

Registration No.

200501012215 (689263-M)

SUN LIFE MALAYSIA TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

2889A8/nm

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SUN LIFE MALAYSIA TAKAFUL BERHAD
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SUN LIFE MALAYSIA TAKAFUL BERHAD
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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	<u>Note</u>	<u>2021</u>			<u>Audited</u> <u>2020</u>		
		<u>Share-</u> <u>holders'</u> <u>fund</u>	<u>Family</u> <u>Takaful</u> <u>fund</u>	<u>Company</u> <u>RM'000</u>	<u>Share-</u> <u>holders'</u> <u>fund</u>	<u>Family</u> <u>Takaful</u> <u>fund</u>	<u>Company</u> <u>RM'000</u>
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS							
Property and equipment		515	-	515	685	-	685
Intangible assets		24,398	-	24,398	25,693	-	25,693
Right-of-use assets		45	-	45	78	-	78
Available-for-sale financial assets	12	428,280	1,100,467	1,518,140	409,658	1,056,331	1,455,159
Fair value through profit or loss financial assets	12	7,753	514,249	522,002	1,803	326,870	328,673
Financing and receivables		19,270	85,735	105,005	53,024	105,489	158,513
Takaful receivables		-	11,888	11,888	1	8,783	8,784
Retakaful assets	13	48	134,364	134,412	48	125,836	125,884
Other receivables		32,821	10,479	13,311	23,371	6,670	9,264
Current tax assets		-	-	-	1,310	(103)	1,207
Cash and bank balances		532	12,419	12,951	1,277	7,628	8,905
Total assets		513,662	1,869,601	2,342,667	516,948	1,637,504	2,122,845

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AS AT 30 JUNE 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u>			<u>Audited 2020</u>		
		<u>Share-holders' fund</u> RM'000	<u>Family Takaful fund</u> RM'000	<u>Company</u> RM'000	<u>Share-holders' fund</u> RM'000	<u>Family Takaful fund</u> RM'000	<u>Company</u> RM'000
EQUITY AND LIABILITIES							
Share capital		240,000	-	240,000	240,000	-	240,000
Available-for-sale reserve		4,773	-	4,773	16,703	-	16,703
Retained earnings		230,285	-	230,285	226,097	-	226,097
Total equity		475,058	-	475,058	482,800	-	482,800
LIABILITIES							
Takaful contract liabilities	14	353	1,799,033	1,788,779	299	1,571,527	1,560,996
Takaful payables		288	10,961	11,249	288	15,876	16,164
Lease liabilities		46	-	46	79	-	79
Other payables		37,045	53,263	60,319	28,099	39,219	46,541
Expense liabilities		5	-	5	9	-	9
Deferred tax liabilities		955	5,962	6,917	4,922	9,625	14,547
Current tax liabilities		(88)	382	294	452	1,257	1,709
Total liabilities		38,604	1,869,601	1,867,609	34,148	1,637,504	1,640,045
TOTAL EQUITY AND LIABILITIES		513,662	1,869,601	2,342,667	516,948	1,637,504	2,122,845

Note:

In preparing the Company-level financial statements, balances and transactions of Shareholders' fund and Family Takaful funds are amalgamated with elimination of interfund balances and transactions.

The accompanying notes are an integral part of these financial statements.

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SUN LIFE MALAYSIA TAKAFUL BERHAD
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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

	<u>6 months period ended 30.6.2021</u>			<u>6 months period ended 30.6.2020</u>		
	<u>Note</u>	<u>Share-</u>	<u>Family</u>	<u>Company</u>	<u>Share-</u>	<u>Family</u>
		<u>holders'</u>	<u>Takaful</u>		<u>holders'</u>	<u>Takaful</u>
	<u>fund</u>	<u>fund</u>	<u>RM'000</u>	<u>fund</u>	<u>fund</u>	<u>Company</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Gross earned contribution	-	523,118	523,118	-	204,467	204,467
Contribution ceded to retakaful operators	-	(34,444)	(34,444)	-	(34,262)	(34,262)
Net earned contribution	-	488,674	488,674	-	170,205	170,205
Wakalah income	106,877	-	-	70,544	-	-
Surplus sharing from Family Takaful funds	6,039	-	-	3,495	-	-
Investment income	10,342	29,913	37,760	8,406	23,705	30,396
Realised gains	681	800	1,481	47	1,756	1,803
Net fair value gains	(204)	10,592	10,388	-	3,674	3,674
Commission income	-	21	21	-	31	31
Other operating income	4,074	-	4,074	1,985	22	2,007
Total income	127,809	530,000	542,398	84,477	199,393	208,116

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)

	<u>6 months period ended 30.6.2021</u>			<u>6 months period ended 30.6.2020</u>			
	<u>Note</u>	Share- holders'	Family Takaful	<u>Company</u>	Share- holders'	Family Takaful	<u>Company</u>
		<u>fund</u>	<u>fund</u>		<u>fund</u>	<u>fund</u>	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross benefits and claims paid		(438)	(178,887)	(179,325)	(325)	(91,019)	(91,344)
Claims ceded to retakaful operators		76	30,572	30,648	-	28,124	28,124
Gross change in Takaful contract liabilities		(54)	(272,016)	(272,070)	403	(45,452)	(45,049)
Change in Takaful contract liabilities ceded to retakaful operators		-	8,528	8,528	-	(12,674)	(12,674)
Net claims		(416)	(411,803)	(412,219)	78	(121,021)	(120,943)
Surplus sharing with Takaful operator		-	(6,039)	-	-	(3,495)	-
Wakalah expenses		-	(106,877)	-	-	(70,544)	-
Commission expenses		(41,151)	-	(41,151)	(25,388)	-	(25,388)
Management expenses		(73,255)	-	(73,255)	(55,412)	-	(55,412)
Other operating expenses		(4,040)	(4,519)	(6,064)	(4,799)	(3,095)	(6,179)
Finance cost		(1)	-	(1)	(2)	-	(2)
		(118,447)	(117,435)	(120,471)	(85,601)	(77,134)	(86,981)
Total expenses		(118,863)	(529,238)	(532,690)	(85,523)	(198,155)	(207,924)

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)

