

Amana Takaful PLC

Interim Report
30th September 2019



STATEMENT OF FINANCIAL POSITION

AS AT	Notes	Group		Company	
		Unaudited as at 30.09.2019 Rs.	Audited as at 31.12.2018 Rs.	Unaudited as at 30.09.2019 Rs.	Audited as at 31.12.2018 Rs.
ASSETS					
Intangible Assets		109,518,239	86,942,914	28,674,556	31,025,948
Property, Plant and Equipment		81,069,700	96,024,241	51,526,884	63,757,277
Right of Use Lease Assets	3	59,078,721	-	40,279,393	-
Deferred Tax Asset	13	103,883,541	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	2,861,380,470	2,835,180,727	835,310,620	837,492,607
Financial Assets - Unit Linked	5	1,686,263,659	1,621,208,465	-	-
Retakaful (Reinsurance) Receivables		421,917,445	437,579,148	220,645,808	410,365,133
Contribution (Premium) Receivable		763,638,860	711,244,729	373,230,467	529,532,922
Other Assets		362,988,246	252,737,848	147,275,822	135,396,673
Cash and Bank Balances		224,339,440	217,105,631	59,346,826	94,692,309
Cash and Bank Balances - Unit Linked		14,476,535	8,155,160	-	-
Total Assets		6,879,483,860	6,590,091,126	2,951,950,321	3,327,422,817
LIABILITIES					
Insurance Contract Liabilities - Non Life		1,443,219,267	1,394,786,725	683,769,833	972,644,129
Insurance Contract Liabilities - Family Takaful Fund		482,712,522	534,967,470	-	-
Insurance Contract Liabilities- Family Takaful Unit Linked		1,700,382,026	1,660,124,030	-	-
Employee Benefits		72,943,277	66,878,749	34,665,061	35,028,091
Subordinated Debt		94,991,697	46,599,805	154,821,500	97,024,473
Other Liabilities - Unit Linked		46,826,579	51,285,609	-	-
Other Liabilities		914,807,911	657,554,055	183,288,469	183,116,946
Lease Creditor		54,509,442	-	36,162,279	-
Short Term Borrowings		137,259,901	200,777,276	137,259,901	200,777,276
Total Liabilities		4,947,652,623	4,612,973,718	1,229,967,044	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		138,801,477	140,955,732	30,055,678	31,400,577
Revenue Reserves		(465,289,144)	(377,685,807)	(168,073,741)	(52,570,013)
		1,533,513,672	1,623,271,264	1,721,983,276	1,838,831,904
Non Controlling Interest		398,317,566	353,846,144	-	-
Total Equity		1,931,831,238	1,977,117,408	1,721,983,276	1,838,831,904
Total Liabilities and Equity		6,879,483,860	6,590,091,126	2,951,950,321	3,327,422,817

The notes form an integral part of the Financial Statements.

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
.....

