

HSBC Amanah Takaful (Malaysia) Berhad

(Formally known as HSBC Amanah Takaful (Malaysia) Sdn. Bhd.)

(Company No. 731530-M)

(Incorporated in Malaysia)

Unaudited Condensed Interim Financial statements for the six months period ended 30 June 2015

HSBC Amanah Takaful (Malaysia) Berhad
(Formally known as HSBC Amanah Takaful (Malaysia) Sdn. Bhd.)
Unaudited Condensed Statement of Financial Position

	<-----As at 30.06.2015----->				<-----As at 31.12.2014----->				
	Note	Takaful Operator RM '000	General Takaful Fund RM '000	Family Takaful Fund RM '000	Company RM '000	Takaful Operator RM '000	General Takaful Fund RM '000	Family Takaful Fund RM '000	Company RM '000
Assets									
Plant and equipment		419	-	-	419	510	-	-	510
Intangible assets		14,292	-	-	14,292	11,995	-	-	11,995
Investment assets	12	139,287	45,273	901,220	1,085,780	133,890	45,228	880,008	1,059,126
Retakaful assets	13	-	41,253	41,217	82,470	-	41,844	36,374	78,218
Current tax assets		7,370	-	-	5,215	5,734	-	-	3,691
Advances and receivables, excluding takaful receivables		48,639	547	9,405	38,803	42,858	397	6,404	38,066
Takaful receivables		-	11,588	20,289	31,877	-	6,226	29,362	35,588
Deferred tax assets		-	83	1,128	-	-	20	536	-
Cash and cash equivalents		1,980	9,076	51,473	62,529	10,083	2,727	52,930	65,740
Total assets		211,987	107,820	1,024,732	1,321,385	205,070	96,442	1,005,614	1,292,934
Shareholders' equity									
Share capital		100,000	-	-	100,000	100,000	-	-	100,000
Retained earnings		12,232	-	-	12,232	6,582	-	-	6,582
Available-for-sale assets fair value reserve		112	-	-	112	(227)	-	-	(227)
Total equity		112,344	-	-	112,344	106,355	-	-	106,355
Liabilities									
Takaful contract liabilities	14	-	92,661	986,171	1,078,832	-	91,699	954,733	1,046,432
Expense reserves		48,638	-	-	48,638	50,574	-	-	50,574
Takaful payables		1,575	4,410	22,587	28,572	2,355	2,770	31,225	36,350
Other payables		19,873	10,749	13,746	24,580	16,546	1,973	17,613	24,539
Current tax liabilities		-	-	2,155	-	-	-	2,043	-
Deferred tax liabilities		2,557	-	73	1,419	2,240	-	-	1,684
Amount due to shareholders		27,000	-	-	27,000	27,000	-	-	27,000
Total liabilities		99,643	107,820	1,024,732	1,209,041	98,715	96,442	1,005,614	1,186,579
Total equity and liabilities		211,987	107,820	1,024,732	1,321,385	205,070	96,442	1,005,614	1,292,934

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Unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2015