	<u>Note</u>	<u>6 months period ended 30.6.2021</u>			<u>6 months period ended 30.6.2020</u>		
		<u>Share- holders' fund</u> RM'000	<u>Family Takaful fund</u> RM'000	<u>Company</u> RM'000	<u>Share- holders' fund</u> RM'000	<u>Family Takaful fund</u> RM'000	<u>Company</u> RM'000
Profit/(loss) before taxation		8,946	762	9,708	(1,046)	1,238	192
Tax expense attributable to participants		-	(762)	(762)	-	(1,238)	(1,238)
Profit/(loss) before taxation attributable to Shareholders		8,946	-	8,946	(1,046)	-	(1,046)
Taxation	15	(4,758)	(762)	(5,520)	(3,214)	(1,238)	(4,452)
Tax expense attributable to participants		-	762	762	-	1,238	1,238
Tax expense attributable to Shareholders		(4,758)	-	(4,758)	(3,214)	-	(3,214)
Net profit/(loss) for the financial period		<u>4,188</u>	<u>-</u>	<u>4,188</u>	<u>(4,260)</u>	<u>-</u>	<u>(4,260)</u>
Basic earnings per share (sen)		<u>-</u>	<u>-</u>	<u>2.99</u>	<u>-</u>	<u>-</u>	<u>(4.26)</u>

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FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)

	<u>6 months period ended 30.6.2021</u>			<u>6 months period ended 30.6.2020</u>		
	<u>Share- holders' fund</u>	<u>Family Takaful fund</u>	<u>Company</u>	<u>Share- holders' fund</u>	<u>Family Takaful fund</u>	<u>Company</u>
<u>Note</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Other comprehensive (loss)/income:						
Items that may be subsequently reclassified to profit or loss:						
Fair value change on available-for-sale financial assets:						
- Revaluation	(16,614)	(50,100)	(66,714)	6,974	17,770	24,744
- Transfer to profit or loss upon disposal	916	1,718	2,634	13	1,062	1,075
- Gross fair value changes	(15,698)	(48,382)	(64,080)	6,987	18,832	25,819
- Deferred taxation	3,768	3,872	7,640	(1,677)	(1,506)	(3,183)
- Net fair value changes	(11,930)	(44,510)	(56,440)	5,310	17,326	22,636
Changes in Takaful contract liabilities arising from unrealised net fair value changes	-	44,510	44,510	-	(17,326)	(17,326)
Other comprehensive (loss)/income for the financial period, net of tax	(11,930)	-	(11,930)	5,310	-	5,310
Total comprehensive (loss)/income for the financial period	(7,742)	-	(7,742)	1,050	-	1,050

Note: In preparing the Company-level financial statements, balances and transactions of Shareholders' fund and Family Takaful funds are amalgamated with elimination of interfund balances and transactions.

The accompanying notes are an integral part of these financial statements.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

	<u>Non-distributable</u>			
	<u>Share</u>	<u>Available-</u>	<u>Retained</u>	<u>Total</u>
	<u>capital</u>	<u>for-sale</u>	<u>earnings</u>	<u>Total</u>
	<u>RM'000</u>	<u>reserve</u>	<u>RM'000</u>	<u>RM'000</u>
		<u>RM'000</u>		
As at 1 January 2021	240,000	16,703	226,097	482,800
Total comprehensive loss for the financial period	-	(11,930)	4,188	(7,742)
As at 30 June 2021	<u>240,000</u>	<u>4,773</u>	<u>230,285</u>	<u>475,058</u>
As at 1 January 2020	200,000	9,427	209,990	419,417
Total comprehensive income for the financial period	-	5,310	(4,260)	1,050
As at 30 June 2020	<u>200,000</u>	<u>14,737</u>	<u>205,730</u>	<u>420,467</u>

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SUN LIFE MALAYSIA TAKAFUL BERHAD
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UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) for the financial period	4,188	(4,260)
Adjustments for:		
Depreciation of property and equipment	48	47
Amortisation of intangible assets	2,151	2,234
Depreciation of right-of-use assets	33	34
Amortisation of premiums - net	1,076	587
Realised gains on disposal of financial assets	(1,481)	(1,803)
Profit income	(32,712)	(29,147)
Dividend income	(6,124)	(1,836)
Net fair value gains	(10,388)	(3,674)
Provision for expense liability	(4)	(8)
Increase/(Decrease) in Shareholder's fund Takaful contract liabilities	54	(403)
Increase in Family Takaful contract liabilities	272,016	45,452
Finance cost	1	2
Taxation	5,520	4,452
Profit from operations before changes in operating assets and liabilities	234,378	11,677
Proceeds from disposal and maturity of investments	128,919	73,025
Purchase of investments	(437,245)	(154,054)
Increase in other receivables	(3,953)	(3,603)
(Increase)/Decrease in Takaful receivables	(3,104)	7,321
Decrease in financing and receivables	53,468	41,757
(Increase)/Decrease in retakaful assets	(8,528)	12,674
Increase/(Decrease) in other payables	13,779	(19,716)
(Decrease)/Increase in Takaful payables	(4,915)	2,620
	(27,201)	(28,299)
Interest paid	(1)	(2)
Income tax paid	(5,718)	(4,949)
Zakat paid	-	(30)
Profit income received	31,704	28,574
Dividend income received	6,030	1,830
Net cash generated from/(used in) operating activities	4,814	(2,876)

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	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2020 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(640)	(90)
Purchase of intangible assets	(94)	(21)
Net cash used in investing activities	<u>(734)</u>	<u>(111)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(34)	(33)
Net cash used in financing activities	<u>(34)</u>	<u>(33)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,046	(3,020)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>8,905</u>	<u>16,444</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>12,951</u></u>	<u><u>13,424</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	<u><u>12,951</u></u>	<u><u>13,424</u></u>

The Company classifies cash flows from the acquisition and disposal of financial assets as operating cash flows as the purchases are funded from cash flows associated with the origination of Takaful contracts, net of cash flows for payments of benefits and claims incurred for Takaful contracts, which are treated accordingly under the operating activities.

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NOTES TO THE FINANCIAL STATEMENTS
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1 CORPORATE INFORMATION

The Company is engaged principally in the underwriting of Family Takaful, including investment-linked business. There were no significant changes in the nature of these activities of the Company during the six months period ended 30 June 2021.

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The Company's registered office is at the 11th Floor, No. 338, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Malaysia.

The Company's principal place of business is at the 8th Floor, No. 338, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Malaysia.

