

Amana Takaful PLC

Interim Report
31st Decemeber 2019



STATEMENT OF FINANCIAL POSITION

AS AT	Notes	Group		Company	
		Unaudited as at 31.12.2019 Rs.	Audited as at 31.12.2018 Rs.	Unaudited as at 31.12.2019 Rs.	Audited as at 31.12.2018 Rs.
ASSETS					
Intangible Assets		108,896,021	86,942,914	28,674,556	31,025,948
Property, Plant and Equipment		89,965,548	96,024,241	49,716,142	63,757,277
Right of Use Lease Assets	3	248,381,418	-	8,643,133	-
Deferred Tax Asset	13	7,079,954	103,483,264	-	96,792,137
Investment Property		194,000,000	220,429,000	46,500,000	75,500,000
Investment in Subsidiary		-	-	1,052,867,811	1,052,867,811
Financial Assets	4	2,832,192,350	2,835,180,727	832,123,207	837,492,607
Financial Assets - Unit Linked	5	1,716,210,033	1,621,208,465	-	-
Retakaful (Reinsurance) Receivables		330,635,998	437,579,148	190,265,957	410,365,133
Contribution (Premium) Receivable		589,940,459	711,244,729	395,623,737	529,532,922
Other Assets		365,788,678	252,737,848	111,705,651	135,396,673
Cash and Bank Balances		200,210,767	217,105,631	109,622,517	94,692,309
Cash and Bank Balances - Unit Linked		38,196,879	8,155,160	-	-
Total Assets		6,721,498,109	6,590,091,126	2,825,742,709	3,327,422,817
LIABILITIES					
Insurance Contract Liabilities - Non Life		1,194,701,852	1,394,786,725	704,792,638	972,644,129
Insurance Contract Liabilities - Family Takaful Fund		471,345,846	534,967,470	-	-
Insurance Contract Liabilities- Family Takaful Unit Linked		1,746,714,471	1,660,124,030	-	-
Employee Benefits		83,111,568	66,878,749	39,390,695	35,028,091
Subordinated Debt		224,991,697	46,599,805	264,821,500	97,024,473
Other Liabilities - Unit Linked		50,986,682	51,285,609	-	-
Other Liabilities		732,135,186	657,554,055	171,991,154	183,116,946
Lease Creditor		250,071,616	-	10,783,464	-
Short Term Borrowings		162,938,162	200,777,276	162,938,162	200,777,276
Total Liabilities		4,916,997,079	4,612,973,718	1,354,717,613	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		140,466,221	140,955,732	30,029,655	31,400,577
Revenue Reserves		(653,386,818)	(377,685,807)	(419,005,898)	(52,570,013)
		1,347,080,741	1,623,271,264	1,471,025,096	1,838,831,904
Non Controlling Interest		457,420,288	353,846,144	-	-
Total Equity		1,804,501,029	1,977,117,408	1,471,025,096	1,838,831,904
Total Liabilities and Equity		6,721,498,109	6,590,091,126	2,825,742,709	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
28th February 2020

Signed
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Zaid Ibnu Aboobucker
Interim Acting CEO

