reserve for Un-Earned Contribution (Premium)	(50,393,568)	(119,355,839)	58%	47,639,197	(14,415,344)	430%
Net Earned Contribution (Premium)	866,638,289	820,772,245	6%	398,496,062	387,168,711	3%
Other Revenue						
Income from investments	80,024,149	99,970,748	-20%	28,410,674	32,229,914	-12%
Other income	36,279,040	10,238,886	254%	2,953,847	3,420,387	-14%
Total Revenue	982,941,478	930,981,879	6%	429,860,583	422,819,013	2%
Benefits, Losses and Expenses						
Takaful (Insurance) claims and benefits	(568,697,070)	(456,991,615)	-24%	(265,809,050)	(201,078,897)	-32%
Acquisition Cost (net of reinsurance commission)	(89,782,392)	(64,656,916)	-39%	(44,849,433)	(35,829,934)	-25%
Change in Family Takaful Contract Liability	(13,806,278)	135,136,504	110%	-	-	-
Other Operating and Administration Expenses	(295,245,291)	(434,856,831)	32%	(153,563,146)	(135,390,785)	-13%
Depreciation	(8,031,714)	(10,369,519)	23%	(5,016,303)	(12,152,550)	59%
Total Claims, Benefits and Expenses	(975,562,744)	(831,738,377)	-17%	(469,237,931)	(384,452,167)	-22%
Profit / (Loss) from Operations	7,378,734	99,243,503	-93%	(39,377,348)	38,366,846	-203%
Finance cost	(8,430,294)	(9,732,954)	13%	(9,845,294)	(9,529,831)	-3%
Profit / (Loss) Before Taxation	(1,051,560)	89,510,548	-101%	(49,222,642)	28,837,015	-271%
Income Tax Expenses	(11,944,523)	(16,929,609)	-29%	-	(4,843,140)	100%
Net Profit / (Loss) for the Period	(12,996,083)	72,580,940	-118%	(49,222,642)	23,993,875	-305%
Attributable to:	Rs	Rs				
Equity holders of the parent	(36,151,736)	48,203,928				
Non-Controlling Interest	23,155,653	24,377,012				
	(12,996,083)	72,580,940				
Basic / Diluted Earnings / (Loss) Per Share - Weighted Average - To Equity Holders	(0.20)	0.27	-175%	(0.27)	0.01	-2151%
Dividend per share	-	-	-	-	-	-
Interim dividend paid per share	-	-	-	-	-	-
Final proposed dividend per share	-	-	-	-	-	-

OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 30 JUNE	Group			Company		
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %
Other Comprehensive Income						
Profit/(Loss) for the period	(12,996,083)	72,580,940	-118%	(49,222,642)	23,993,875	-305%
Change in Fair Value of Available for Sale Financial Assets	-	(865,947)	100%	-	-	-
Fair Value of Available for Sale Financial Assets Transferred to Policyholder's Reserve	1,096,439	1,288,475	15%	-	-	-
Foreign Currency Translation Differences for Foreign Operations	1,691,500	(55,674,769)	103%	-	-	-
Income Tax expense for Other Comprehensive Income	(10,208,144)	17,328,699	-159%	(49,222,642)	23,993,875	-305%
Total Comprehensive Income / (Loss) for the period	(10,208,144)	17,328,699	159%	(49,222,642)	23,993,875	-305%
Attributable to:						
Equity holders of the parent	(5,614,479)	(13,153,419)				
Non-Controlling Interest	(4,593,665)	30,482,118				
	(10,208,144)	17,328,699				