Director

Colombo
15th November 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 SEPTEMBER	Notes	Group			Company		
		Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %
Gross Written Contribution (Premium)	6	3,441,744,651	3,209,393,480	7%	1,414,647,228	1,503,187,880	-6%
Retakaful Contribution (Reinsurance Premium)		(914,767,486)	(630,847,467)	-45%	(333,581,809)	(269,631,001)	-24%
Net Written Contribution (Premium)		2,526,977,166	2,578,546,013	-2%	1,081,065,419	1,233,556,879	-12%
Net Change in Reserve for Un-Earned Contribution (Premium)		69,483,077	(200,910,042)	135%	119,693,694	(87,129,932)	237%
Net Earned Contribution (Premium)		2,596,460,242	2,377,635,971	9%	1,200,759,114	1,146,426,947	5%
Other Revenue							
Income from investments		281,338,148	209,819,008	34%	74,756,518	95,165,486	-21%
Other income		110,462,315	83,063,122	33%	11,494,812	14,221,994	-19%
Total Revenue	7	2,988,260,705	2,670,518,101	12%	1,287,010,444	1,255,814,427	2%
Benefits, Losses and Expenses							
Takaful (Insurance) claims and benefits		(1,690,847,602)	(1,375,294,288)	-23%	(775,108,650)	(616,418,776)	-26%
Acquisition Cost (net of reinsurance commission)		(259,770,600)	(189,449,017)	-37%	(117,659,349)	(108,763,866)	-8%
Change in Family Takaful Contract Liability		9,186,679	105,360,917	91%	-	-	-
Other Operating and Administration Expenses		(978,237,558)	(1,023,012,710)	4%	(466,462,937)	(424,690,240)	-10%
Depreciation		(24,250,512)	(22,202,678)	-9%	(14,550,286)	(16,104,191)	10%
Total Claims, Benefits and Expenses		(2,943,919,595)	(2,504,597,776)	-18%	(1,373,781,222)	(1,165,977,073)	-18%
Profit / (Loss) from Operations		44,341,110	165,920,325	-73%	(86,770,778)	89,837,354	-197%
Finance cost		(28,818,948)	(30,752,121)	6%	(30,077,849)	(30,192,925)	0%
Profit / (Loss) Before Taxation	10	15,522,162	135,168,204	-89%	(116,848,627)	59,644,429	-296%
Income Tax Expenses	12	(30,443,354)	(27,572,876)	-10%	-	(5,139,540)	100%
Net Profit / (Loss) for the Period		(14,921,192)	107,595,328	-114%	(116,848,627)	54,504,889	-314%
Attributable to:		Rs	Rs				
Equity holders of the parent		(73,466,584)	63,603,043				
Non-Controlling Interest		58,545,392	43,992,285				
		(14,921,192)	107,595,328				
Earnings per share		Rs (0.41)	Rs 0.35	-216%	Rs (0.65)	Rs 0.30	-314%
Interim dividend paid per share		-	-	-	-	-	-
Final proposed dividend per share		-	-	-	-	-	-

OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER	Group			Company		
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %
Profit/(Loss) for the period	(14,921,192)	107,595,328	-114%	(116,848,627)	54,504,889	-314%
Fair Value of Available for Sale Financial Assets Transferred to Policyholder's Reserve	1,500,838	1,847,704	19%	-	-	-
Foreign Currency Translation Differences for Foreign Operations	(1,471,556)	4,540,202	-132%	-	-	-
Total Comprehensive Income for the period	(14,891,910)	113,983,234	-113%	(116,848,627)	54,504,889	-314%
Attributable to:						
Equity holders of the parent	(73,040,750)	67,620,816				
Non-Controlling Interest	58,148,840	46,362,418				
	(14,891,910)	113,983,234				