Signed
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Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31ST DECEMBER	Notes	Group			Company		
		Unaudited 2019 Rs.	Audited as at 2018 Rs.	Change %	Unaudited 2019 Rs.	Audited as at 2018 Rs.	Change %
Gross Written Contribution (Premium)	6	4,281,800,800	4,213,899,613	2%	1,832,052,947	2,002,389,304	-9%
Retakaful Contribution (Reinsurance Premium)		(1,157,112,914)	(832,979,375)	-39%	(482,358,879)	(388,004,377)	-24%
Net Written Contribution (Premium)		3,124,687,887	3,380,920,237	-8%	1,349,694,068	1,614,384,927	-16%
Net Change in Reserve for Un-Earned Contribution (Premium)		173,788,550	(156,111,084)	211%	127,361,817	(73,200,586)	274%
Net Earned Contribution (Premium)		3,298,476,437	3,224,809,153	2%	1,477,055,884	1,541,184,341	-4%
Other Revenue							
Income from investments		392,878,535	303,649,871	29%	94,578,259	112,132,924	-16%
Investment Transferred		-	-	-	-	54,545,458	-100%
Gain/(loss) on Available-for-sale Financial Instruments		-	39,439,117	-100%	-	-	-
Other income		141,118,105	143,803,791	-2%	18,685,988	30,974,247	-40%
Total Revenue	7	3,832,473,078	3,711,701,932	3%	1,590,320,131	1,738,836,970	-9%
Benefits, Losses and Expenses							
Takaful (Insurance) claims and benefits		(2,250,145,698)	(1,930,905,608)	-17%	(1,056,644,495)	(875,877,178)	-21%
Acquisition Cost (net of reinsurance commission)		(258,813,573)	(260,412,793)	1%	(106,451,597)	(108,321,161)	2%
Change in Family Takaful Contract Liability		(26,504,108)	36,961,441	172%	-	-	-
Other Operating and Administration Expenses		(1,380,112,713)	(1,350,343,770)	-2%	(639,835,037)	(673,352,084)	5%
Depreciation		(23,100,154)	(38,679,282)	40%	(16,335,711)	(22,929,878)	29%
Total Claims, Benefits and Expenses		(3,938,676,246)	(3,543,380,012)	-11%	(1,819,266,839)	(1,680,480,301)	-8%
Profit / (Loss) from Operations		(106,203,168)	168,321,919	-163%	(228,946,708)	58,356,669	-492%
Finance cost		(41,059,866)	(35,118,177)	-17%	(40,988,164)	(34,371,140)	-19%
Profit / (Loss) Before Taxation	10	(147,263,034)	133,203,743	-211%	(269,934,872)	23,985,529	-1225%
Income Tax Expenses	12	(130,277,427)	(29,011,797)	-349%	(96,792,137)	(244,089)	-39554%
Net Profit / (Loss) for the Period		(277,540,461)	104,191,945	-366%	(366,727,009)	23,741,440	-1645%
Attributable to:		Rs	Rs				
Equity holders of the parent		(333,392,716)	59,986,522				
Non-Controlling Interest		55,852,255	44,205,423				
		(277,540,461)	104,191,945				
Earnings per share		Rs (1.85)	Rs 0.33	-656%	Rs (2.04)	Rs 0.13	-1645%
Interim dividend paid per share		-	-	-	-	-	-
Final proposed dividend per share		-	-	-	-	-	-

OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31ST DECEMBER	Group			Company		
	Unaudited 2019 Rs.	Audited as at 2018 Rs.	Change %	Unaudited 2019 Rs.	Audited as at 2018 Rs.	Change %
Other Comprehensive Income						
Profit/(Loss) for the period	(277,540,461)	104,191,945	-366%	(366,727,009)	23,741,440	-1645%
Change in Fair Value of Available for Sale Financial Assets	133,598,072	2,111,188	6228%	-	-	-
Net Changes From Revaluation of Property Plant and Equipment	-	3,494,085	-100%	-	1,068,900	-100%
Fair Value of Available for Sale Financial Assets Transferred to Policyholder's Reserve	3,278,674	2,550,539	-29%	-	-	-
Defined Benefit Plan Actuarial Losses	(3,113,639)	(2,127,800)	-46%	(1,079,799)	(2,066,736)	-48%
Foreign Currency Translation Differences for Foreign Operations	1,555,250	98,856,817	-98%	-	-	-
	(142,222,104)	209,076,774	-168%	(367,806,807)	(997,836)	36760%
Total Comprehensive Income for the period	(142,222,104)	209,076,774	-168%	(367,806,807)	22,743,604	-1717%
Attributable to;						
Equity holders of the parent	(199,354,547)	118,984,303				
Non-Controlling Interest	57,132,443	90,092,471				
	(142,222,104)	209,076,774				