The Directors regard Renggis Ventures Sdn Bhd as the immediate holding company, Avicennia Capital Sdn Bhd as the penultimate holding company, and Khazanah Nasional Berhad as the ultimate holding company. Avicennia Capital Sdn Bhd is no longer a financial holding company effective from 2 October 2019. All three companies are incorporated in Malaysia.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Company's unaudited interim financial statements were prepared in accordance with the Malaysian Financial Reporting Standard (MFRS) 134, "Interim Financial Reporting" which do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2020.

Following the adoption of MFRS, a Takaful Operator is required to present its financial statements for itself and the Takaful funds it manages.

In preparing the Company's unaudited interim financial statements as a whole, the assets, liabilities, income, and expenses of the Takaful fund are combined with those of the Takaful Operator. Interfund balances and transactions are eliminated in arriving at the Company's interim financial statements.

The inclusion of separate financial information of the Takaful funds and the Takaful Operator together with the Company's financial information as a whole in the statement of financial position, the statement of comprehensive income, as well as certain relevant notes to the interim financial statements represents additional supplementary information presented in accordance with the requirements of BNM pursuant to the Islamic Financial Services Act, 2013 in Malaysia to separate assets, liabilities, income, and expenses of the Takaful funds from its own. The accounting policies adopted for the Takaful Operator and Takaful funds are uniform for transactions and events in similar circumstances.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense will not be offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the Company's accounting policies.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The preparation of interim financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the interim financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires Directors to exercise their judgment in the process of applying the Company's accounting policies. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

(a) Standards, amendments to published standards, and interpretations that are effective:

New standard that is effective and was deferred for adoption

The amendments and improvements to published standards and interpretations that are relevant and effected for the financial year beginning on or after 1 January 2018, but the Company deferred for adoption are as follows:

- Amendments to MFRS 4 – Extension of the Temporary Exemption from Applying MFRS 9 “Financial Instruments” with MFRS 4 “Insurance Contracts” effective for annual periods beginning on or after 1 January 2018.

The amendments allow entities to avoid temporary volatility in profit or loss that might result from adopting MFRS 9 “Financial Instruments” before the application of MFRS 17, the new insurance contracts standard. This is because certain financial assets have to be measured at fair value through profit or loss under MFRS 9; whereas, under MFRS 4 “Insurance Contracts,” the related liabilities from insurance contracts are often measured on amortised cost basis.

The amendments provide two different approaches for entities: (i) a temporary exemption from MFRS 9 for entities that meet specific requirements, and (ii) the overlay approach. Both approaches are optional.

The temporary exemption enables eligible entities to defer the implementation date of MFRS 9 to annual periods beginning 1 January 2023, at the latest. An entity may apply the temporary exemption from MFRS 9 if its activities are predominantly connected with insurance whilst the overlay approach allows an entity to adjust profit or loss for eligible financial assets by removing any accounting volatility to other comprehensive income that may arise from applying MFRS 9.

An entity can apply the temporary exemption from MFRS 9 from annual periods beginning on or after 1 January 2018. An entity may start applying the overlay approach when it applies MFRS 9 for the first time.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(a) Standards, amendments to published standards, and interpretations that are effective:
(continued)

New standard that is effective and was deferred for adoption (continued)

The Company's business activity is predominately insurance and, hence, qualifies for the temporary exemption approach. Consequently, management decided to apply the temporary exemption from MFRS 9 from its annual period beginning 1 January 2018, and will adopt MFRS 9 for its annual period beginning 1 January 2023, which is in line with the adoption of MFRS 17 Insurance Contracts. The additional disclosures are in Note 18.

All other new standards, amendments to published standards, and interpretations that are effective for the current financial year are not relevant to the Company.

(b) Standards, amendments to published standards, and interpretations to existing standards that are applicable to the Company, but not yet effective:

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2021. None of these are expected to have a significant effect on the Company's financial statements, except for the following as set out below:

- MFRS 17 "Insurance Contracts" (effective from 1 January 2023) replaces MFRS 4 "Insurance Contracts".

MFRS 17 applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features if an entity also issues insurance contracts. For fixed-fee services other than insurance contract services whose primary purpose is the provision of services, an entity has an accounting policy choice to account for them in accordance with either MFRS 17 or MFRS 15 "Revenue." An entity is allowed to account for financial guarantee contracts in accordance with MFRS 17 if the entity has asserted explicitly that it regarded them as insurance contracts. Insurance contracts (other than reinsurance), where the entity is the policyholder are not within the scope of MFRS 17. Embedded derivatives and distinct investment and components for services other than insurance contract services should be "unbundled" and accounted for separately in accordance with the related MFRSs. Voluntary unbundling of other components is prohibited.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(b) Standards, amendments to published standards, and interpretations to existing standards that are applicable to the Company, but not yet effective: (continued)

MFRS 17 requires a current measurement model where estimates are remeasured at each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin (CSM) representing the unearned profit of the contract. An entity has a policy choice to recognise the impact of changes in discount rates and other assumptions that relate to financial risks either in profit or loss or in other comprehensive income.

Alternative measurement models are provided for the different insurance coverage:

- i) Simplified Premium Allocation Approach if the insurance coverage period is a year or less.
- ii) Variable Fee Approach should be applied for insurance contracts that specify a link between payments to the policyholder and the returns on the underlying items.

The requirements of MFRS 17 align the presentation of revenue with other industries. Revenue is allocated to the periods in proportion to the value of the expected coverage and other services that the insurer provides in the period, and claims are presented when incurred. Investment components are excluded from revenue and claims.

Insurers are required to disclose information about amounts, judgements, and risks arising from insurance contracts.

The Company is in the process of assessing the financial impact of this standard on its financial statements.

- Amendments to MFRS 101 "Classification of liabilities as current or non-current" (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date. A loan is classified as non-current if a covenant is breached after the reporting date.

The Company is in the process of assessing the financial impact of this standard on its financial statements.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(b) Standards, amendments to published standards, and interpretations to existing standards that are applicable to the Company, but not yet effective: (continued)

- Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on “Disclosure of Accounting Policies” and “Definition of Accounting Estimates” (effective 1 January 2023).

MFRS 101 and MFRS Practice Statement 2 require the Company to disclose material accounting policies rather than significant accounting policies. The disclosures are expected to be specific to the Company and not generic disclosures on MFRS applications.

The amendment explains that an accounting policy is material if, when considered together with other information included in the Company’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

MFRS 8 provides clarity on how to distinguish changes in accounting policies from changes in accounting estimates. The amendments clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate, if they do not arise from prior period errors.