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2019

	Other Reserves			Revenue Reserves		Non Controlling Interest	Total Equity	
	Stated Capital	Revaluation Reserve	Translation Reserve	Available For Sale Reserve	Policy Holder's Rserve			Accumulated Losses
	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	
Balance as at 1st January 2018	1,860,001,339	30,234,871	52,855,527	98,276	(2,161,054)	(453,496,126)	282,755,191	1,770,288,024
Net Profit/ (Loss) for the period	-	-	-	-	-	100,235,230	44,604,375	144,839,605
Other Comprehensive Income								
Net Change in Fair Value of Available-for-Sale Financial Assets Transferred (to)/ from Policyholders	-	-	-	-	1,060,415	-	228,060	1,288,475
Foreign Currency Translation Difference	-	-	(30,621,123)	-	-	-	(25,053,646)	(55,674,769)
Defined Benefit Plan Actuarial Losses	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	(30,621,123)	-	1,060,415	100,235,230	19,778,789	90,453,311
Effect of acquisitions, disposals and change in percentage holdings in subsidiaries	-	-	-	-	-	10,989,440	-	10,989,440
Dividend Distributed	-	-	-	-	-	(7,431,072)	(6,037,388)	(13,468,460)
Balance as at 30th June 2018	1,860,001,339	30,234,871	22,234,404	98,276	(1,100,639)	(349,702,528)	296,496,592	1,858,262,315
Net Profit/ (Loss) for the period	-	-	-	-	-	(40,248,708)	(398,952)	(40,647,660)
Net Change in Fair Value of Property, plant & equipment	-	3,494,085	-	-	-	-	-	3,494,085
Foreign Currency Translation Difference	-	-	84,992,372	-	-	-	69,311,155	154,303,527
Net Change in Fair Value of Available-for-Sale Financial Assets Transferred (to)/ from Policyholders Reserve	-	-	-	-	1,038,679	-	451,445	1,490,124
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	1,161,154	-	-	950,035	2,111,189
Defined Benefit Plan Actuarial Losses	-	-	-	-	-	(2,127,800)	-	(2,127,800)
Total Comprehensive Income	-	3,494,085	84,992,372	1,161,154	1,038,679	(42,376,508)	70,313,683	118,623,465
Dividend Distributed	-	-	-	-	-	(15,253,917)	(12,964,131)	(28,218,048)
Changes in Ownership Interests								
Effect of Acquisition, disposals and change in percentage holdings in subsidiaries	-	-	-	-	-	28,449,677	-	28,449,677
Total Changes in Ownership Interests	-	-	-	-	-	13,195,760	(12,964,131)	231,629
Balance as at 31st December 2018	1,860,001,339	33,728,956	107,226,776	1,259,430	(61,960)	(378,883,276)	353,846,144	1,977,117,408
Net Profit for the period	-	-	-	-	-	(30,325,180)	50,684,804	20,359,624
Other Comprehensive Income								
Net Change in Fair Value of Available-for-Sale Financial Assets Transferred (to)/ from Policyholders Reserve	-	-	-	-	1,349,498	-	290,232	1,639,731
Foreign Currency Translation Difference	-	-	(12,643,502)	-	-	-	(10,344,683)	(22,988,186)
Total Comprehensive Income	-	-	(12,643,502)	-	1,349,498	(30,325,180)	40,630,353	(988,831)
Balance as at 30th June 2019	1,860,001,339	33,728,956	94,583,274	1,259,430	1,287,538	(417,574,242)	387,720,355	1,961,006,649

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2019

	Stated Capital (Rs)	Other Reserves	Revenue Reserves	Total Equity (Rs)
		Revaluation Reserve (Rs)	Accumulated Profit/ (Losses) (Rs)	
Balance as at 1st January 2018	1,860,001,339	30,331,677	(74,244,716)	1,816,088,300
Net Profit for the period	-	-	55,191,146	55,191,146
Total Comprehensive Income	-	-	55,191,146	55,191,146
Balance as at 30th June 2018	1,860,001,339	30,331,677	(19,053,570)	1,871,279,446
Net Loss for the period	-	-	(31,449,707)	(31,449,707)
Defined Benefit Plan Actuarial Losses	-	-	(2,066,736)	(2,066,736)
Net Change in Fair Value of Property, plant & equipment	-	1,068,900		1,068,900
Total Comprehensive Income	-	1,068,900	(33,516,443)	(32,447,543)
Balance as at 31st December 2018	1,860,001,339	31,400,577	(52,570,013)	1,838,831,903
Net Profit for the period	-	-	(71,753,869)	(71,753,869)
Total Comprehensive Income	-	-	(71,753,869)	(71,753,869)
Balance as at 30th June 2019	1,860,001,339	31,400,577	(124,323,882)	1,767,078,034