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 31st DECEMBER	Group			Company		
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %
Gross Written Contribution (Premium)	840,056,149	1,004,506,385	-16%	417,405,719	499,201,425	-16%
Retakaful Contribution (Reinsurance Premium)	(202,180,181)	(201,729,388)	0%	(108,611,823)	(70,687,656)	-54%
Net Written Contribution (Premium)	637,875,968	802,776,997	-21%	308,793,895	428,513,769	-28%
Net Change in Reserve for Un-Earned Contribution (Premium)	104,305,474	44,798,958	-133%	7,668,122	13,929,346	45%
Net Earned Contribution (Premium)	742,181,442	847,575,955	-12%	316,462,018	442,443,115	-28%
Other Revenue						
Income from investments	111,040,388	109,605,869	1%	19,321,741	21,397,078	-10%
Other income	30,655,790	28,671,224	7%	7,191,176	15,001,644	-52%
Total Revenue	884,377,620	985,853,047	-10%	343,474,934	478,841,837	-28%
Benefits, Losses and Expenses						
Takaful (Insurance) claims and benefits	(559,298,096)	(555,611,459)	-1%	(281,535,845)	(259,458,402)	-9%
Acquisition Cost (net of reinsurance commission)	(39,208,220)	(70,669,647)	45%	(28,957,495)	(47,243,015)	39%
Change in Family Takaful Contract Liability	(35,690,786)	(72,055,453)	50%	-	-	-
Other Operating and Administration Expenses	(402,569,972)	(329,152,169)	-22%	(173,372,099)	(196,316,935)	12%
Depreciation	1,845,176	(8,239,951)	122%	(1,785,425)	(3,146,202)	43%
Total Claims, Benefits and Expenses	(1,034,921,898)	(1,035,728,678)	0%	(485,650,864)	(506,164,555)	4%
Profit / (Loss) from Operations	(150,544,278)	(49,875,631)	202%	(142,175,929)	(27,322,718)	-420%
Finance cost	(12,240,918)	(9,128,316)	-34%	(10,910,315)	(8,940,475)	-22%
Profit / (Loss) Before Taxation	(162,785,196)	(59,003,947)	-176%	(153,086,245)	(36,263,193)	322%
Income Tax Expenses	(99,834,073)	(238,509)	-41758%	(96,792,137)	5,139,540	1983%
Net Profit / (Loss) for the Period	(262,619,270)	(59,242,456)	-343%	(249,878,382)	(31,123,653)	703%
Attributable to:	Rs	Rs				
Equity holders of the parent	(259,926,133)	(59,599,225)		-	-	-
Non-Controlling Interest	(2,693,137)	356,769		-	-	-
	(262,619,270)	(59,242,456)				
Basic / Diluted Earnings / (Loss) Per Share - Weighted Average - To Equity Holders	(1.44)	(0.33)	336%	(1.39)	0.01	-10514%
Dividend per share						
Interim dividend paid per share	-	-	-	-	-	-
Final proposed dividend per share	-	-	-	-	-	-

OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 31st DECEMBER	Group			Company		
	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %	Unaudited 2019 Rs.	Unaudited 2018 Rs.	Change %
Other Comprehensive Income						
Profit/(Loss) for the period	(262,619,270)	(59,242,456)	343%	(249,878,382)	(31,123,653)	703%
Change in Fair Value of Available for Sale Financial Assets	133,598,072	-	100%	-	-	-
Fair Value of Available for Sale Financial Assets reclassified to profit or loss	-	2,059,718	100%	-	-	-
Fair Value of Available for Sale Financial Assets Transferred to Policyholder's Reserve	1,638,943	702,835	-133%	-	-	-
Defined Benefit Plan Actuarial Losses	(3,113,639)	(2,127,800)	-46%	(1,079,799)	-	-
Foreign Currency Translation Differences for Foreign Operations	24,543,435	94,316,614	74%	-	-	-
	(105,952,458)	35,708,912	-397%	(250,958,180)	(31,123,653)	706%
Income Tax expense for Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income / (Loss) for the period	(105,952,458)	35,708,912	397%	(250,958,180)	(31,123,653)	706%
Attributable to:						
Equity holders of the parent	(109,202,938)	19,639,901				
Non-Controlling Interest	3,250,480	16,069,010				
	(105,952,458)	35,708,912				