The Company is in the process of assessing the financial impact of this standard on its financial statements.

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3 SEASONALITY OF OPERATIONS

The Company's business operations were not materially affected by any seasonal or cyclical fluctuations during the six months period ended 30 June 2021.

4 CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in the prior financial year that have a material effect in the six months period ended 30 June 2021.

5 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income or cash flows which are unusual because of their nature, size or incidence during the six months period ended 30 June 2021.

6 ISSUANCE OR REPAYMENT OF DEBTS AND EQUITY SECURITIES

There were no issues, repurchases and repayments of debts and equity securities during the six months period ended 30 June 2021.

7 DIVIDENDS PAID

No dividends have been paid or declared by the Company since the end of the previous financial year.

8 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no material capital commitments and contingent liabilities that arose during the six months period ended 30 June 2021.

9 SIGNIFICANT EVENTS AND TRANSACTIONS

There were no significant events and transactions that have not been reflected in the financial statements for the six months period ended 30 June 2021.

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10 SUBSEQUENT EVENTS

There were no material events after the interim period that are required to be reflected in the financial statements for the six months period ended 30 June 2021.

11 EFFECT OF CHANGES IN THE COMPOSITION OF THE COMPANY

There were no changes in the composition of the Company during the six months period ended 30 June 2021.

12 FINANCIAL ASSETS

	Shareholders' fund RM'000	Family Takaful fund RM'000	Company RM'000
<u>30.6.2021</u>			
Government Investment Issues	211,051	193,472	404,523
Cagamas Sukuk	-	10,733	10,733
Unquoted Sukuk	206,622	896,262	1,102,884
Quoted equity securities	7,753	98,224	105,977
Unit trust funds	-	416,025	416,025
Investments in investment-linked funds	10,607	-	-
Total	<u>436,033</u>	<u>1,614,716</u>	<u>2,040,142</u>
<u>Audited</u>			
<u>31.12.2020</u>			
Government Investment Issues	213,602	192,917	406,519
Cagamas Sukuk	-	10,988	10,988
Unquoted Sukuk	185,226	852,426	1,037,652
Quoted equity securities	1,803	89,057	90,860
Unit trust funds	-	237,813	237,813
Investments in investment-linked funds	10,830	-	-
Total	<u>411,461</u>	<u>1,383,201</u>	<u>1,783,832</u>

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12 FINANCIAL ASSETS (CONTINUED)

The Company's financial assets are summarised by categories as follows:

	Shareholders' fund <u>RM'000</u>	Family Takaful fund <u>RM'000</u>	<u>Company</u> <u>RM'000</u>
<u>30.6.2021</u>			
AFS	428,280	1,100,467	1,518,140
FVTPL – designated upon initial recognition	7,753	514,249	522,002
Total	<u>436,033</u>	<u>1,614,716</u>	<u>2,040,142</u>
<u>Audited</u> <u>31.12.2020</u>			
AFS	409,658	1,056,331	1,455,159
FVTPL – designated upon initial recognition	1,803	326,870	328,673
Total	<u>411,461</u>	<u>1,383,201</u>	<u>1,783,832</u>

The following financial assets are expected to be realised after 12 months:

	Shareholders' fund <u>RM'000</u>	Family Takaful fund <u>RM'000</u>	<u>Company</u> <u>RM'000</u>
<u>30.6.2021</u>			
AFS	<u>417,673</u>	<u>1,040,045</u>	<u>1,457,718</u>
<u>Audited</u> <u>31.12.2020</u>			
AFS	<u>395,815</u>	<u>990,416</u>	<u>1,386,231</u>

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12 FINANCIAL ASSETS (CONTINUED)

(a) AFS

	Shareholders' fund <u>RM'000</u>	Family Takaful fund <u>RM'000</u>	<u>Company</u> <u>RM'000</u>
<u>30.6.2021</u>			
Government Investment Issues	211,051	193,472	404,523
Cagamas Sukuk	-	10,733	10,733
Unquoted Sukuk	206,622	896,262	1,102,884
Investments in investment-linked funds	10,607	-	-
Total	<u>428,280</u>	<u>1,100,467</u>	<u>1,518,140</u>
<u>Audited</u> <u>31.12.2020</u>			
Government Investment Issues	213,602	192,917	406,519
Cagamas Sukuk	-	10,988	10,988
Unquoted Sukuk	185,226	852,426	1,037,652
Investments in investment-linked funds	10,830	-	-
Total	<u>409,658</u>	<u>1,056,331</u>	<u>1,455,159</u>

(b) FVTPL – designated upon initial recognition

	Shareholders' fund <u>RM'000</u>	Takaful fund <u>RM'000</u>	<u>Company</u> <u>RM'000</u>
<u>30.6.2021</u>			
Quoted equity securities	7,753	98,224	105,977
Unit trust funds	-	416,025	416,025
Total	<u>7,753</u>	<u>514,249</u>	<u>522,002</u>
<u>Audited</u> <u>31.12.2020</u>			
Quoted equity securities	1,803	89,057	90,860
Unit trust funds	-	237,813	237,813
Total	<u>1,803</u>	<u>326,870</u>	<u>328,673</u>

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12 FINANCIAL ASSETS (CONTINUED)

(c) Carrying values of financial assets

	Available-for-sale		FVTPL		Company RM'000
	Share- holders' fund RM'000	Family Takaful fund RM'000	Share- holders' fund RM'000	Family Takaful fund RM'000	
At 1 January 2021	409,658	1,056,331	1,803	326,870	1,783,832
Purchases	47,722	125,311	11,420	252,792	437,245
Maturities	(2,955)	(15,131)	-	-	(18,086)
Disposals	(10,004)	(18,077)	(5,399)	(68,472)	(101,952)
Fair value gains recorded in:					
Profit or loss	-	-	(71)	3,059	2,988
Other comprehensive income	(15,698)	(48,382)	-	-	(64,080)
Elimination of fair value loss from Shareholders' fund investment in investment-linked funds	-	-	-	-	223
Movement in accrued profit	179	869	-	-	1,048
Amortisation adjustments	(622)	(454)	-	-	(1,076)
At 30 June 2021	<u>428,280</u>	<u>1,100,467</u>	<u>7,753</u>	<u>514,249</u>	<u>2,040,142</u>