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE	Group		Company	
	Unaudited 2019 Rs	Unaudited 2018 Rs	Unaudited 2019 Rs	Unaudited 2018 Rs
Cash Flows from Operating Activities				
Contribution (Premium) received from customers	2,309,790,790	2,044,178,032	1,246,316,844	970,867,543
Retakaful (Reinsurance) Premium paid	(356,927,921)	(275,625,424)	(231,221,658)	(159,902,909)
Claims, Benefits and Expenses paid	(999,774,036)	(798,699,602)	(679,679,988)	(482,827,825)
Retakaful (Reinsurance) Receipts in respect of Claims	163,654,049	102,362,438	110,938,127	68,594,727
Cash paid to and behalf of Employees	(473,016,247)	(312,881,131)	(290,011,498)	(184,860,165)
Profits received from Investments and Other Income	190,847,196	109,766,888	32,085,226	24,218,800
Dividends received	10,045,462	18,733,459	8,364,000	7,431,072
Finance Cost paid	(19,796,852)	(21,910,032)	(20,186,725)	(21,478,811)
Other operating cash receipts/ (payments)	(537,900,238)	(638,598,451)	(365,962,387)	(293,542,943)
Cash Flow from/(used in) Operating Activities (Note A)	245,155,447	227,326,178	(189,358,060)	(71,500,511)
Gratuity Paid	(1,711,683)	(683,615)	(1,711,683)	(683,615)
Income Tax Paid	(25,650,419)	(21,146,426)	-	-
Net Cash Flow from/(used in) Operating Activities	217,793,344	205,496,138	(191,069,743)	(72,184,125)
Cash Flows from/(used in) Investing Activities				
Net Disposal/(Purchase) of Investment Securities	(364,362,230)	(110,712,433)	12,424,965	103,614,716
Purchase of Intangible Assets	(1,769,126)	(287,431)	-	-
Purchase of Property, Plant & Equipment	(11,265,065)	(14,197,660)	(2,909,573)	(6,154,684)
Proceeds from Disposal of Property, Plant & Equipment	-	-	-	-
Purchase of Investment Property	-	-	-	-
Disposal of Investment Property	-	-	-	-
Disposal / (Purchase) of Subsidiaries	-	-	-	-
Net Cash Flow used in Investing Activities	(377,396,421)	(125,197,524)	9,515,393	97,460,032
Cash Flows from Financing Activities				
Repayment of Lease Facility	3,296,415	(1,358,338)	-	(891,742)
Short term Loan Obtained	267,000,000	280,000,000	267,000,000	280,000,000
Subordinated Debt	63,639,892	-	35,658,000	-
Settlement/ (Repayments) of Short Term Borrowings	(216,654,353)	(434,519,718)	(216,654,353)	(384,519,718)
Dividend Paid	(15,095,271)	(13,468,460)	-	-
Sale of Investment Property	29,500,000	-	29,500,000	-
Net cash flows from financing activities	131,686,683	(169,346,516)	115,503,647	(105,411,460)
(Increase)/Decrease in Cash and Cash Equivalents (Note B)	(27,916,396)	(89,047,901)	(66,050,702)	(80,135,552)

NOTE A
Reconciliation of Operating Profit/(Loss) with Cash Flows from Operations

Profit/ (Loss) from Operations	65,806,895	192,739,203	(51,567,144)	81,513,097
Depreciation	15,886,127	12,485,532	9,738,737	12,485,532
Amortisations	2,506,713	4,545,459	377,566	1,175,204
Gain on Disposal of Property, Plant & Equipment	-	-	-	-
Provision for Gratuity	4,128,057	3,743,699	1,596,930	915,506
Unrealised (Income)/Losses	13,851,593	577,706	-	-
(Increase)/Decrease in Debtors and Other Assets	(293,850,448)	(195,783,055)	(204,997,557)	(134,218,618)
Increase/(Decrease) Family Takaful (Long Term Insurance) Fund	8,352,592	(97,953,928)	-	-
Increase/(Decrease) in Unearned Contribution (Premium)	53,732,923	203,150,015	(47,526,134)	71,339,160
Increase/(Decrease) in IBNR & General Reserve Provision	-	-	-	-
Increase/(Decrease) in Claims Provision	139,755,233	(39,575,631)	99,644,605	(11,602,103)
Increase/(Decrease) in Other Creditors	254,782,612	165,307,212	23,561,662	28,370,524
Finance Cost Paid	(19,796,852)	(21,910,032)	(20,186,725)	(21,478,811)
Cash Flows from/(used in) Operating Activities	245,155,447	227,326,178	(189,358,060)	28,499,489