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31ST DECEMBER 2019

	Other Reserves			Revenue Reserves			Non Controlling Interest (Rs)	Total Equity (Rs)
	Stated Capital (Rs)	Revaluation Reserve (Rs)	Translation Reserve (Rs)	Available For Sale Reserve (Rs)	Policy Holder's Reserve (Rs)	Accumulated Losses (Rs)		
Balance as at 1st January 2018	1,860,001,339	30,234,871	52,855,527	98,276	(2,161,055)	(453,496,126)	282,755,191	1,770,288,023
Net Profit/ (Loss) for the period	-	-	-	-	-	59,986,522	44,205,423	104,191,945
Net Change in Fair Value of Available-for-Sale Financial Assets Transferred (to)/ from Policyholders	-	-	-	-	2,099,093	-	451,445	2,550,539
Foreign Currency Translation Difference	-	-	54,371,249	-	-	-	44,485,567	98,856,817
Defined Benefit Plan Actuarial Losses	-	-	-	-	-	(2,127,800)	-	(2,127,800)
Total Comprehensive Income	-	-	54,371,249	-	2,099,093	57,858,722	89,142,436	203,471,500
Effect of acquisitions, disposals and change in percentage holdings in subsidiaries	-	-	-	-	-	39,439,117	-	39,439,117
Dividend Distributed	-	-	-	-	-	(22,684,989)	(19,001,519)	(41,686,508)
Net Change in Fair Value of Property, plant & equipment	-	3,494,085	-	-	-	-	-	3,494,085
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	1,161,154	-	-	950,035	2,111,189
Total Comprehensive Income	-	3,494,085	-	1,161,154	-	16,754,128	(18,051,484)	3,357,883
Balance as at 31st December 2018	1,860,001,339	33,728,956	107,226,776	1,259,430	(61,962)	(378,883,276)	353,846,142	1,977,117,408
Net Profit for the period	-	-	-	-	-	(333,392,716)	55,852,255	(277,540,461)
Other Comprehensive Income	-	-	-	-	-	-	-	-
Defined Benefit Plan Actuarial Losses	-	-	-	-	-	(3,113,639)	-	(3,113,639)
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	73,478,940	-	-	60,119,132	133,598,072
Other Comprehensive Income	-	-	-	-	-	-	-	-
Net Change in Fair Value of Available-for-Sale Financial Assets Transferred (to)/ from Policyholders Reserve	-	-	-	-	2,698,349	-	580,325	3,278,674
Foreign Currency Translation Difference	-	-	855,387	-	-	-	699,862	1,555,250
Total Comprehensive Income	-	-	855,387	73,478,940	2,698,349	(336,506,355)	117,251,575	(142,222,104)
Transfer from Revaluation Reserve	-	(1,344,899)	-	-	-	1,344,899	-	-
Dividend Distributed	-	-	-	-	-	(16,716,843)	(13,677,429)	(30,394,272)
Total changes in ownership interests	-	(1,344,899)	-	-	-	(15,371,944)	(13,677,429)	(30,394,272)
Balance as at 31st December 2019	1,860,001,339	32,384,057	108,082,164	74,738,370	2,636,387	(730,761,575)	457,420,288	1,804,501,029

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31ST DECEMBER 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 Loss for the period	-	-	23,741,439	23,741,439
Transfer of Revaluation Surplus to Retained Earnings, at the Disposal		1,068,900.00		1,068,900
Defined Benefit Plan Actuarial Losses	-	-	(2,066,736)	(2,066,736)
Total Comprehensive Income	-	1,068,900	21,674,703	22,743,603
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	-	-	(366,727,009)	(366,727,009)
Defined Benefit Plan Actuarial Losses	-	-	(1,079,799)	(1,079,799)
Total Comprehensive Income	-	-	(367,806,807)	(367,806,807)
Transfer of Revaluation Surplus to Retained Earnings, at the Disposal	-	(1,370,922)	1,370,922	-
Balance as at 31st December 2019	1,860,001,339	30,029,655	(419,005,898)	1,471,025,096