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 30 SEPTEMBER	Group			Company		
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %
Gross Written Contribution (Premium)	976,817,003	942,012,430	4%	411,955,019	487,957,194	-16%
Retakaful Contribution (Reinsurance Premium)	(236,310,775)	(127,995,459)	-85%	(84,752,829)	(68,619,581)	-24%
Net Written Contribution (Premium)	740,506,229	814,016,972	-9%	327,202,190	419,337,613	-22%
Net Change in Reserve for Un-Earned Contribution (Premium)	123,216,000	2,239,972	-5401%	72,167,561	(15,790,773)	557%
Net Earned Contribution (Premium)	863,722,228	816,256,944	6%	399,369,751	403,546,840	-1%
Other Revenue						
Income from investments	118,875,358	80,290,482	48%	27,759,057	32,060,275	-13%
Other income	44,450,841	13,323,441	234%	8,042,527	8,409,551	-4%
Total Revenue	1,027,048,427	909,870,866	13%	435,171,334	444,016,666	-2%
Benefits, Losses and Expenses						
Takaful (Insurance) claims and benefits	(629,689,607)	(545,293,995)	-15%	(262,940,878)	(227,333,266)	-16%
Acquisition Cost (net of reinsurance commission)	(82,879,254)	(75,829,008)	-9%	(42,565,786)	(50,188,724)	15%
Change in Family Takaful Contract Liability	17,539,271	4,826,753	-263%	-	-	-
Other Operating and Administration Expenses	(346,018,914)	(316,512,741)	-9%	(160,056,756)	(154,017,897)	-4%
Depreciation	(7,465,707)	(3,880,753)	-92%	(4,811,549)	(4,152,522)	-16%
Total Claims, Benefits and Expenses	(1,048,514,212)	(936,689,743)	-12%	(470,374,969)	(435,692,410)	-8%
Profit / (Loss) from Operations	(21,465,785)	(26,818,877)	-20%	(35,203,634)	8,324,256	-523%
Finance cost	(9,022,096)	(8,842,089)	-2%	(9,891,123)	(8,714,114)	-14%
Profit / (Loss) Before Taxation	(30,487,881)	(35,660,966)	-15%	(45,094,758)	(389,858)	11467%
Income Tax Expenses	(4,792,935)	(1,583,311)	203%	-	(296,400)	100%
Net Profit / (Loss) for the Period	(35,280,815)	(37,244,277)	-5%	(45,094,758)	(686,258)	6471%
Attributable to:	Rs	Rs				
Equity holders of the parent	(43,141,403)	(36,632,186)	-	-	-	-
Non-Controlling Interest	7,860,588	(612,091)	-	-	-	-
	(35,280,815)	(37,244,277)				
Basic / Diluted Earnings / (Loss) Per Share - Weighted Average - To Equity Holders	(0.24)	(0.20)	18%	(0.25)	0.01	-1979%
Dividend per share	-	-	-	-	-	-
Interim dividend paid per share	-	-	-	-	-	-
Final proposed dividend per share	-	-	-	-	-	-

OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 30 SEPTEMBER	Group			Company		
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %
Other Comprehensive Income						
Profit/(Loss) for the period	(35,280,815)	(37,244,277)	-5%	(45,094,758)	(686,258)	6471%
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	(138,893)	1,847,704	108%	-	-	-
Foreign Currency Translation Differences for Foreign Operations	21,516,629	4,540,202	-374%	-	-	-
Income Tax expense for Other Comprehensive Income	(13,903,079)	(31,722,318)	-56%	(45,094,758)	(686,258)	6471%
Total Comprehensive Income / (Loss) for the period	(13,903,079)	(31,722,318)	56%	(45,094,758)	(686,258)	6471%
Attributable to:						
Equity holders of the parent	(7,646,694)	(35,107,699)	-	-	-	-
Non-Controlling Interest	(6,256,386)	3,385,381	-	-	-	-
	(13,903,079)	(31,722,318)				