NOTE B
Increase/ (Decrease) in Cash and Cash Equivalents

Cash at bank and in Hand and Cash Equivalents	654,978,088	187,418,646	313,609,209	280,808,858
Over drafts	-	-	-	-
Cash and Cash Equivalents at the end of the period	654,978,088	187,418,646	313,609,209	280,808,858
Cash and Cash Equivalents at the beginning of the year	682,894,487	276,466,553	379,659,911	360,944,411
Decrease in Cash and Cash Equivalents	(27,916,396)	(89,047,904)	(66,050,703)	(80,135,552)

**STATEMENT OF FINANCIAL POSITION
FAMILY TAKAFUL / LIFE INSURANCE SEGMENT - SUPPLEMENTAL**

AS AT	Unaudited 30.06.2019 Rs.	Audited 31.12.2018 Rs.
ASSETS		
Intangible Assets	19,903,800	20,954,644
Property, Plant and Equipment	26,091,061	28,703,776
Right of use of Asset	3,293,772	-
Investment Property	144,929,000	144,929,000
Financial Assets	839,808,442	875,164,705
Financial Assets - Unit Linked	1,715,324,809	1,621,208,465
Contribution (Premium) Receivable	38,323,959	39,676,266
Other Assets	54,214,471	53,717,719
Cash and Bank Balances	15,942,356	85,064,943
Cash and Bank Balances - Unit Linked	2,593,134	8,155,160
Total Assets	2,860,424,803	2,877,574,677
LIABILITIES		
Insurance Contract Liability - Family Takaful Fund	501,652,352	534,967,470
Insurance Contract Liability - Family Takaful Linked Unit Linked	1,701,739,459	1,660,124,030
Employee Benefits	7,055,716	7,078,883
Finance Lease Liability	3,296,415	-
Subordinated Debt	60,033,142	32,051,250
Other Liabilities	41,685,110	76,341,388
Other Liabilities - Unit Linked	47,277,326	51,285,609
Total Liability	2,362,739,519	2,361,848,630
SHAREHOLDERS' EQUITY		
Stated Capital	500,000,000	500,000,000
Other Reserves	2,545,326	2,545,326
Retained Earnings	(4,860,043)	13,180,722
Total Equity	497,685,283	515,726,048
Total Equity & Liability	2,860,424,803	2,877,574,677

NOTES TO THE FINANCIAL STATEMENTS

1. Figures in the Interim Financial Statements for the period ended 30th June 2019 are provisional and unaudited.

2. These Interim Financial Statements of the Company and Group have been prepared in accordance with Sri Lanka Accounting Standards (SLAS) prefixed both SLFRS (corresponding to IFRS) and LKAS (LKAS 34 - Interim Financial Reporting), promulgated by the Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with the requirements of the Companies Act, No. 7 of 2007 and the Regulation of Insurance Industry Act, No. 43 of 2000.

The same accounting policies and methods of computation as stated in the Annual Report 2018 have been followed in preparation of these Interim Financial Statements.

Comparative information has been re-valued/re-classified where necessary, to confirm to the current period recognition, measurement and presentation.

3. Initial Application Of SLFRS 16 - Leases

The Group as a lessee has applied SLFRS 16 as initial application with effect from 01 January 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under LKAS 17

At inception of a contract, the Group 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 Group assesses whether:

- the contract involves the use of an identified asset
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use assets of the Group consist of a vehicle taken on lease which were previously recognised as a finance lease under LKAS 17.