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER	Group		Company	
	Unaudited 2019 Rs	Audited as at 2018 Rs	Unaudited 2019 Rs	Audited as at 2018 Rs
Cash Flows from Operating Activities				
Contribution (Premium) received from customers	4,403,105,071	4,070,013,736	1,898,739,615	1,962,605,277
Retakaful (Reinsurance) Premium paid	(449,618,497)	(524,806,482)	(315,384,543)	(231,762,669)
Claims, Benefits and Expenses paid	(2,028,361,591)	(2,060,438,062)	(1,426,999,051)	(1,275,531,234)
Retakaful (Reinsurance) Receipts in respect of Claims	396,524,523	291,481,088	360,897,247	215,291,799
Cash paid to and behalf of Employees	(505,661,429)	(635,263,575)	(372,662,596)	(342,305,789)
Profits received from Investments and Other Income	246,102,908	214,031,897	81,462,618	64,785,258
Dividends received	(10,254,806)	35,194,824	16,162,251	22,684,989
Finance Cost paid	(41,059,866)	(35,118,177)	(53,616,315)	(34,371,140)
Other operating cash receipts/ (payments)	(1,221,807,412)	(1,212,529,170)	(442,358,196)	(387,243,047)
Cash Flow from/(used in) Operating Activities (Note A)	(70,573,381)	142,566,081	(253,758,971)	(5,846,557)
Gratuity Paid	(5,179,176)	(3,805,874)	(4,037,364)	(2,995,994)
Income Tax Paid	(130,277,427)	(27,811,385)	-	-
Net Cash Flow from/(used in) Operating Activities	(206,029,984)	110,948,822	(257,796,335)	(8,842,551)
Cash Flows from/(used in) Investing Activities				
Purchase of Investment Securities	(1,378,925,712)	(398,553,365)	(177,385,031)	(56,238,054)
Sale of Investment Securities	1,609,161,779	-	347,401,084	-
Purchase of Intangible Assets	(31,522,493)	(32,265,738)	-	-
Advance Payment to Righ of use asset	2,115,000	-	2,115,000	-
Purchase of Property, Plant & Equipment	(24,650,305)	(39,063,531)	(2,355,830)	(20,056,653)
Disposal / (Purchase) of Subsidiaries	-	39,439,117	-	-
Net Cash Flow used in Investing Activities	176,178,270	(430,443,516)	169,775,223	(76,294,706)
Cash Flows from Financing Activities				
Repayment of Lease Liabilities	(12,124,125)	(2,529,623)	(1,533,000)	(1,393,149)
Short term Loan Obtained	295,237,739	550,000,000	295,237,739	550,000,000
Subordinated Debt	112,639,892	107,666,195	64,658,000	75,614,945
Settlement/ (Repayments) of Short Term Borrowings	(304,003,100)	(678,236,369)	(304,003,100)	(678,983,715)
Dividend Paid	(30,450,552)	(41,686,508)	-	-
Sale of Investment Property	29,000,000	-	29,000,000	-
Net cash flows from financing activities	90,299,853	(64,786,305)	83,359,639	(54,761,919)
(Increase)/Decrease in Cash and Cash Equivalents (Note B)	60,448,136	(384,281,000)	(4,661,473)	(139,899,176)

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

Profit/ (Loss) from Operations	(106,203,168)	168,321,919	(228,946,708)	58,356,669
Depreciation	24,496,515	28,382,621	16,335,711	19,363,761
Deferred Tax Asset	96,792,137	-	96,792,137	-
Amortisations	8,212,337	6,524,847	694,817	1,967,678
Provision for Gratuity	16,221,576	14,897,485	3,193,860	6,961,184
(Gain)/Losses from FVTPL Investments	-	483,803	-	-
Fair Value of Investment Transferred	-	-	(1,079,799)	54,545,459
Provision for Impairment of Investment In Subsidiary	-	-	-	(49,500,000)
(Increase)/Decrease in Debtors and Other Assets	8,278,771	(118,966,870)	157,600,207	(168,737,762)
Increase/(Decrease) Family Takaful (Long Term Insurance) Fund	26,504,108	(35,823,821)	-	-
Increase/(Decrease) in Unearned Contribution (Premium)	(173,788,550)	156,111,084	(127,361,817)	73,200,586
Increase/(Decrease) in IBNR & General Reserve Provision	(19,371,915)	42,315,777	(19,371,915)	40,552,135
Increase/(Decrease) in Claims Provision	(26,296,322)	(141,161,360)	(140,489,674)	114,903,719
Increase/(Decrease) in Other Creditors	74,581,131	51,103,772	(11,125,792)	(127,513,846)
Finance Cost Paid	(41,059,866)	(35,118,177)	(40,988,164)	(34,371,140)
(Gain)/Loss on Fair Value of Investment Property	41,059,866	5,495,000	40,988,164	4,425,000
Cash Flows from/(used in) Operating Activities	(70,573,381)	142,566,081	(253,758,972)	(5,846,557)

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

Cash at bank and in Hand and Cash Equivalents	743,342,619	682,894,486	374,998,439	379,659,911
Cash and Cash Equivalents at the end of the period	743,342,619	682,894,486	374,998,439	379,659,911
Cash and Cash Equivalents at the beginning of the year	682,894,486	1,067,175,486	379,659,911	519,559,087
Decrease in Cash and Cash Equivalents	60,448,136	(384,281,000)	(4,661,473)	(139,899,176)