	Current period <----- ended 30.06.2015 ----->				Preceding corresponding period <----- ended 30.06.2014 ----->			
	Takaful Operator RM '000	General Takaful Fund RM '000	Family Takaful Fund RM '000	Company RM '000	Takaful Operator RM '000	General Takaful Fund RM '000	Family Takaful Fund RM '000	Company RM '000
	Operating revenue	34,837	29,293	128,350	162,807	42,807	31,060	110,424
Takaful Operator income	35,607	-	-	-	42,548	-	-	-
Gross contributions	-	28,474	110,688	139,162	-	30,381	104,126	134,507
Contributions ceded to retakaful	-	(3,897)	(14,999)	(18,896)	-	(4,932)	(12,923)	(17,855)
Changes in unearned contribution reserves	-	(1,034)	-	(1,034)	-	(135)	-	(135)
Actuarial reserves	-	(345)	-	(345)	-	(469)	-	(469)
Net earned contributions	-	23,198	95,689	118,887	-	24,845	91,203	116,048
Gross benefits and claims paid	-	(12,121)	(79,179)	(91,300)	-	(4,820)	(25,967)	(30,787)
Claims ceded to retakaful	-	6,964	11,795	18,759	-	887	7,648	8,534
Gross changes in claims liabilities	-	418	965	1,383	-	(9,194)	(3,745)	(12,939)
Changes in claims liabilities ceded to retakaful	-	1,471	2,147	3,618	-	6,376	2,669	9,046
Net benefits and claims	-	(3,268)	(64,272)	(67,540)	-	(6,751)	(19,395)	(26,146)
Investment income	3,498	819	17,662	23,645	3,070	679	6,298	11,446
Realised gains	-	-	1,639	1,639	-	-	862	862
Fee and commission income	2,554	-	-	30	2,163	-	-	118
Fair value gain (unrealised)	-	-	1,806	1,806	-	-	8,223	8,223
Writeback of receivables	-	-	16	16	-	-	-	-
Other operating income	-	133	161	1,028	11	-	1,370	2,001
Other income	6,052	952	21,284	28,164	5,244	679	16,753	22,650
Wakalah fee	-	(14,959)	(16,381)	-	-	(16,434)	(23,303)	-
Realised loss	-	-	(539)	(539)	-	-	-	-
Fair value loss (unrealised)	-	-	(11,273)	(11,273)	-	-	-	-
Commission paid	(10,675)	-	-	(10,675)	(13,574)	-	-	(13,574)
Expense reserves	1,936	-	-	1,936	17	-	-	17
Management expenses	(24,089)	-	-	(24,089)	(22,762)	-	-	(22,762)
Impairment of receivable	-	(397)	-	(397)	-	(269)	(105)	(374)
Other expenses	(594)	-	(485)	(955)	(40)	(1)	(193)	(208)
Other expenses	(33,422)	(15,356)	(28,678)	(45,992)	(36,359)	(16,704)	(23,601)	(36,901)
Total profit for the period/Net underwriting surplus from operations	8,237	5,526	24,023	33,519	11,433	2,069	64,960	75,651
Surplus attributable to the participants' risk fund *	-	(2,524)	(2,103)	(4,627)	-	(931)	(2,271)	(3,202)
Surplus attributable to Takaful Operator *	-	(2,524)	(1,743)	-	-	(931)	(1,880)	-
Net surplus retained in takaful funds *	-	(561)	(20,970)	(20,655)	-	(207)	(60,711)	(61,016)
Profit/Surplus before zakat and taxation	8,237	(83)	(793)	8,237	11,433	-	98	11,433
Zakat	(165)	-	-	(165)	(179)	-	-	(179)
Taxation	(2,422)	83	793	(2,422)	(4,678)	-	(98)	(4,678)
Profit for the period attributable to owners of the Company	5,650	-	-	5,650	6,576	-	-	6,576
Other comprehensive income/(expenses)								
Fair value of available-for-sale financial assets								
- Gains/(Losses) arising during the year	453	83	4,801	5,337	(301)	(64)	(2,215)	(2,580)
Tax effect thereon	(114)	(21)	(384)	(519)	75	16	177	268
Other comprehensive income attributable to Takaful Operator/change in participants liabilities	-	(62)	(4,417)	(4,479)	-	48	2,038	2,086
Total other comprehensive income for the period	339	-	-	339	(226)	-	-	(226)
Total comprehensive income for the period attributable to owners of the Company	5,989	-	-	5,989	6,350	-	-	6,350

* Estimated figures, subject to Board of Directors approval

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Unaudited Condensed Statement of Changes in Equity
for the six months ended 30 June 2015

	/-----Non-distributable-----/ Share capital RM '000	Available-for-sale financial assets ("AFS") fair value reserves RM '000	Distributable (Accumulated losses)/ Retained earnings RM '000	Total RM '000
At 1 January 2015	100,000	(227)	6,582	106,355
Fair value of AFS financial assets	-	339	-	339
Total other comprehensive income for the period	-	339	-	339
Profit for the period	-	-	5,650	5,650
Total comprehensive income for the period	-	339	5,650	5,989
At 30 June 2015	100,000	112	12,232	112,344
At 1 January 2014	100,000	(163)	2,917	102,754
Fair value of AFS financial assets	-	(226)	-	(226)
Total other comprehensive income for the period	-	(226)	-	(226)
Profit for the year	-	-	6,576	6,576
Total comprehensive income for the period	-	(226)	6,576	6,350
At 30 June 2014	100,000	(389)	9,493	109,104

HSBC Amanah Takaful (Malaysia) Berhad
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Unaudited Condensed Statement of Cash flows
for the six months ended 30 June 2015