3.1 Right of Use Lease Asset

AS AT	Unaudited 30.06.2019 Rs.	Audited 31.12.2018 Rs.
Opening Right of use lease asset as at 01st January	4,192,073	-
Net Depreciation for the period	(898,301)	-
Closing Right of use lease asset as at 30th June	3,293,772	-

3.2 Lease Liability (Lease Creditor)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Ijara profit rate implicit in the

lease or, if that rate can not be readily determined, the Group's incremental borrowing rate. The movement of Lease creditor for the period is as follows,

AS AT	Unaudited 30.06.2019 Rs.	Audited 31.12.2018 Rs.
Opening lease Creditor as at 01st January	4,192,073	-
Ijara Profit Expense recognised in Profit or Loss	61,582	-
Settlement through lease payment	(957,240)	-
Closing lease Creditors at 30th June	3,296,415	-

4. Financial Assets

AS AT	Group		Unaudited 30.06.2019 Rs.	Audited 31.12.2018 Rs.
	Unaudited 30.06.2019 Rs.	Audited 31.12.2018 Rs.		
Financial Assets at Fair Value Through Profit or Loss (4.1)	106,174,970	88,086,419	-	-
Available For Sale Financial Assets (4.2)	364,220,010	318,521,555	525,000	525,000
Loans & Receivables (4.3)	2,426,026,507	2,428,572,753	857,898,465	836,967,607
	2,896,421,487	2,835,180,727	858,423,465	837,492,607

AS AT	Group		Company	
	Unaudited 30.06.2019 Rs.	Audited 31.12.2018 Rs.	Unaudited 30.06.2019 Rs.	Audited 31.12.2018 Rs.
4.1 Financial Assets at Fair Value Through Profit & Loss				
Investments in Equity Securities	106,174,970	88,086,419	-	-
	106,174,970	88,086,419	-	-
4.2 Available For Sale Financial Assets				
Investments in Equity Securities - Quoted	44,735,248	28,956,551	-	-
Unit Trust	27,032,935	26,561,505	-	-
Investments in Equity Securities - Unquoted	292,451,826	263,003,500	525,000	525,000
	364,220,010	318,521,555	525,000	525,000
4.3 Loans and Receivable				
Repurchase Agreements	660,122,862	664,719,396	319,218,607	284,967,602
Fixed Term Deposits	1,753,390,437	1,750,329,688	526,574,528	538,898,555
Advances to Company Officers	12,513,208	13,523,669	12,105,330	13,101,450
	2,426,026,507	2,428,572,753	857,898,465	836,967,607

Financial investments- Group, includes a provision of Rs. 75,658,959- (2018 - 75,658,959).

NOTES TO THE FINANCIAL STATEMENTS

5. Financial Assets - Unit Linked

AS AT	Unaudited as at 30.06.2019 Rs.	Audited as at 31.12.2018 Rs.	Unaudited as at 30.06.2019 Rs.	Audited as at 31.12.2018 Rs.
Financial Assets at Fair Value Through Profit or Loss (5.1)	52,771,909	61,432,832	-	-
Available For Sale Financial Assets (5.2)	27,946,264	27,007,989	-	-
Loans & Receivables (5.3)	1,634,606,636	1,532,767,646	-	-
	1,715,324,809	1,621,208,466	-	-

AS AT	Unaudited as at 30.06.2019 Rs.	Audited as at 31.12.2018 Rs.	Unaudited as at 30.06.2019 Rs.	Audited as at 31.12.2018 Rs.
5.1 Financial Assets at Fair Value Through Profit & Loss				
Investments in Equity Securities	52,771,909	61,432,832	-	-
	52,771,909	61,432,832	-	-
5.2 Available For Sale Financial Assets				
Unit Trust	27,946,264	27,007,989	-	-
	27,946,264	27,007,989	-	-
5.3 Loans and Receivable				
Repurchase Agreements	31,311,014	20,056,658	-	-
Fixed Term Deposits	1,603,295,622	1,512,710,987	-	-
	1,634,606,636	1,532,767,646	-	-

Financial investments - Unit Linked, includes a provision of Rs. 6,183,604 (2018 - 6,183,604).