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Other Reserves			Revenue Reserves			Non Controlling Interest	Total Equity
	Stated Capital	Revaluation Reserve	Translation Reserve	Available For Sale Reserve	Policy Holder's Reserve	Accumulated Losses		
	(Rs)	(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	-	-	-	-	-	63,603,043	43,992,284	107,595,326
Other Comprehensive Income								
Net Change in Fair Value of Available-for-Sale Financial Assets Transferred (to)/ from Policyholders	-	-	-	-	1,520,660	-	327,044	1,847,704
Foreign Currency Translation Difference	-	-	2,497,111	-	-	-	2,043,091	4,540,202
Defined Benefit Plan Actuarial Losses	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	2,497,111	-	1,520,660	63,603,043	46,362,418	113,983,233
Effect of acquisitions, disposals and change in percentage holdings in subsidiaries	-	-	-	-	-	-	-	-
Dividend Distributed	-	-	-	-	-	(11,690,153)	(2,484,869)	(14,175,022)
Balance as at 30th September 2018	1,860,001,339	30,234,871	55,352,638	98,276	(640,394)	(401,583,237)	326,632,740	1,870,096,234
Net Profit/ (Loss) for the period	-	-	-	-	-	(3,616,520)	(1,829,949)	(5,446,470)
Net Change in Fair Value of Property, plant & equipment	-	3,494,085	-	-	-	-	-	3,494,085
Foreign Currency Translation Difference	-	-	51,874,138	-	-	-	44,158,523	96,032,661
Net Change in Fair Value of Available-for-Sale Financial Assets Transferred (to)/ from Policyholders Reserve	-	-	-	-	1,899,824	-	451,445	2,351,269
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	(160,236)	-	-	950,035	789,799
Defined Benefit Plan Actuarial Losses	-	-	-	-	-	(2,127,800)	-	(2,127,800)
Total Comprehensive Income	-	3,494,085	51,874,138	(160,236)	1,899,824	(5,744,320)	43,730,054	95,093,544
Dividend Distributed	-	-	-	-	-	(10,994,836)	(16,516,650)	(27,511,486)
Changes in Ownership Interests								
Effect of Acquisition, disposals and change in percentage holdings in subsidiaries	-	-	-	-	-	39,439,117	-	39,439,117
Total Changes in Ownership Interests	-	-	-	-	-	28,444,281	(16,516,650)	11,927,631
Balance as at 31st December 2018	1,860,001,339	33,728,956	107,226,776	(61,960)	1,259,430	(378,883,276)	353,846,144	1,977,117,408
Net Profit for the period	-	-	-	-	-	(73,466,584)	58,545,392	(14,921,192)
Other Comprehensive Income								
Net Change in Fair Value of Available-for-Sale Financial Assets Transferred (to)/ from Policyholders Reserve	-	-	-	-	1,235,189	-	265,648	1,500,838
Foreign Currency Translation Difference	-	-	(809,356)	-	-	-	(662,200)	(1,471,556)
Total Comprehensive Income	-	-	(809,356)	-	1,235,189	(73,466,584)	58,148,840	(14,891,910)
Transfer from Revaluation Reserve	-	(1,344,899)	-	-	-	1,344,899	-	-
Dividend Distributed	-	-	-	-	-	(16,716,843)	(13,677,418)	(30,394,261)
Total changes in ownership interests	-	(1,344,899)	-	-	-	(15,371,944)	(13,677,418)	(30,394,261)
Balance as at 30th September 2019	1,860,001,339	32,384,057	106,417,420	(61,960)	2,494,619	(467,721,804)	398,317,566	1,931,831,238

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 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	-	-	54,504,889	54,504,889
Total Comprehensive Income	-	-	54,504,889	54,504,889
Balance as at 30th September 2018	1,860,001,339	30,331,677	(19,739,827)	1,870,593,189
Net Loss for the period	-	-	(30,763,450)	(30,763,450)
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	(32,830,186)	(31,761,286)
Balance as at 31st December 2018	1,860,001,339	31,400,577	(52,570,013)	1,838,831,903
#REF!		(1,344,899)	1,344,899	
Net Profit for the period	-	-	(116,848,627)	(116,848,627)
Total Comprehensive Income	-	(1,344,899)	(115,503,728)	(116,848,627)
Balance as at 30th September 2019	1,860,001,339	30,055,678	(168,073,741)	1,721,983,276