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

AS AT	Unaudited 31.12.2019 Rs.	Audited 31.12.2018 Rs.
ASSETS		
Intangible Assets	19,658,919	20,954,644
Property, Plant and Equipment	22,347,950	28,703,776
Right of use of Asset	14,286,497	-
Investment Property	147,500,000	144,929,000
Financial Assets	816,169,793	875,164,705
Financial Assets - Unit Linked	1,716,210,033	1,621,208,465
Contribution (Premium) Receivable	36,692,115	39,676,266
Other Assets	39,531,714	53,717,719
Cash and Bank Balances	68,030,087	85,064,943
Cash and Bank Balances - Unit Linked	38,196,879	8,155,160
Total Assets	2,918,623,986	2,877,574,677
LIABILITIES		
Insurance Contract Liability - Family Takaful Fund	471,345,846	534,967,470
Insurance Contract Liability - Family Takaful Linked Unit Linked	1,746,714,473	1,660,124,030
Employee Benefits	10,090,893	7,078,883
Finance Lease Liability	13,444,469	-
Subordinated Debt	80,033,142	32,051,250
Other Liabilities	58,309,995	76,341,388
Other Liabilities - Unit Linked	50,986,682	51,285,609
Total Liability	2,430,925,499	2,361,848,630
SHAREHOLDERS' EQUITY		
Stated Capital	500,000,000	500,000,000
Other Reserves	6,709,623	2,545,326
Retained Earnings	(19,011,137)	13,180,722
Total Equity	487,698,486	515,726,048
Total Equity & Liability	2,918,623,986	2,877,574,677

NOTES TO THE FINANCIAL STATEMENTS

1. Figures in the Interim Financial Statements for the period ended 31st December 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 31.12.2019 Rs.	Audited 31.12.2018 Rs.	Unaudited 31.12.2019 Rs.	Audited 31.12.2018 Rs.
Opening Right of use lease asset as at 01st January	260,164,315	-	10,803,916	-
Net Depreciation for the period	(13,897,897)	-	(4,275,783)	-
Advance Payment for leases	2,115,000	-	2,115,000	-
Closing Right of use lease asset as at 30th September	248,381,418	-	8,643,133	-

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 31.12.2019 Rs.	Audited 31.12.2018 Rs.	Unaudited 31.12.2019 Rs.	Audited 31.12.2018 Rs.
Opening lease Creditor as at 01st January	258,541,061	-	10,803,916	-
Ijara Profit Expense recognised in Profit or Loss	3,654,673	-	1,512,548	-
Settlement through lease payment	(12,124,125)	-	(1,533,000)	-
Closing lease Creditors at 30th September	250,071,608	-	10,783,464	-

4. Financial Assets

AS AT	Group		Company	
	Unaudited 31.12.2019 Rs.	Audited 31.12.2018 Rs.	Unaudited 31.12.2019 Rs.	Audited 31.12.2018 Rs.
Financial Assets at Fair Value Through Profit or Loss (4.1)	559,286,961	88,086,419	-	-
Available For Sale Financial Assets (4.2)	50,039,119	318,521,555	525,000	525,000
Loans & Receivables (4.3)	2,222,866,270	2,428,572,753	831,598,207	836,967,607
	2,832,192,350	2,835,180,727	832,123,207	837,492,607

AS AT	Group		Company	
	Unaudited 31.12.2019 Rs.	Audited 31.12.2018 Rs.	Unaudited 31.12.2019 Rs.	Audited 31.12.2018 Rs.
4.1 Financial Assets at Fair Value Through Profit & Loss				
Investments in Equity Securities	559,286,961	88,086,419	-	-
	559,286,961	88,086,419	-	-
4.2 Available For Sale Financial Assets				
Investments in Equity Securities - Quoted	21,483,888	28,956,551	-	-
Unit Trust	28,030,231	26,561,505	-	-
Investments in Equity Securities - Unquoted	525,000	263,003,500	525,000	525,000
	50,039,119	318,521,555	525,000	525,000
4.3 Loans and Receivable				
Repurchase Agreements	570,971,995	664,719,396	265,375,922	284,967,602
Fixed Term Deposits	1,638,146,727	1,750,329,688	552,798,358	538,898,555
Advances to Company Officers	13,747,548	13,523,669	13,423,925	13,101,450
	2,222,866,270	2,428,572,753	831,598,207	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 31.12.2019 Rs.	Audited as at 31.12.2018 Rs.	Unaudited as at 31.12.2019 Rs.	Audited as at 31.12.2018 Rs.
Financial Assets at Fair Value Through Profit or Loss (5.1)	58,391,703	61,432,832	-	-
Available For Sale Financial Assets (5.2)	28,900,390	27,007,989	-	-
Loans & Receivables (5.3)	1,628,917,940	1,532,767,646	-	-
	1,716,210,033	1,621,208,465	-	-