6. Gross Written Premium (Contribution)

FOR THE PERIOD ENDED 30 JUNE	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Unaudited 2019 Rs.	Unaudited 2018 Rs.
6.1 Non-Life (General Takaful)				
Motor	549,646,406	576,317,184	514,359,556	551,235,627
Fire	541,923,525	355,101,025	175,110,150	132,906,578
Marine	149,905,508	156,309,421	62,175,732	75,427,247
Medical	629,082,261	599,268,431	114,761,954	136,846,961
Miscellaneous	180,535,989	175,469,462	136,284,818	118,814,271
	2,051,093,688	1,862,465,523	1,002,692,209	1,015,230,685
6.2 Long Term Insurance (Family Takaful)				
Unit Linked	366,521,817	343,516,306	-	-
Family Takaful	30,513,594	41,272,225	-	-
Mortgage & Group Family Takaful	16,798,549	20,126,996	-	-
	413,833,960	404,915,527	-	-
Total Gross Written Premium	2,464,927,648	2,267,381,050	1,002,692,209	1,015,230,685

7. Revenue

7.1 Revenue by Segment

FOR THE PERIOD ENDED 30 JUNE	Group		Company	
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Unaudited 2019 Rs.	Unaudited 2018 Rs.
Segment				
Amana Takaful PLC	851,839,110	811,797,761	851,839,110	811,797,761
Amana Takaful Life PLC	519,408,470	469,979,983	-	-
Amana Takaful (Maldives) PLC	600,676,530	491,346,022	-	-
Amana Global Ltd	1,350,000	2,700,000	-	-
Eliminations	(12,061,832)	(15,176,530)	-	-
	1,961,212,277	1,760,647,234	851,839,110	811,797,761

7.2 Revenue

FOR THE PERIOD ENDED 30 JUNE	Group		Company	
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Unaudited 2019 Rs.	Unaudited 2018 Rs.
Gross written Contribution (Premium)	2,464,927,648	2,267,381,050	1,002,692,209	1,015,230,685
Less :				
Reinsurance premium	(678,456,711)	(502,852,008)	(248,828,980)	(201,011,420)
Net written premium	1,786,470,937	1,764,529,041	753,863,229	814,219,266
(Increase)/decrease in net unearned premium	(53,732,923)	(203,150,015)	47,526,134	(71,339,160)
Net earned premium	1,732,738,014	1,561,379,027	801,389,363	742,880,106
Income from investments	162,462,790	162,040,284	46,997,462	63,105,211
Other income	66,011,474	37,227,924	3,452,285	5,812,443
Revenue	1,961,212,277	1,760,647,235	851,839,110	811,797,761

NOTES TO THE FINANCIAL STATEMENTS

8. The Company has not done a valuation of the insurance contract liabilities Life(FamilyTakaful) by the consultant actuary for the period ended 30th June 2019.Valuation will be performed annually.

9. The Company has not done a Liability Adequacy Test (LAT) in respect of Insurance Contract Liabilities - Non-Life Fund as required by SLFRS 4 - Insurance Contracts as at 30th June 2019. LAT will be performed annually

10. Profit/ (Loss) Before Taxation by Segment

FOR THE PERIOD ENDED 30 JUNE	Group		Company	
	Unaudited 2019	Unaudited 2018	Unaudited 2019	Unaudited 2018
Segment				
Amana Takaful PLC	(71,753,869)	60,034,286	(71,753,869)	60,034,286
Amana Takaful Life PLC	(19,680,495)	4,237,586	-	-
Amana Takaful Maldives PLC	146,024,311	118,600,475	-	-
Amana Global Ltd	(214,119)	(347,897)	-	-
Eliminations	(8,365,786)	(11,695,280)	-	-
Total	46,010,043	170,829,171	(71,753,869)	60,034,286

11. Cash and Cash Equivalents in Statement of Cash Flow

AS AT	Group		Company	
	Unaudited 30.06.2019	Unaudited 31.12.2019	Unaudited 30.06.2019	Unaudited 31.12.2018
Cash and Bank Balances	178,921,342	217,105,631	48,390,602	94,692,309
Cash and Bank Balances - Unit Linked	2,593,134	8,155,160	-	-
Investment in Government Securities	473,463,613	457,633,696	265,218,607	284,967,602
	654,978,088	682,894,487	313,609,209	379,659,911