	Current period ended 30.06.2015 RM '000	Preceding corresponding period ended 30.06.2014 RM '000
Cash flows from operating activities		
Cash generated from operations	7,400	42,978
Income tax paid	(3,843)	(5,313)
Net cash from operating activities	<u>3,557</u>	<u>37,665</u>
Cash flows from investing activities		
Acquisition of intangible assets	(4,307)	(1,362)
Acquisition of investments	(96,958)	(144,714)
Proceeds from disposal of investments	35,832	13,226
Proceeds from maturities of investments	30,000	50,966
Profit from islamic fixed deposits placed with licensed financial institutions	787	690
Profit from government guaranteed securities	4,301	3,434
Profit from government investment issues	2,081	1,636
Profit from corporate debt securities	9,219	8,230
Dividend received from quoted equity securities	12,276	4,515
Net cash used in investing activities	<u>(6,769)</u>	<u>(63,379)</u>
Net decrease in cash and cash equivalents	(3,212)	(25,714)
Cash and cash equivalents as at 1 January	<u>65,740</u>	<u>93,451</u>
Cash and cash equivalents as at 30 June/31 December	<u>62,528</u>	<u>67,737</u>

Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise of the following statement of financial position amounts:

	Current period ended 30.06.2015 RM '000	Preceding corresponding period ended 30.06.2014 RM '000
Islamic fixed deposits with licensed financial institutions	3,136	3,164
Cash and bank balances	59,392	64,573
	<u>62,528</u>	<u>67,737</u>

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Notes to the Unaudited Condensed Interim Financial statements
At 30 June 2015

1. Basis of preparation

Statement of compliance

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting by the Malaysian Accounting Standards ("MASB"), IAS 34: Interim Financial Reporting by the International Accounting Standards Board ("IASB"), Islamic Financial Services Act 2013 ("IFSA"), Takaful Guidelines/Circulars issued by Bank Negara Malaysia ("BNM") and Principles of Shariah.

A Takaful Operator is required to present consolidated financial statements for itself and the Takaful funds it manages and controls in accordance with the requirements of MFRS 127, *Consolidated and Separate Financial Statements*. The statements of financial position and the statements of profit or loss and other comprehensive income of the Takaful Operator, Family Takaful Fund and General Takaful Fund are supplementary financial information presented in accordance with the requirements of BNM, Islamic Financial Services Act 2013 in Malaysia to segregate assets, liabilities, income and expenses of Takaful funds from its own. The statements of financial position and profit or loss and other comprehensive income of the Takaful Operator include only assets, liabilities, income and expenses of the Takaful Operator, excluding the Takaful funds managed by it. The statements of financial position and profit or loss and other comprehensive income of the Family and General Takaful Fund include only the assets, liabilities, income and expenses of the family solidarity fund and General Takaful Fund that is set up, managed and controlled by the Takaful Operator.

The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Company for the financial year ended 31 December 2014. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the year ended 31 December 2014.

2. Summary of significant accounting policies

The accounting policies and presentation adopted by the Company for the condensed interim financial statements are consistent with those adopted by the Company audited financial statements for the financial year ended 31 December 2014, except for the adoption of the followings:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to MFRSs 2012-2014 Cycle)
- Amendments to MFRS 7, Financial Instruments: Disclosures (Annual Improvements to MFRSs 2012-2014 Cycle)
- Amendments to MFRS 10, Consolidated Financial Statements and Amendments to MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 10, Consolidated Financial Statements, Amendments to MFRS 12, Disclosure of Interest in Other Entities and Amendments to MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
- MFRS 14, Regulatory Deferral Accounts
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosure Initiatives
- Amendments to MFRS 116, Property, Plant and Equipment and Amendments to Amendments to MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116, Property, Plant and Equipment and Amendments to MFRS 141, Agriculture – Agriculture: Bearer Plants

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2. Summary of significant accounting policies (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (continued)

- Amendments to MFRS 119, Employee Benefits (Annual Improvements to MFRSs 2012-2014 Cycle)
- Amendments to MFRS 127, Separate Financial Statements – Equity Method in Separate Financial Statements
- Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements to MFRSs 2012-2014 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, Revenue from Contracts with Customers

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, Financial Instruments (2014)

The Company plans to apply the abovementioned accounting standards, interpretations and amendments where applicable:

- from the annual period beginning on 1 January 2016 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2016.
- from the annual period beginning on 1 January 2017 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2017.
- from the annual period beginning on 1 January 2018 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2018.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Company except as

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in change in accounting policy. The Company is currently assessing the financial impact of adopting MFRS 9.

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services.

