

Amana Takaful Life announces IPO of LKR 75Mn



- *First segregated Lankan Life Insurer to announce IPO post segregation of Insurance industry*
- *LKR 75 million IPO, via an Offer for Sale, together with concerted strategic initiatives expected to support ATLL in growing even further ahead of the industry*
- *ATLL targets increasing its CAGR from 31% over the last five years to 34% over the next five years*

Tyeab Akbarally, Chairman, Amana Takaful Life Limited (ATLL)

27th June 2016; Amana Takaful Life Limited (ATLL), a fully-owned subsidiary of Amana Takaful PLC, has announced an Initial Public Offering (IPO), via an Offer for Sale of LKR 75 million, thereby becoming the first segregated life insurer in Sri Lanka to do so following the mandatory segregation of Life and General insurance companies on 1st February 2015.

Listing on the Diri Savi Board of the Colombo Stock Exchange (CSE), the company is offering 50 million ordinary voting shares at a price of LKR 1.50 per share, which represents a 10% stake in the company. The issue will open on 21st July 2016 and the Prospectus (which can be referred to for more information on the IPO) and application forms will be available from 4th July 2016.

The minimum subscription has been set at 1,000 shares and multiples thereof. The Financial Advisor and Manager to the offering is Acuity Partners (Pvt) Limited and Amana Bank is the Banker to the issue.



The IPO, which complies with the Insurance Board of Sri Lanka's (IBSL's) Regulation of Insurance Industry (Amendment) Act, No. 3 of 2011, is expected to provide further strength and growth impetus to Amana Takaful Life Limited (ATLL), which has outperformed the industry for three consecutive years in terms of growth (IBSL Statistical Review 2015).

Reyaz Jeffrey, ATLL CEO,

“This Initial Public Offering, while further strengthening the company, will offer an opportunity for members of the public to become part of Amana Takaful Life’s growth story,” Amana Takaful Life Limited (ATLL), Chairman, Tyeab Akbarally said.

“We see tremendous opportunity in the growth story of Sri Lanka,” ATLL CEO, Reyaz Jeffrey said. “The market is relatively untapped and we see increased demand for Life insurance, stemming from key economic activity and infrastructure development. As we approach USD 4000 per capita income, there will be key segments that will actively seek life insurance as opposed to the current push strategy.”

ATLL has outperformed the industry, growing at a Compound Annual Growth Rate (CAGR) of 31% over the last five years and recorded a Gross Written Premium (GWP) of LKR 928 million in the financial year ending 31st December 2015. Comparatively, the industry grew by 11% CAGR over the same period and 20% in 2015 (IBSL Statistical Review 2015). Despite 2015 being the company’s first year of operations as an independent entity, (and notwithstanding pressure from increased post-segregation costs and lower yields on investment income) ATLL recorded a profit of LKR 18 million.

ATLL plans to grow at 34% CAGR over the next five years, supported by several strategic initiatives that include growing its Agency force and entering in to Bancassurance arrangements with Amana Bank –discussions regarding which are underway. It also envisages strengthening its sales force by arming them with digital devices, which also doubles up to provide real time activity tracking and management information.

Amana Takaful Life has several industry firsts under its belt, which include ‘DeergaYou’ and Prosper – Shari’ah compliant retirement and investment plans respectively.

Amāna Takaful Life was spun off from Amana Takaful PLC as part of an industry wide regulatory directive and is the successor of Amana Takaful PLC’s life business portfolio. The company is a fully-owned subsidiary of Amana Takaful PLC.

ATLL operates via a branch network of nearly 30 branches that cover 22 districts, including all major cities. ATLL continuously reaches out to customers from all segments of society and offers innovative products that are convenient, affordable and reliable. As part of its commitment to remain ‘open to all’, ATLL serves all communities and employs a multi-ethnic team across its network.