12. 12.1 Amana Takaful PLC is liable to income tax at 28% (2018 - 28%)

12.2 Amana Global Ltd. which is approved under Section 17 of the BOI Law is liable to income tax at 15% (2018 -15%)

12.3 Amana Takaful Maldives PLC is liable to income tax at 15% (2018 - 15%)

12.4 Amana Takaful Life PLC is liable for income tax at 28% (2018 - 28%)

13. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

The Deferred tax assets has been recognised only for the general insurance segment and no deferred tax asset is recognised for the life segment on the tax losses amounting to Rs. 311,490,776/- (2018 - Rs.252,665,084/-).

14. The nature of related party transactions in the current period is similar to those reported in the Annual Report 2018.

15. There has not been a significant change in the assets pledged as disclosed in the Annual Report 2018.

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

17. There has not been a significant change in the nature of the contingent liabilities as disclosed in the Annual Report 2018.

18. No events have occurred since the reporting date that necessitates adjustments to or disclosure in the Financial Statements.

19. In terms of Direction for Identification and Treatment of One-Off Surplus issued by the Insurance Regulatory Commission of Sri Lanka (Direction # 16 – 20.03.2018), the Long-Term Insurance Business of the Company has generated a One-Off Surplus of Rs.28,963,821 as at 1st January 2016. The One-Off Surplus amount remaining after relevant additions and deductions is retained in the Policyholders Liability in the Long Term Insurance Fund

20. Stated Capital as at 30th June 2019 is represented by shares in issue as given below:

Number of shares as at	Unaudited 30.06.2019	Audited 31.12.2018
Ordinary shares - One Vote per Ordinary Share	180,000,130	180,000,130

21. Share Information

	Group		Company	
	30.06.2019 Rs.	31.12.2018 Rs.	30.06.2019 Rs.	31.12.2018 Rs.
Net asset value per share	8.74	9.02	9.82	10.22
Market price per share as at	5.20	6.80	-	-
Highest price per share for the period	6.30	7.20	-	-
Lowest price per share for the period	4.40	5.80	-	-

22. According to Articles 6 of the Articles of Association of the company the shareholders have approved a consolidation of every 10 existing issued Ordinary Shares into 1 Share on 30th July 2018. Subsequently the issued number of Shares has reduced from One Billion Eight Hundred Million One thousand Two Hundred and Ninety Six (1,800,001,296) fully paid Shares to One Hundred and Eighty Million One Hundred and Thirty (180,000,130) fully paid Shares

NOTES TO THE FINANCIAL STATEMENTS

Twenty Largest Shareholders as at 30th June 2019

Name of Shareholder	No. of Shares	%
Mr. Osman Kassim & Mrs. K. Kassim	33,300,024	18.50
Mr. Sattar Kassim	30,855,752	17.14
Mr. Shafik Kassim	30,468,567	16.93
Amana Bank PLC	27,159,633	15.09
A T L Investment Holdings Limited	13,889,678	7.72
Expolanka Holdings PLC	8,162,642	4.53
Seylan Bank PLC/Dr.Thirugnanasambandar Senthilvel	7,909,623	4.39
Sampath Bank PLC/ Dr.T.Senthilvel	4,864,313	2.70
Falcon Trading (Pvt) Ltd	2,861,302	1.59
Dr. Thirugnanasambandar Senthilvel	659,029	0.37
Mr. Mohamed Haji Omar	551,513	0.31
Mrs. Pattini Deva Asoka Swarnakanthi Beruwalage	422,684	0.23
Seylan Bank PLC/Jayantha Dewage	414,308	0.23
Mr. Joseph Rohan Victoria	335,209	0.19
Mrs. Mujahira Mohamed Fazeel & Mr. M.F. Mohamed Fazeel	326,700	0.18
Mr. Farook Kassim	325,000	0.18
Mr. Sithambaram Pillai Jayakumar & Mrs. P. Meena	300,000	0.17
Mr. Ravindra Earl Rambukwella	295,953	0.16
Mrs. Nabeela Haroon	270,000	0.15
Mr. Gajath Chrysantha Goonetilleke	256,031	0.14
	<hr/>	
	163,627,961	90.90
Others	16,372,169	9.10
Total	<hr/>	
	180,000,130	100.00