The Company is currently assessing the financial impact that may arise from the adoption of MFRS 15.

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3. Auditors' report

The auditors' report on the audited financial statements of the preceding year ended 31 December 2014 did not contain any qualification.

4. Seasonality of operations

The business operations of the company are not materially affected by seasonal or cyclical factors for the period under review.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows in the current period ended 30 June 2015.

6. Estimates

There were no material changes in the basis used for accounting estimates for the current period under review.

7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period under review.

8. Dividends

No dividends was declared nor paid during the current period ended 30 June 2015.

9. Material Events Subsequent to the End of the Period

There were no material events subsequent to the date of the statement of the financial position that requires disclosure or adjustment to the unaudited condensed interim financial statements.

10. Contingent Liabilities

There were no contingent liabilities as at the date of this report.

11. Changes in the composition of the Company

There is no change in the composition of the Company from the previous audited financial statements.

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12. Investment assets

	Takaful Operator RM '000	General Takaful Fund RM '000	Family Takaful Fund RM '000	Total RM '000
At 30 June 2015				
Available-for-sale financial assets				
Government investment issues	25,075	-	78,725	103,800
Government guaranteed securities	10,043	15,061	157,128	182,232
Corporate debt securities	104,169	30,212	220,312	354,693
Financial assets at fair value through profit or loss				
Government investment issues	-	-	10,169	10,169
Government guaranteed securities	-	-	44,440	44,440
Corporate debt securities	-	-	56,390	56,390
Collective investment scheme	-	-	322,126	322,126
Quoted equity securities	-	-	11,930	11,930
	139,287	45,273	901,220	1,085,780
At 31 December 2014				
Available-for-sale financial assets				
Government investment issues	19,832	-	77,689	97,521
Government guaranteed securities	-	15,066	155,453	170,519
Corporate debt securities	114,058	30,162	223,297	367,517
Financial assets at fair value through profit or loss				
Government guaranteed securities	-	-	43,823	43,823
Corporate debt securities	-	-	45,655	45,655
Collective investment scheme	-	-	305,620	305,620
Structured investments	-	-	16,387	16,387
Quoted equity securities	-	-	12,084	12,084
	133,890	45,228	880,008	1,059,126

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12. Investment assets (continued)

(a) Carrying values of investment assets

Investment assets are carried at fair value. Investment assets are categorised as either available-for-sale financial assets (“AFS”) or financial assets at fair value through profit or loss (“FVTPL”).

	AFS RM '000	FVTPL RM '000	Total RM '000
At 1 January 2014	615,748	335,605	951,353
Purchases	95,031	151,636	246,667
Maturities	(75,000)	-	(75,000)
Disposals	(730)	(54,658)	(55,388)
Fair value loss recorded in profit or loss	-	(9,129)	(9,129)
AFS reserves	1,360	-	1,360
(Amortisation)/accretion adjustment	(852)	115	(737)
At 31 December 2014	635,557	423,569	1,059,126
Purchases	30,236	66,722	96,958
Maturities	(30,000)	-	(30,000)
Disposals	-	(35,832)	(35,832)
Fair value gain recorded in profit or loss	-	(9,467)	(9,467)
AFS reserves	5,337	-	5,337
(Amortisation)/accretion adjustment	(405)	63	(342)
At 30 June 2015	640,725	445,055	1,085,780

(b) Fair values of investment assets

The fair value of investment assets is determined by reference to market closing prices in an active market at reporting date.

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12. Investment assets (continued)

(c) The following investment assets mature after twelve months:

	Takaful Operator RM '000	General Takaful Fund RM '000	Family Takaful Fund RM '000	Company RM '000
At 30 June 2015				
Available-for-sale financial assets	80,028	30,155	430,141	540,324
Financial assets at fair value through profit or loss	-	-	105,998	105,998
	80,028	30,155	536,139	646,322
At 31 December 2014				
Available-for-sale financial assets	114,882	25,118	425,511	565,511
Financial assets at fair value through profit or loss	-	-	89,478	89,478
	114,882	25,118	514,989	654,989

13. Retakaful assets

	Note	30.06.2015 RM '000	31.12.2014 RM '000
General Takaful Fund	14(a)	41,253	41,844
Family Takaful Fund	14(b)	41,217	36,374
		82,470	78,218