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER	Group		Company	
	Unaudited 2019 Rs	Unaudited 2018 Rs	Unaudited 2019 Rs	Unaudited 2018 Rs
Cash Flows from Operating Activities				
Contribution (Premium) received from customers	3,389,350,521	3,112,424,309	1,570,949,683	1,441,096,200
Retakaful (Reinsurance) Premium paid	(615,008,111)	(384,015,559)	(330,307,731)	(246,733,587)
Claims, Benefits and Expenses paid	(1,448,002,644)	(1,161,989,795)	(897,977,273)	(708,825,012)
Retakaful (Reinsurance) Receipts in respect of Claims	322,103,688	127,802,578	268,951,561	103,219,956
Cash paid to and behalf of Employees	(490,568,931)	(484,390,219)	(284,843,045)	(291,890,954)
Profits received from Investments and Other Income	339,520,425	121,518,754	32,085,226	15,424,850
Dividends received	19,251,692	23,151,069	16,716,843	11,690,153
Finance Cost paid	(28,818,948)	(30,752,121)	(30,077,849)	(30,192,925)
Other operating cash receipts/ (payments)	(1,221,807,412)	(1,256,688,534)	(370,535,812)	(296,247,510)
Cash Flow from/(used in) Operating Activities (Note A)	270,091,915	67,060,483	(25,038,398)	(2,458,830)
Gratuity Paid	(2,758,425)	(1,716,856)	(2,758,425)	(1,716,856)
Income Tax Paid	(30,443,354)	(22,433,336)	-	-
Net Cash Flow from/(used in) Operating Activities	236,890,136	42,910,290	(27,796,823)	(4,175,686)
Cash Flows from/(used in) Investing Activities				
Purchase of Investment Securities	(1,653,345,191)	(1,530,040,716)	(389,569,329)	(329,985,544)
Sale of Investment Securities	1,609,161,779	1,593,070,162	492,681,102	483,404,033
Purchase of Intangible Assets	(27,429,949)	(33,104,455)	-	-
Advance Payment to Righ of use asset	-	-	(12,960,556)	-
Purchase of Property, Plant & Equipment	(8,858,745)	(13,638,448)	(489,613)	(23,724,151)
Proceeds from Disposal of Property, Plant & Equipment	-	-	3,050,000	-
Net Cash Flow used in Investing Activities	(80,472,105)	16,286,543	92,711,604	129,694,338
Cash Flows from Financing Activities				
Repayment of Lease Liabilities	(12,966,247)	(1,766,175)	(5,730,887)	(971,485)
Short term Loan Obtained	222,000,000	490,000,000	222,000,000	490,000,000
Subordinated Debt	92,639,892	-	64,658,000	-
Settlement/ (Repayments) of Short Term Borrowings	(421,393,030)	(644,736,901)	(421,393,030)	(644,736,901)
Dividend Paid	(30,318,753)	(14,175,022)	-	-
Sale of Investment Property	29,500,000	-	29,500,000	-
Net cash flows from financing activities	(120,538,138)	(170,678,098)	(110,965,917)	(155,708,386)
(Increase)/Decrease in Cash and Cash Equivalents (Note B)	35,879,891	(111,481,262)	(46,051,135)	(30,189,733)

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

Profit/ (Loss) from Operations	44,341,110	165,920,326	(86,770,778)	89,837,354
Depreciation	23,729,399	20,911,744	14,550,286	14,813,257
Amortisations	2,658,065	8,130,569	521,113	1,290,934
Provision for Gratuity	4,761,221	4,326,719	2,395,395	1,680,729
Unrealised (Income)/Losses	7,157,823	1,847,704	-	-
(Increase)/Decrease in Debtors and Other Assets	(80,236,475)	(86,446,129)	161,374,819	(108,065,942)
Increase/(Decrease)Family Takaful (Long Term Insurance) Fund	(9,186,679)	(105,360,917)	-	-
Increase/(Decrease) in Unearned Contribution (Premium)	(69,483,077)	200,910,042	(119,693,694)	87,129,932
Increase/(Decrease) in Claims Provision	117,915,619	(195,058,888)	(52,742,812)	(97,391,914)
Increase/(Decrease) in Other Creditors	257,253,856	82,631,434	85,405,123	38,439,744
Finance Cost Paid	(28,818,948)	(30,752,121)	(30,077,849)	(30,192,925)
Cash Flows from/(used in) Operating Activities	270,091,915	67,060,483	(25,038,398)	(2,458,830)

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

Cash at bank and in Hand and Cash Equivalents	718,774,375	879,750,175	333,608,777	356,379,338
Cash and Cash Equivalents at the end of the period	718,774,375	879,750,175	333,608,777	356,379,338
Cash and Cash Equivalents at the beginning of the year	682,894,487	991,231,444	379,659,911	386,569,071
Decrease in Cash and Cash Equivalents	35,879,891	(111,481,266)	(46,051,135)	(30,189,732)