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12 FINANCIAL ASSETS (CONTINUED)

c) Carrying values of financial assets

	Available-for-sale		FVTPL		Company RM'000
	Share- holders' fund RM'000	Family Takaful fund RM'000	Share- holders' fund RM'000	Family Takaful fund RM'000	
At 1 January 2020	294,325	953,292	-	150,296	1,388,825
Purchases	130,325	141,934	1,761	213,797	487,817
Maturities	(25,003)	(14,990)	-	-	(39,993)
Disposals	-	(45,510)	-	(73,679)	(119,189)
Fair value gains recorded in:					
Profit or loss	-	-	42	36,456	36,498
Other comprehensive income	9,574	21,803	-	-	31,377
Elimination of fair value loss from Shareholders' fund investment in investment-linked funds	-	-	-	-	(1,742)
Movement in accrued profit	1,074	541	-	-	1,615
Amortisation adjustments	(637)	(739)	-	-	(1,376)
At 31 December 2020	<u>409,658</u>	<u>1,056,331</u>	<u>1,803</u>	<u>326,870</u>	<u>1,783,832</u>

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12 FINANCIAL ASSETS (CONTINUED)

(d) Fair values hierarchy

The Company categorises its fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Company's valuation techniques for determining the fair value of the financial instruments.

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three-level hierarchy is defined as follows:

Level 1 – Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date. Valuations are based on quoted prices reflecting market transactions involving assets or liabilities identical to those being measured.

Level 2 – Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as profit rates, credit risks, etc) and inputs that are derived from or corroborated by observable market data.

Level 3 – Fair value measurements using significant non-market observable inputs. These include valuations for assets and liabilities that are derived using data, some or all of which are not market observable, including assumptions about risk.

There are no movements in Levels 1 and 2 of the fair value hierarchy during the six months period ended 30 June 2021.

The following table presents the Company's financial assets that are carried at fair value as at 30 June 2021:

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Total</u> RM'000
<u>30.6.2021</u>			
<u>Shareholders' fund</u>			
<u>AFS</u>			
- Government Investment Issues	-	211,051	211,051
- Unquoted Sukuk	-	206,622	206,622
- Investments in investment-linked funds	10,607	-	10,607
<u>FVTPL – designated upon initial recognition</u>			
- Quoted equity securities	7,753	-	7,753
	<u>18,360</u>	<u>417,673</u>	<u>436,033</u>

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12 FINANCIAL ASSETS (CONTINUED)

(d) Fair values hierarchy (continued)

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Total</u> RM'000
<u>30.6.2021</u> (continued)			
<u>Family Takaful fund</u>			
<u>AFS</u>			
- Government Investment Issues	-	193,472	193,472
- Cagamas Sukuk	-	10,733	10,733
- Unquoted Sukuk	-	896,262	896,262
<u>FVTPL – designated upon initial recognition</u>			
- Quoted equity securities	98,224	-	98,224
- Unit trust funds	416,025	-	416,025
	<u>514,249</u>	<u>1,100,467</u>	<u>1,614,716</u>
<u>Company</u>			
<u>AFS</u>			
- Government Investment Issues	-	404,523	404,523
- Cagamas Sukuk	-	10,733	10,733
- Unquoted Sukuk	-	1,102,884	1,102,884
<u>FVTPL – designated upon initial recognition</u>			
- Quoted equity securities	105,977	-	105,977
- Unit trust funds	416,025	-	416,025
	<u>522,002</u>	<u>1,518,140</u>	<u>2,040,142</u>

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12 FINANCIAL ASSETS (CONTINUED)

(d) Fair values hierarchy (continued)

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Total</u> RM'000
<u>Audited</u> <u>31.12.2020</u>			
<u>Shareholders' fund</u>			
<u>AFS</u>			
- Government Investment Issues	-	213,602	213,602
- Unquoted Sukuk	-	185,226	185,226
- Investments in investment-linked funds	10,830	-	10,830
<u>FVTPL – designated upon initial recognition</u>			
- Quoted equity securities	1,803	-	1,803
	<u>12,633</u>	<u>398,828</u>	<u>411,461</u>
<u>Family Takaful fund</u>			
<u>AFS</u>			
- Government Investment Issues	-	192,917	192,917
- Cagamas Sukuk	-	10,988	10,988
- Unquoted Sukuk	-	852,426	852,426
<u>FVTPL – designated upon initial recognition</u>			
- Quoted equity securities	89,057	-	89,057
- Unit trust funds	237,813	-	237,813
	<u>326,870</u>	<u>1,056,331</u>	<u>1,383,201</u>
<u>Company</u>			
<u>AFS</u>			
- Government Investment Issues	-	406,519	406,519
- Cagamas Sukuk	-	10,988	10,988
- Unquoted Sukuk	-	1,037,652	1,037,652
<u>FVTPL – designated upon initial recognition</u>			
- Quoted equity securities	90,860	-	90,860
- Unit trust funds	237,813	-	237,813
	<u>328,673</u>	<u>1,455,159</u>	<u>1,783,832</u>

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13 RETAKAFUL ASSETS

	<u>Shareholders' fund</u> RM'000	<u>Family Takaful fund</u> RM'000	<u>Company</u> RM'000
<u>30.06.2021</u>			
Retakaful of Takaful contracts			
- Takaful contract liabilities (note 14)	48	134,364	134,412
	<u>48</u>	<u>134,364</u>	<u>134,412</u>
Receivable within 12 months	48	78,186	78,234
Receivable after 12 months	-	56,178	56,178
	<u>48</u>	<u>134,364</u>	<u>134,412</u>
Audited			
<u>31.12.2020</u>			
Retakaful of Takaful contracts			
- Takaful contract liabilities (note 14)	48	125,836	125,884
	<u>48</u>	<u>125,836</u>	<u>125,884</u>
Receivable within 12 months	48	40,047	63,359
Receivable after 12 months	-	85,789	62,525
	<u>48</u>	<u>125,836</u>	<u>125,884</u>

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14 TAKAFUL CONTRACT LIABILITIES

	30.06.2021			Audited 31.12.2020		
	Share- holders' fund RM'000	Family Takaful fund RM'000	Company RM'000	Share- holders' fund RM'000	Family Takaful fund RM'000	Company RM'000
Gross	353	1,799,033	1,788,779	299	1,571,527	1,560,996
Retakaful (note 13)	(48)	(134,364)	(134,412)	(48)	(125,836)	(125,884)
Net	305	1,664,669	1,654,367	251	1,445,691	1,435,112
Current	305	42,255	42,560	251	134,081	134,332
Non-current	-	1,622,414	1,611,807	-	1,311,610	1,300,780
	305	1,664,669	1,654,367	251	1,445,691	1,435,112