14. Takaful contract liabilities

	Note	Gross RM '000	Retakaful RM '000	Net RM '000
At 30 June 2015				
General Takaful Fund	14(a)	92,661	(41,253)	51,408
Family Takaful Fund	14(b)	986,171	(41,217)	944,954
		1,078,832	(82,470)	996,362
At 31 December 2014				
General Takaful Fund	14(a)	91,699	(41,844)	49,855
Family Takaful Fund	14(b)	954,733	(36,374)	918,359
		1,046,432	(78,218)	968,214

(a) General Takaful Fund

At 30 June 2015				
Provision for claims reported by participants		43,144	(32,545)	10,599
Provision for IBNR		23,980	(7,543)	16,437
Provision for outstanding claims	(i)	67,124	(40,088)	27,036
Provision for unearned contributions	(ii)	18,739	(1,165)	17,574
Participant's funds	(iii)	6,798	-	6,798
		92,661	(41,253)	51,408

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14. Takaful contract liabilities (continued)

(a) General Takaful Fund (continued)

	Gross RM '000	Retakaful RM '000	Net RM '000
At 31 December 2014			
Provision for claims reported by participants	44,215	(33,485)	10,730
Provision for IBNR	23,327	(5,132)	18,195
Provision for outstanding claims (i)	67,542	(38,617)	28,925
Provision for unearned contributions (ii)	19,767	(3,227)	16,540
Participants' funds (iii)	4,390	-	4,390
	91,699	(41,844)	49,855
(i) Provision for outstanding claims			
At 1 January 2015			
Claims incurred in the current accident period	67,542	(38,617)	28,925
Claims paid during the period	(12,121)	6,964	(5,157)
At 30 June 2015	67,124	(40,088)	27,036
At 1 January 2014			
Claims incurred in the current accident year	49,958	(28,614)	21,344
Claims paid during the year	(11,875)	4,493	(7,382)
At 31 December 2014	67,542	(38,617)	28,925
(ii) Provision for unearned contributions			
At 1 January 2015			
Contributions written in the period	19,767	(3,227)	16,540
Contributions earned during in the period	28,474	(3,897)	24,577
At 30 June 2015	(29,502)	5,959	(23,543)
	18,739	(1,165)	17,574
At 1 January 2014			
Contributions written in the period	16,707	(2,641)	14,066
Contributions earned during in the period	60,819	(9,031)	51,788
At 31 December 2014	(57,759)	8,445	(49,314)
	19,767	(3,227)	16,540
(iii) Participants' funds			
	2015	2014	
	RM '000	RM '000	
Actuarial reserves	1,993	1,526	
AFS reserves	-	(62)	
Revenue account accumulated surplus	4,805	2,926	
	6,798	4,390	

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14. Takaful contract liabilities (continued)

(a) General Takaful Fund (continued)

(iii) Participants' funds (continued)

	2015	2014
	RM '000	RM '000
Actuarial reserves		
At 1 January	1,526	1,354
Transfer from surplus	561	-
Paid to participants	(343)	(886)
Retained surplus	-	201
Increase in reserves	345	886
Unrecoverable surplus	(96)	(29)
At 30 June/31 December	1,993	1,526
AFS reserves		
At 1 January	(62)	(9)
Increase / Decrease in reserves	62	(53)
At 30 June/31 December	-	(62)
Revenue account accumulated surplus		
At 1 January	2,926	10,023
Surplus for the year	3,085	-
Profit paid to participants	(444)	(6,700)
Transferred to actuarial reserve	(561)	-
Transferred to donation payable account	-	(379)
Transferred to withholding tax	(201)	(47)
Unrecoverable surplus	-	29
At 30 June/31 December	4,805	2,926

(b) Family Takaful Fund

		Gross	Retakaful	Net
		RM '000	RM '000	RM '000
At 30 June 2015				
Provision for outstanding claims	(i)	13,247	(14,375)	(1,128)
Participants' funds	(ii)	972,924	(26,842)	946,082
		986,171	(41,217)	944,954
At 31 December 2014				
Provision for outstanding claims	(i)	14,212	(12,228)	1,984
Participants' funds	(ii)	940,521	(24,146)	916,375
		954,733	(36,374)	918,359
(i) Provision for outstanding claims				
At 1 January 2015		14,212	(12,228)	1,984
Claims incurred in the current accident period		36,769	(13,942)	22,827
Claims paid during the period		(37,734)	11,795	(25,939)
At 30 June 2015		13,247	(14,375)	(1,128)
At 1 January 2014		10,084	(8,479)	1,605
Claims incurred in the current accident year		74,330	(27,234)	47,096
Claims paid during the year		(70,202)	23,485	(46,717)
At 31 December 2014		14,212	(12,228)	1,984