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

AS AT	Unaudited 30.09.2019 Rs.	Audited 31.12.2018 Rs.
ASSETS		
Intangible Assets	20,522,076	20,954,644
Property, Plant and Equipment	24,061,528	28,703,776
Right of use of Asset	18,799,328	-
Investment Property	144,929,000	144,929,000
Financial Assets	815,227,841	875,164,705
Financial Assets - Unit Linked	1,686,263,659	1,621,208,465
Contribution (Premium) Receivable	33,051,969	39,676,266
Other Assets	53,258,005	53,717,719
Cash and Bank Balances	59,242,444	85,064,943
Cash and Bank Balances - Unit Linked	14,476,535	8,155,160
Total Assets	2,869,832,384	2,877,574,677
LIABILITIES		
Insurance Contract Liability - Family Takaful Fund	482,712,522	534,967,470
Insurance Contract Liability - Family Takaful Linked Unit Linked	1,700,382,026	1,660,124,030
Employee Benefits	7,349,100	7,078,883
Finance Lease Liability	18,347,163	-
Subordinated Debt	60,033,142	32,051,250
Other Liabilities	54,762,956	76,341,388
Other Liabilities - Unit Linked	46,826,579	51,285,609
Total Liability	2,370,413,488	2,361,848,630
SHAREHOLDERS' EQUITY		
Stated Capital	500,000,000	500,000,000
Other Reserves	2,545,326	2,545,326
Retained Earnings	(3,126,431)	13,180,722
Total Equity	499,418,895	515,726,048
Total Equity & Liability	2,869,832,384	2,877,574,677

NOTES TO THE FINANCIAL STATEMENTS

1. Figures in the Interim Financial Statements for the period ended 30th September 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	Group		Company	
	Unaudited 30.09.2019 Rs.	Audited 31.12.2018 Rs.	Unaudited 30.09.2019 Rs.	Audited 31.12.2018 Rs.
Opening Right of use lease asset as at 01st January	60,468,409	-	37,912,367	-
Additions during the period	1,904,442	-	-	-
Net Depreciation for the period	(24,308,566)	-	(18,647,411)	-
Advance Payment for leases	21,014,437	-	21,014,437	-
Closing Right of use lease asset as at 30th September	59,078,721	-	40,279,393	-

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	Group		Company	
	Unaudited 30.09.2019 Rs.	Audited 31.12.2018 Rs.	Unaudited 30.09.2019 Rs.	Audited 31.12.2018 Rs.
Opening lease Creditor as at 01st January	60,468,409	-	37,912,367	-
Additions during the period	1,904,442	-	-	-
Ijara Profit Expense recognised in Profit or Loss	5,102,838	-	3,980,799	-
Settlement through lease payment	(12,966,247)	-	(5,730,887)	-
Closing lease Creditors at 30th September	54,509,442	-	36,162,279	-

4. Financial Assets

AS AT	Group		Company	
	Unaudited 30.09.2019 Rs.	Audited 31.12.2018 Rs.	Unaudited 30.09.2019 Rs.	Audited 31.12.2018 Rs.
Financial Assets at Fair Value Through Profit or Loss (4.1)	106,050,321	88,086,419	-	-
Available For Sale Financial Assets (4.2)	375,610,658	318,521,555	525,000	525,000
Loans & Receivables (4.3)	2,379,719,491	2,428,572,753	834,785,620	836,967,607
	2,861,380,470	2,835,180,727	835,310,620	837,492,607