Public Shareholding	30.06.2019	31.12.2018
Float Adjusted Market Capitalisation (Rs.)*	371,218,479	485,439,549
Percentage of Shares held by the Public	39.66%	39.66%
Number of Public Shareholders	5,854	5,888

The Company Complies with the minimum public shareholding required under option 02 of section 7.13.1 (b) of the Listing Rules.

* Float Adjusted Market Capitalisation = Market Capitalisation X Public Holding Percentage

Directors' Shareholdings	No. of Shares 30.06.2019	No. of Shares 31.12.2018
Mr. Tyeab Akbarally (Resigned w.e.f. 15.07.2019)	14	14
Mr. Osman Kassim	33,300,024	33,300,024
Mr. M.H.M. Rafiq	2	2
Dato' Mohd. Fadzli Yusof	Nil	Nil
Dr. A.A.M. Haroon	4	4
Mr. A.S.M. Muzzammil	Nil	Nil
Mr. R. Gopinath	Nil	Nil
Mr. M.R.M. Nayeem	Nil	Nil
Mr. M.H. Sattar Kassim	Nil	Nil
Mr. Syed Rizwan Hussain (Appointed w.e.f. 03.05.2019)	Nil	Nil
CEO's Shareholding		
Mr. Fazal Ghaffoor (CEO)	Nil	Nil

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

Mr. Tyeab Akbarally - Chairman (Resigned w.e.f. 15.07.2019)
Mr. Osman Kassim - Chairman (Appointed as chairman w.e.f. 15.08.2019)
Dato' Mohd Fadzli Yusof
Dr. A.A.M. Haroon
Mr. M.H.M. Rafiq
Mr. A.S.M. Muzzammil
Mr. R. Gopinath
Mr. M.R.M. Nayeem
Mr. M.H. Sattar Kassim
Mr. Syed Rizwan Hussain (Appointed w.e.f. 03.05.2019)

SHARIAH ADVISORY COUNCIL

Mufti M.I.M. Rizwe - Chairman
Mufti Shafique Ahmed Jakhura - Member
Ash-Sheikh Murshid Mulaffar- Secretary

CHIEF EXECUTIVE OFFICER - ATPLC

Mr. Mohamed Fazal Ghaffoor

CHIEF EXECUTIVE OFFICER - ATLPLC

Mr. Gehan Shivantha Rajapakse

REGISTERED OFFICE

No. 660 - 1/1, Galle Road, Colombo 03, Sri Lanka

SUBSIDIARY

Amana Takaful Life PLC
No. 660 - 1/1, Galle Road, Colombo 03, Sri Lanka
Amana Takaful (Maldives) PLC
H. Mialani, Sosun Mogu, Male, Republic of Maldives
Amana Global Limited
No. 660 - 1/1, Galle Road, Colombo 03, Sri Lanka

AUDITORS

Ernst & Young Chartered Accountants

CONSULTANT ACTUARIES - LONG-TERM INSURANCE

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Suite 17.02 Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

CONSULTANT ACTUARIES - GENERAL INSURANCE

NMG Financial Services Consulting Pte Limited
65 Chulia Street
#37-07/08, OCBC Centre
Singapore 049513

REINSURANCE PANEL

Swiss Reinsurance Company Ltd
Labuan Reinsurance (L) Ltd, Labuan, Malaysia
Ocean Re
Asian Re
Hannover Re
Munich Re

SECRETARIES

Managers & Secretaries (Pvt) Ltd

PRINCIPAL BANKERS

Amana Bank PLC/Pan Asia Bank/National Development Bank/
Bank of Ceylon/Commercial Bank/Sampath Bank/Hatton National Bank
/Nations Trust Bank/Deutsche Bank/ Seylan Bank/MCB Bank