(a) Family Takaful contract liabilities

The Family Takaful contract liabilities and its movements are further analysed as follows:

	30.6.2021			Audited 31.12.2020		
	Gross RM'000	Re- takaful RM'000	Net RM'000	Gross RM'000	Re- takaful RM'000	Net RM'000
Certificate holders' liabilities	1,146,599	(99,768)	1,046,831	1,084,312	(96,262)	988,050
Net asset value attributable to certificate holders	416,291	-	416,291	235,755	-	235,755
Actuarial liabilities	1,562,890	(99,768)	1,463,122	1,320,067	(96,262)	1,223,805
Claims liabilities	56,222	(34,596)	21,626	57,132	(29,574)	27,558
Unallocated surplus	151,205	-	151,205	121,102	-	121,102
Available-for-sale fair value adjustment						
- gross	31,212	-	31,212	79,594	-	79,594
- deferred tax	(2,496)	-	(2,496)	(6,368)	-	(6,368)
- net	28,716	-	28,716	73,226	-	73,226
	1,799,033	(134,364)	1,664,669	1,571,527	(125,836)	1,445,691

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14 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(a) Family Takaful contract liabilities (continued)

The Family Takaful contract liabilities and its movements are further analysed as follows:
(continued)

<u>30.6.2021</u>	<u>Gross</u> RM'000	<u>Re-</u> <u>takaful</u> RM'000	<u>Net</u> RM'000
At 1 January 2021	1,571,527	(125,836)	1,445,691
<u>Projected changes of inforce Takaful certificates</u>			
Contribution income	17,224	(31,491)	(14,267)
Benefits	(99,073)	47,945	(51,128)
Investment returns	20,159	(607)	19,552
Others	13,313	(12,479)	834
Experience variance on inforce Takaful certificates	(225,432)	1,057	(224,375)
Reserve on new Takaful certificates	331,657	(13,098)	318,559
Miscellaneous	4,439	5,167	9,606
Movement in net asset value attributable to certificate holders	180,536	-	180,536
Movement in claims liabilities	(910)	(5,022)	(5,932)
Movement in unallocated surplus	30,103	-	30,103
Movement in AFS fair value adjustment	(44,510)	-	(44,510)
At 30 June 2021	<u>1,799,033</u>	<u>(134,364)</u>	<u>1,664,669</u>

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14 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(a) Family Takaful contract liabilities (continued)

The Family Takaful contract liabilities and its movements are further analysed as follows:
(continued)

<u>Audited</u> 31.12.2020	<u>Gross</u> RM'000	Re- takaful RM'000	<u>Net</u> RM'000
At 1 January 2020	1,264,047	(124,556)	1,139,491
<u>Projected changes of inforce Takaful certificates</u>			
Contribution income	31,826	(61,057)	(29,231)
Benefits	(166,366)	95,182	(71,184)
Investment returns	36,576	(1,352)	35,224
Others	24,609	(23,779)	830
Experience variance on inforce Takaful certificates	(125,326)	293	(125,033)
Reserve on new Takaful certificates	300,261	(23,158)	277,103
Miscellaneous	(17,633)	15,227	(2,406)
Movement in net asset value attributable to certificate holders	152,766	-	152,766
Movement in claims liabilities	(810)	(2,636)	(3,446)
Movement in unallocated surplus	51,518	-	51,518
Movement in AFS fair value adjustment	20,059	-	20,059
At 31 December 2020	<u>1,571,527</u>	<u>(125,836)</u>	<u>1,445,691</u>

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14 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(b) Shareholders' Takaful contract liabilities

The Shareholders' Takaful contract liabilities and its movements are further analysed as follows:

	30.06.2021			Audited 31.12.2020		
	<u>Gross</u> RM'000	<u>Re- takaful</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re- takaful</u> RM'000	<u>Net</u> RM'000
Provision for IBNR	12	-	12	42	-	42
Provision for claims reported by certificate holders	341	(48)	293	257	(48)	209
Provision for outstanding claims (i)	353	(48)	305	299	(48)	251

(i) Provision for outstanding claims

	30.06.2021			Audited 31.12.2020		
	<u>Gross</u> RM'000	<u>Re- takaful</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re- takaful</u> RM'000	<u>Net</u> RM'000
At 1 January	299	(48)	251	659	(48)	611
Movement in claim liabilities	54	-	54	(360)	-	(360)
At 30 June/ 31 December	353	(48)	305	299	(48)	251

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14 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(c) Takaful contract liabilities at Company level

	30.6.2021			Audited 31.12.2020		
	<u>Gross</u> RM'000	<u>Re- takaful</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re- takaful</u> RM'000	<u>Net</u> RM'000
Family Takaful fund (note 14(a))	1,799,033	(134,364)	1,664,669	1,571,527	(125,836)	1,445,691
Shareholders' fund (note 14(b))	353	(48)	305	299	(48)	251
	<u>1,799,386</u>	<u>(134,412)</u>	<u>1,664,974</u>	<u>1,571,826</u>	<u>(125,884)</u>	<u>1,445,942</u>
Elimination of Shareholders' fund fund investment in investment-linked funds	(10,607)	-	(10,607)	(10,830)	-	(10,830)
Total	<u><u>1,788,779</u></u>	<u><u>(134,412)</u></u>	<u><u>1,654,367</u></u>	<u><u>1,560,996</u></u>	<u><u>(125,884)</u></u>	<u><u>1,435,112</u></u>

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15 TAXATION

	30.6.2021			30.6.2020		
	Share- holders' fund RM'000	Family Takaful fund RM'000	Company RM'000	Share- holders' fund RM'000	Family Takaful fund RM'000	Company RM'000
Tax expense on the profit for the financial period						
Income tax:						
Current financial period	4,957	553	5,510	3,321	1,181	4,502
Deferred tax:						
Relating to origination and reversal of temporary differences	(199)	209	10	(107)	57	(50)
	4,758	762	5,520	3,214	1,238	4,452
	4,758	762	5,520	3,214	1,238	4,452
Tax expense attributable to Shareholders	4,758	-	4,758	3,214	-	3,214
Tax expense attributable to participants	-	762	762	-	1,238	1,238
	4,758	762	5,520	3,214	1,238	4,452
	4,758	762	5,520	3,214	1,238	4,452

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15 TAXATION (CONTINUED)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory income tax rate to the effective income tax rate of the Company is as follows:

	<u>30.6.2021</u>	<u>Company</u> <u>30.6.2020</u>
	RM'000	RM'000
Profit/(loss) before taxation attributable to Shareholders	8,946	(1,046)
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	2,147	(251)
Income not subject to tax	(25,571)	(16,863)
Expenses not deductible for tax purposes	28,182	20,328
Tax expense attributable to Shareholders	4,758	3,214
Tax expense attributable to participants	762	1,238
	<u>5,520</u>	<u>4,452</u>

16 OPERATING LEASE AND CAPITAL COMMITMENTS

There were no operating lease and material capital commitment that arose during the six months period ended 30 June 2021.