AS AT	Group		Company	
	Unaudited 30.09.2019 Rs.	Audited 31.12.2018 Rs.	Unaudited 30.09.2019 Rs.	Audited 31.12.2018 Rs.
4.1 Financial Assets at Fair Value Through Profit & Loss				
Investments in Equity Securities	106,050,321	88,086,419	-	-
	106,050,321	88,086,419	-	-
4.2 Available For Sale Financial Assets				
Investments in Equity Securities - Quoted	31,810,079	28,956,551	-	-
Unit Trust	26,694,310	26,561,505	-	-
Investments in Equity Securities - Unquoted	317,106,269	263,003,500	525,000	525,000
	375,610,658	318,521,555	525,000	525,000
4.3 Loans and Receivable				
Repurchase Agreements	604,318,225	664,719,396	274,261,951	284,967,602
Fixed Term Deposits	1,761,546,922	1,750,329,688	547,089,643	538,898,555
Advances to Company Officers	13,854,344	13,523,669	13,434,025	13,101,450
	2,379,719,491	2,428,572,753	834,785,620	836,967,607

Financial Assets- Group, includes a provision of Rs. 75,658,959- (2018 - 75,658,959). The said provision will be revised upon recovery.

NOTES TO THE FINANCIAL STATEMENTS

5. Financial Assets - Unit Linked

AS AT	Unaudited as at 30.09.2019 Rs.	Audited as at 31.12.2018 Rs.	Unaudited as at 30.09.2019 Rs.	Audited as at 31.12.2018 Rs.
Financial Assets at Fair Value Through Profit or Loss (5.1)	57,091,806	61,432,832	-	-
Available For Sale Financial Assets (5.2)	28,376,024	27,007,989	-	-
Loans & Receivables (5.3)	1,600,795,830	1,532,767,646	-	-
	1,686,263,659	1,621,208,465	-	-

AS AT	Unaudited as at 30.09.2019 Rs.	Audited as at 31.12.2018 Rs.	Unaudited as at 30.09.2019 Rs.	Audited as at 31.12.2018 Rs.
5.1 Financial Assets at Fair Value Through Profit & Loss				
Investments in Equity Securities	57,091,806	61,432,832	-	-
	57,091,806	61,432,832	-	-
5.2 Available For Sale Financial Assets				
Unit Trust	28,376,024	27,007,989	-	-
	28,376,024	27,007,989	-	-
5.3 Loans and Receivable				
Repurchase Agreements	31,043,507	20,056,658	-	-
Fixed Term Deposits	1,569,752,323	1,512,710,987	-	-
	1,600,795,830	1,532,767,646	-	-

Financial Assets - Unit Linked, includes a provision of Rs. 6,183,604 (2018 - 6,183,604). The said provision will be revised upon recovery

6. Gross Written Premium (Contribution)

FOR THE PERIOD ENDED 30 SEPTEMBER	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Unaudited 2019 Rs.	Unaudited 2018 Rs.
6.1 Non-Life (General Takaful)				
Motor	839,921,890	876,677,651	787,095,088	840,092,133
Fire	681,399,730	415,187,813	218,600,796	162,887,649
Marine	212,059,214	215,424,692	96,082,670	112,020,619
Medical	805,232,147	832,846,577	132,734,312	204,729,854
Miscellaneous	268,162,557	255,034,105	180,134,362	183,457,624
	2,806,775,538	2,595,170,839	1,414,647,228	1,503,187,880
6.2 Long Term Insurance (Family Takaful)				
Unit Linked	568,004,175	525,521,461	-	-
Family Takaful	45,432,697	61,133,479	-	-
Mortgage & Group Family Takaful	21,532,242	27,567,700	-	-
	634,969,114	614,222,641	-	-
Total Gross Written Premium	3,441,744,651	3,209,393,480	1,414,647,228	1,503,187,880

7. Revenue

7.1 Revenue by Segment

FOR THE PERIOD ENDED 30 SEPTEMBER	Group		Company	
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Unaudited 2019 Rs.	Unaudited 2018 Rs.
Segment				
Amana Takaful PLC	1,287,010,444	1,255,814,427	1,287,010,444	1,255,814,427
Amana Takaful Life PLC	831,440,641	724,990,009	-	-
Amana Takaful (Maldives) PLC	890,655,881	717,438,716	-	-
Amana Global Ltd	4,050,000	4,050,000	-	-
Eliminations	(24,896,262)	(31,775,051)	-	-
	2,988,260,705	2,670,518,101	1,287,010,444	1,255,814,427