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14. Takaful contract liabilities (continued)

(b) Family Takaful Fund (continued)

(ii) Participants' funds

	Gross RM '000	Retakaful RM '000	Net RM '000
At 30 June 2015			
Actuarial reserves	250,437	(26,842)	223,595
Unallocated surplus	81,020	-	81,020
AFS reserve	859	-	859
Surplus payable to participants	315,359	-	315,359
Net asset value attributable to unitholders	325,249	-	325,249
	972,924	(26,842)	946,082
At 1 January 2015	940,521	(24,146)	916,375
Contributions received	50,015	-	50,015
Liabilities paid for death, maturities, surrenders, benefits and claims	(25,939)	-	(25,939)
Benefits and claims experience variation	3,112	-	3,112
Fees deducted	(11,786)	-	(11,786)
Tax expense	-	-	-
Investment income	7,525	-	7,525
Retakaful reserve credit	2,696	(2,696)	-
Profit paid to participants	(4)	-	(4)
Net asset value attributable to unitholders	2,344	-	2,344
Surplus attributable to Takaful Operator	(1,743)	-	(1,743)
Impairment allowance for receivables	16	-	16
AFS reserve	4,801	-	4,801
Deferred tax on fair value gains	(384)	-	(384)
Investment income distribution	5,650	-	5,650
Transfer surplus distribution to other liabilities	(3,449)	-	(3,449)
Others	(451)	-	(451)
At 30 June 2015	972,924	(26,842)	946,082

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14. Takaful contract liabilities (continued)

(b) Family Takaful Fund (continued)

(ii) Participants' funds (continued)

	Gross RM '000	Retakaful RM '000	Net RM '000
At 31 December 2014			
Actuarial reserves	231,552	(24,146)	207,406
Unallocated surplus	76,205	-	76,205
AFS reserve	(3,558)	-	(3,558)
Surplus payable to participants	313,417	-	313,417
Net asset value attributable to unitholders	322,905	-	322,905
	940,521	(24,146)	916,375
	Gross RM '000	Retakaful RM '000	Net RM '000
At 1 January 2014	833,671	(19,017)	814,654
Contributions received	146,301	-	146,301
Liabilities paid for death, maturities, surrenders, benefits and claims	(46,717)	-	(46,717)
Benefits and claims experience variation	(379)	-	(379)
Fees deducted	(37,763)	-	(37,763)
Investment income	9,551	-	9,551
Retakaful reserve credit	5,129	(5,129)	-
Profit paid to participants	(286)	-	(286)
Net asset value attributable to unitholders	1,778	-	1,778
Surplus attributable to Takaful Operator	(4,389)	-	(4,389)
Impairment allowance for receivables	42	-	42
AFS reserve	1,394	-	1,394
Deferred tax on fair value gains	146	-	146
Investment income distribution	35,122	-	35,122
Transfer surplus distribution to other liabilities	(4,966)	-	(4,966)
Others	1,887	-	1,887
At 31 December 2014	940,521	(24,146)	916,375

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15. Capital and other commitments

	Shareholders' fund	
	30 June 2015 RM '000	31 December 2014 RM '000
Capital expenditure commitments		
Intangible assets		
Approved but not contracted for	5,774	12,024
Contracted but not provided for	3,348	-

16. Capital management

The objective of the Company's Capital Management Plan ("CMP") is to ensure that the Company has sufficient working capital including equity (share capital and retained reserves) to support planned business growth and to meet regulatory capital requirements established by the local regulator at all times in a prudent and efficient manner.

In order to achieve these objectives, the CMP sets out the optimal amount and mix of regulatory and working capital required to ensure that these objectives are met.

The capital structure of the Company as at the date of the statement at financial position, consisting of all funds as prescribed under the Risk Based Capital Framework is provided below:

	30 June 2015 RM '000	31 December 2014 RM '000
Eligible Tier 1 Capital		
Share capital	100,000	100,000
Reserve, including retained earnings	8,455	6,582
Valuation surplus maintained in the takaful funds	41,745	39,156
Eligible Tier 2 Capital		
AFS fair value reserves	552	(663)
Profit sharing investment account	25,650	27,000
Amount deducted from capital	(13,994)	(12,042)
Capital available	162,408	160,033
Total capital available	149,049	148,039