AS AT	Unaudited as at 31.12.2019 Rs.	Audited as at 31.12.2018 Rs.	Unaudited as at 31.12.2019 Rs.	Audited as at 31.12.2018 Rs.
5.1 Financial Assets at Fair Value Through Profit & Loss				
Investments in Equity Securities	58,391,703	61,432,832	-	-
	58,391,703	61,432,832	-	-
5.2 Available For Sale Financial Assets				
Unit Trust	28,900,390	27,007,989	-	-
	28,900,390	27,007,989	-	-
5.3 Loans and Receivable				
Repurchase Agreements	30,110,959	20,056,657	-	-
Fixed Term Deposits	1,598,806,981	1,512,710,988	-	-
	1,628,917,940	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 31 DECEMBER	Unaudited 2019 Rs.	Audited as at 2018 Rs.	Unaudited 2019 Rs.	Audited as at 2018 Rs.
6.1 Non-Life (General Takaful)				
Motor	1,065,454,542	1,151,749,973	993,157,707	1,100,224,880
Fire	790,615,511	509,372,045	260,803,321	203,715,986
Marine	264,723,423	275,647,717	127,528,153	151,199,448
Medical	925,354,920	971,521,651	217,279,197	303,896,054
Miscellaneous	384,359,552	477,660,719	233,284,569	243,352,937
	3,430,507,947	2,908,291,386	1,832,052,947	2,002,389,304
6.2 Long Term Insurance (Family Takaful)				
Unit Linked	763,089,978	712,282,522	-	-
Family Takaful	60,280,672	79,332,430	-	-
Mortgage & Group Family Takaful	27,922,203	36,332,555	-	-
	851,292,854	827,947,507	-	-
Total Gross Written Premium	4,281,800,800	3,736,238,894	1,832,052,947	2,002,389,304

7. Revenue

7.1 Revenue by Segment

FOR THE PERIOD ENDED 31 DECEMBER	Group		Company	
	Unaudited 2019 Rs.	Audited as at 2018 Rs.	Unaudited 2019 Rs.	Audited as at 2018 Rs.
Segment				
Amana Takaful PLC	1,590,320,131	1,738,836,970	1,590,320,131	1,738,836,970
Amana Takaful Life PLC	1,128,613,149	1,016,216,754	-	-
Amana Takaful (Maldives) PLC	1,135,953,410	990,428,648	-	-
Amana Global Ltd	5,432,743	5,293,984	-	-
Eliminations	(27,846,355)	(39,074,424)	-	-
	3,832,473,078	3,711,701,932	1,590,320,131	1,738,836,970

7.2 Revenue

FOR THE PERIOD ENDED 31 DECEMBER	Group		Company	
	Unaudited 2019 Rs.	Audited as at 2018 Rs.	Unaudited 2019 Rs.	Audited as at 2018 Rs.
Gross written Contribution (Premium)	4,281,800,800	4,213,899,613	1,832,052,947	2,002,389,304
Less :				
Reinsurance premium	(1,157,112,914)	(832,979,375)	(482,358,879)	(388,004,377)
Net written premium	3,124,687,887	3,380,920,237	1,349,694,068	1,614,384,927
(Increase)/decrease in net unearned premium	173,788,550	(156,111,084)	127,361,817	(73,200,586)
Net earned premium	3,298,476,437	3,224,809,153	1,477,055,884	1,541,184,341
Income from investments	392,878,535	303,649,871	94,578,259	166,678,382
Gain/(loss) on Available-for-sale Financial Instruments		39,439,117	-	-
Other income	141,118,105	143,803,791	18,685,988	30,974,247
Revenue	3,832,473,078	3,711,701,932	1,590,320,131	1,738,836,970

NOTES TO THE FINANCIAL STATEMENTS

8. The Company has done a valuation of the insurance contract liabilities Life(FamilyTakaful) by the consultant actuary for the period ended 31st December 2019.