7.2 Revenue

FOR THE PERIOD ENDED 30 SEPTEMBER	Group		Company	
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Unaudited 2019 Rs.	Unaudited 2018 Rs.
Gross written Contribution (Premium)	3,441,744,651	3,209,393,480	1,414,647,228	1,503,187,880
Less :				
Reinsurance premium	(914,767,486)	(630,847,467)	(333,581,809)	(269,631,001)
Net written premium	2,526,977,166	2,578,546,013	1,081,065,419	1,233,556,879
(Increase)/decrease in net unearned premium	69,483,077	(200,910,042)	119,693,694	(87,129,932)
Net earned premium	2,596,460,242	2,377,635,971	1,200,759,114	1,146,426,947
Income from investments	281,338,148	209,819,008	74,756,518	95,165,486
Other income	110,462,315	83,063,122	11,494,812	14,221,994
Revenue	2,988,260,705	2,670,518,101	1,287,010,444	1,255,814,427

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 September 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 September 2019. LAT will be performed annually

10. Profit/ (Loss) Before Taxation by Segment

FOR THE PERIOD ENDED 30 SEPTEMBER	Group		Company	
	Unaudited 2019	Unaudited 2018	Unaudited 2019	Unaudited 2018
Segment				
Amana Takaful PLC	(116,848,627)	59,644,429	(116,848,627)	59,644,429
Amana Takaful Life PLC	(17,807,989)	(27,098,216)	-	-
Amana Takaful Maldives PLC	167,548,700	130,852,598	-	-
Amana Global Ltd	(653,079)	(505,556)	-	-
Eliminations	(16,716,843)	(27,725,051)	-	-
Total	15,522,162	135,168,204	(116,848,627)	59,644,429

11. Cash and Cash Equivalents in Statement of Cash Flow

AS AT	Group		Company	
	Unaudited 30.09.2019	Unaudited 31.12.2019	Unaudited 30.09.2019	Unaudited 31.12.2018
Cash and Bank Balances	224,339,440	217,105,631	59,346,826	94,692,309
Cash and Bank Balances - Unit Linked	14,476,535	8,155,160	-	-
Investment in Government Securities	479,958,400	457,633,696	274,261,951	284,967,602
	718,774,375	682,894,487	333,608,777	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 September 2019 is represented by shares in issue as given below:

Number of shares as at	Unaudited 30.09.2019	Audited 31.12.2018
Ordinary shares - One Vote per Ordinary Share	180,000,130	180,000,130

21. Share Information

	Group		Company	
	30.09.2019 Rs.	31.12.2018 Rs.	30.09.2019 Rs.	31.12.2018 Rs.
Net asset value per share	8.52	9.02	9.57	10.22
Market price per share as at	5.10	6.80	-	-
Highest price per share for the period	6.00	7.20	-	-
Lowest price per share for the period	4.90	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 September 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
Seylan Bank PLC/Senthilveri Holdings (Pvt) Ltd	16,230,422	9.02
ATL Investment Holdings Limited	13,889,678	7.72
Sampath Bank PLC/Dr.T.Senthilveri	4,864,313	2.70
Falcon Trading (Pvt) Ltd	2,861,302	1.59
Dr. Thirugnanasambandar Senthilveri	752,983	0.42
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
Mr. Mohamed Hussain Mohamed Nazeer	241,017	0.13
	<hr/>	
	164,121,089	91.18
Others	15,879,041	8.82
Total	<hr/>	
	180,000,130	100.00

Public Shareholding	30.09.2019	31.12.2018
Float Adjusted Market Capitalisation (Rs.)*	364,079,733	485,439,549
Percentage of Shares held by the Public	39.66%	39.66%
Number of Public Shareholders	5,811	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 30.09.2019	No. of Shares 31.12.2018
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	No. of Shares	No. of Shares
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. Osman Kassim - Chairman
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. Palmyrah, 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

Actuarial Partners Consulting Sdn Bhd
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