17 REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 30 June 2021, as prescribed under the Risk Based Capital Framework is provided below:

	<u>30.6.2021</u>	<u>Audited</u> <u>31.12.2020</u>
	RM'000	RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	240,000	240,000
Retained earnings	225,695	226,097
Eligible contract liabilities	153,454	113,968
	<u>619,149</u>	<u>580,065</u>
<u>Tier 2 Capital</u>		
Eligible reserves	9,759	27,442
Amounts deducted from capital	(25,398)	(26,693)
Total capital available	<u>603,510</u>	<u>580,814</u>

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18 **ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACTS**

In order to compare with entities applying MFRS 9, the amendments require deferring entities to disclose additional information including contractual cash flows characteristics and credit exposure of the financial assets. The following table presents the Company's financial assets by their contractual cash flows characteristics, which indicate if they are solely payments of principal and interest on the principal outstanding (SPPI) or other than SPPI:

	Financial assets with SPPI cash flows <u>RM'000</u>	All other financial assets <u>RM'000</u>	<u>Total*</u> <u>RM'000</u>
<u>Fair value as at 30 June 2021</u>			
<u>Shareholders' fund</u>			
Financial assets	417,673	18,360	436,033
Quoted equity securities	-	7,753	7,753
Investments in investment-linked funds	-	10,607	10,607
Government Investment Issues	211,051	-	211,051
Unquoted Sukuk	206,622	-	206,622
Financing and receivables	19,270	-	19,270
Other receivables	32,821	-	32,821
Cash and bank balances	532	-	532
	<u>470,296</u>	<u>18,360</u>	<u>488,656</u>
<u>Family Takaful fund</u>			
Financial assets	1,100,467	514,249	1,614,716
Quoted equity securities	-	98,224	98,224
Unit trust funds	-	416,025	416,025
Government Investment Issues	193,472	-	193,472
Cagamas Sukuk	10,733	-	10,733
Unquoted Sukuk	896,262	-	896,262
Financing and receivables	85,735	-	85,735
Other receivables	10,479	-	10,479
Cash and bank balances	12,419	-	12,419
	<u>1,209,100</u>	<u>514,249</u>	<u>1,723,349</u>

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18 ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACTS
(CONTINUED)

	Financial assets with SPPI cash flows	All other financial assets	Total*
	RM'000	RM'000	RM'000
<u>Fair value as at 30 June 2021</u>			
<u>Company</u>			
Financial assets	1,518,140	522,002	2,040,142
Quoted equity securities	-	105,977	105,977
Unit trust funds	-	416,025	416,025
Government Investment Issues	404,523	-	404,523
Cagamas Sukuk	10,733	-	10,733
Unquoted Sukuk	1,102,884	-	1,102,884
Financing and receivables	105,005	-	105,005
Other receivables	13,311	-	13,311
Cash and bank balances	12,951	-	12,951
	<u>1,649,407</u>	<u>522,002</u>	<u>2,171,409</u>

* Takaful receivables and retakaful assets have been excluded from the above assessment as these will be under the scope of MFRS 17 Insurance Contracts. Other than the financial assets listed above and assets that are within the scope of MFRS 17 Insurance Contracts, all other assets in the statement of financial position are nonfinancial assets.

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18 ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACTS
(CONTINUED)

	Financial assets with SPPI cash flows RM'000	All other financial assets RM'000	Total* RM'000
Audited			
<u>Fair value as at 31 December 2020</u>			
<u>Shareholders' fund</u>			
Financial assets	398,828	12,633	411,461
Quoted equity securities	-	1,803	1,803
Investments in investment-linked funds	-	10,830	10,830
Government Investment Issues	213,602	-	213,602
Unquoted Sukuk	185,226	-	185,226
Financing and receivables	53,024	-	53,024
Other receivables	23,371	-	23,371
Cash and bank balances	1,277	-	1,277
	<u>476,500</u>	<u>12,633</u>	<u>489,133</u>
<u>Family Takaful fund</u>			
Financial assets	1,056,331	326,870	1,383,201
Quoted equity securities	-	89,057	89,057
Unit trust funds	-	237,813	237,813
Government Investment Issues	192,917	-	192,917
Cagamas Sukuk	10,988	-	10,988
Unquoted Sukuk	852,426	-	852,426
Financing and receivables	105,489	-	105,489
Other receivables	6,670	-	6,670
Cash and bank balances	7,628	-	7,628
	<u>1,176,118</u>	<u>326,870</u>	<u>1,502,988</u>

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18 ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACTS
(CONTINUED)

	Financial assets with SPPI cash flows RM'000	All other financial assets RM'000	Total* RM'000
Audited			
<u>Fair value as at 31 December 2020</u>			
<u>Company</u>			
Financial assets	1,455,159	328,673	1,783,832
Quoted equity securities	-	90,860	90,860
Unit trust funds	-	237,813	237,813
Government Investment Issues	406,519	-	406,519
Cagamas Sukuk	10,988	-	10,988
Unquoted Sukuk	1,037,652	-	1,037,652
Financing and receivables	158,513	-	158,513
Other receivables	9,264	-	9,264
Cash and bank balances	8,905	-	8,905
	<u>1,631,841</u>	<u>328,673</u>	<u>1,960,514</u>

* Takaful receivables and retakaful assets have been excluded from the above assessment as these will be under the scope of MFRS 17 Insurance Contracts. Other than the financial assets listed above and assets that are within the scope of MFRS 17 Insurance Contracts, all other assets in the statement of financial position are nonfinancial assets.