9. The Company has done a Liability Adequacy Test (LAT) in respect of Insurance Contract Liabilities - Non-Life Fund as required by SLFRS 4 - Insurance Contracts as at 31st December 2019.

10. Profit/ (Loss) Before Taxation by Segment

FOR THE PERIOD ENDED 31 DECEMBER	Group		Company	
	Unaudited 2019	Audited as at 2018	Unaudited 2019	Audited as at 2018
Segment				
Amana Takaful PLC	(269,934,872)	23,985,529	(269,934,872)	23,985,529
Amana Takaful Life PLC	(29,272,397)	(62,976,499)	-	-
Amana Takaful Maldives PLC	169,115,221	150,816,415	-	-
Amana Global Ltd	(1,008,736)	(708,815)	-	-
Eliminations	(16,162,251)	22,087,113	-	-
Total	(147,263,034)	133,203,743	(269,934,872)	23,985,529

11. Cash and Cash Equivalents in Statement of Cash Flow

AS AT	Group		Company	
	Unaudited 31.12.2019	Audited as at 31.12.2019	Unaudited 31.12.2019	Audited as at 31.12.2018
Cash and Bank Balances	200,210,767	217,105,631	109,622,517	94,692,309
Cash and Bank Balances - Unit Linked	38,196,879	8,155,160	-	-
Investment in Government Securities	504,934,973	457,633,695	265,375,922	284,967,602
	743,342,619	682,894,486	374,998,439	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.

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 31st December 2019 is represented by shares in issue as given below:

	Unaudited 31.12.2019	Audited 31.12.2018
Number of shares as at		
Ordinary shares - One Vote per Ordinary Share	180,000,130	180,000,130

21. Share Information

	Group		Company	
	31.12.2019 Rs.	31.12.2018 Rs.	31.12.2019 Rs.	31.12.2018 Rs.
Net asset value per share	7.48	9.02	8.17	10.22
Market price per share as at	5.30	6.80	-	-
Highest price per share for the period	6.50	7.20	-	-
Lowest price per share for the period	5.10	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 31st December 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/Senthilverl Holdings (Pvt) Ltd	16,350,509	9.08
ATL Investment Holdings Limited	13,889,678	7.72
Sampath Bank PLC/Dr.T.Senthilverl	4,864,313	2.70
Falcon Trading (Pvt) Ltd	2,861,302	1.59
Dr. Thirugnanasambandar Senthilverl	917,867	0.51
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	299,220	0.17
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/>	<hr/>
	180,000,130	100.00

Public Shareholding	31.12.2019	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 31.12.2019	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. M.R.M. Nayeem	Nil	Nil
Mr. M.H. Sattar Kassim	Nil	Nil
Mr. Syed Rizwan Hussain	Nil	Nil
Mr. A.S.M. Muzzammil (Resigned w.e.f. 30th November 2019)	Nil	Nil
Mr. R. Gopinath (Resigned w.e.f. 1st December 2019)	Nil	Nil

CEO's Shareholding	No. of Shares	No. of Shares
Mr. Fazal Ghaffoor (CEO) (Retired w.e.f. 31st December 2019)	Nil	Nil
Mr. Zaid Ibnu Aboobucker - Interim Acting CEO (Appointed w.e.f. 01.01.2020)	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. M.R.M. Nayeem
Mr. M.H. Sattar Kassim
Mr. Syed Rizwan Hussain
(Resigned w.e.f. 30th November 2019) Mr. A.S.M. Muzzammil
(Resigned w.e.f. 1st December 2019) Mr. R. Gopinath

SHARIAH ADVISORY COUNCIL

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

CHIEF EXECUTIVE OFFICER - ATPLC

(Retired w.e.f. 31st December 2019) Mr. Mohamed Fazal Ghaffoor
(Appointed w.e.f. 01.01.2020) Mr. Zaid Ibnu Aboobucker - Interim Acting CEO

CHIEF EXECUTIVE OFFICER - ATPLC

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

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
GIC Retakaful
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