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18 **ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACTS (CONTINUED)**

	Financial assets with SPPI cash flows RM'000	All other financial assets RM'000	Total* RM'000
<u>30 June 2021</u>			
<u>Changes in fair value during the period</u>			
<u>Shareholders' fund</u>			
Financial assets	(15,475)	(294)	(15,769)
Quoted equity securities	-	(71)	(71)
Investments in investment-linked funds	-	(223)	(223)
Government Investment Issues	(9,938)	-	(9,938)
Unquoted Sukuk	(5,537)	-	(5,537)
Financing and receivables	-	-	-
Other receivables	-	-	-
Cash and bank balances	-	-	-
	<u>(15,475)</u>	<u>(294)</u>	<u>(15,769)</u>
<u>Family Takaful fund</u>			
Financial assets	(48,382)	3,059	(45,323)
Quoted equity securities	-	(6,440)	(6,440)
Unit trust funds	-	9,499	9,499
Government Investment Issues	(12,217)	-	(12,217)
Cagamas Sukuk	(259)	-	(259)
Unquoted Sukuk	(35,906)	-	(35,906)
Financing and receivables	-	-	-
Other receivables	-	-	-
Cash and bank balances	-	-	-
	<u>(48,382)</u>	<u>3,059</u>	<u>(45,323)</u>
<u>Company</u>			
Financial assets	(63,857)	2,988	(60,869)
Quoted equity securities	-	(6,511)	(6,511)
Unit trust funds	-	9,499	9,499
Government Investment Issues	(22,155)	-	(22,155)
Cagamas Sukuk	(259)	-	(259)
Unquoted Sukuk	(41,443)	-	(41,443)
Financing and receivables	-	-	-
Other receivables	-	-	-
Cash and bank balances	-	-	-
	<u>(63,857)</u>	<u>2,988</u>	<u>(60,869)</u>

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18 **ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACTS (CONTINUED)**

	Financial assets with SPPI cash flows RM'000	All other financial assets RM'000	Total RM'000
<u>30 June 2020</u>			
<u>Changes in fair value during the period</u>			
<u>Shareholders' fund</u>			
Financial assets	6,767	220	6,987
Investments in investment-linked funds	-	220	220
Government Investment Issues	3,704	-	3,704
Unquoted Sukuk	3,063	-	3,063
Financing and receivables	-	-	-
Other receivables	-	-	-
Cash and bank balances	-	-	-
	<u>6,767</u>	<u>220</u>	<u>6,987</u>
<u>Family Takaful fund</u>			
Financial assets	18,832	2,311	21,143
Quoted equity securities	-	1,392	1,392
Unit trust funds	-	919	919
Government Investment Issues	2,316	-	2,316
Cagamas Sukuk	242	-	242
Unquoted Sukuk	16,274	-	16,274
Financing and receivables	-	-	-
Other receivables	-	-	-
Cash and bank balances	-	-	-
	<u>18,832</u>	<u>2,311</u>	<u>21,143</u>
<u>Company</u>			
Financial assets	25,599	2,311	27,910
Quoted equity securities	-	1,392	1,392
Unit trust funds	-	919	919
Government Investment Issues	6,020	-	6,020
Cagamas Sukuk	242	-	242
Unquoted Sukuk	19,337	-	19,337
Financing and receivables	-	-	-
Other receivables	-	-	-
Cash and bank balances	-	-	-
	<u>25,599</u>	<u>2,311</u>	<u>27,910</u>

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18 ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACTS (CONTINUED)

Financial assets with SPPI cash flows*

The table below provides information on the gross carrying amounts under MFRS 139 by credit risk rating grades.

	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Non-rated</u>	<u>Investment-linked fund</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>30 June 2021</u>						
<u>Shareholders' fund</u>						
Government						
Investment Issues	-	-	-	211,051	-	211,051
Unquoted Sukuk	38,111	20,624	-	147,887	-	206,622
Financing and receivables	7,932	10,058	-	1,280	-	19,270
Other receivables	-	-	-	32,821	-	32,821
Cash and bank balances	529	-	-	3	-	532
	<u>46,572</u>	<u>30,682</u>	<u>-</u>	<u>393,042</u>	<u>-</u>	<u>470,296</u>
<u>Family Takaful fund</u>						
Government						
Investment Issues	-	-	-	193,472	-	193,472
Cagamas Sukuk	10,733	-	-	-	-	10,733
Unquoted Sukuk	201,269	236,738	-	458,255	-	896,262
Financing and receivables	45,983	39,752	-	-	-	85,735
Other receivables	-	-	-	5,929	4,550	10,479
Cash and bank balances	11,525	422	226	219	27	12,419
	<u>269,510</u>	<u>276,912</u>	<u>226</u>	<u>657,875</u>	<u>4,577</u>	<u>1,209,100</u>
<u>Company</u>						
Government						
Investment Issues	-	-	-	404,523	-	404,523
Cagamas Sukuk	10,733	-	-	-	-	10,733
Unquoted Sukuk	239,380	257,362	-	606,142	-	1,102,884
Financing and receivables	53,915	49,810	-	1,280	-	105,005
Other receivables	-	-	-	8,761	4,550	13,311
Cash and bank balances	12,054	422	226	222	27	12,951
	<u>316,082</u>	<u>307,594</u>	<u>226</u>	<u>1,020,928</u>	<u>4,577</u>	<u>1,649,407</u>

* Credit risk of these financial assets is considered low for the purpose of MFRS 9.

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18 ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACTS (CONTINUED)

Financial assets with SPPI cash flows*

The table below provides information on the gross carrying amounts under MFRS 139 by credit risk rating grades.

	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Non-rated</u>	<u>Investment-linked fund</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Audited</u>						
<u>31 December 2020</u>						
<u>Shareholders' fund</u>						
<u>Government</u>						
Investment Issues	-	-	-	213,602	-	213,602
Unquoted Sukuk	39,500	20,982	-	124,744	-	185,226
Financing and receivables	39,448	12,312	-	1,264	-	53,024
Other receivables	-	-	-	23,371	-	23,371
Cash and bank balances	1,274	-	-	3	-	1,277
	<u>80,222</u>	<u>33,294</u>	<u>-</u>	<u>362,984</u>	<u>-</u>	<u>476,500</u>
<u>Family Takaful fund</u>						
<u>Government</u>						
Investment Issues	-	-	-	192,917	-	192,917
Cagamas Sukuk	10,988	-	-	-	-	10,988
Unquoted Sukuk	192,186	250,344	-	409,896	-	852,426
Financing and receivables	50,204	55,285	-	-	-	105,489
Other receivables	-	-	-	5,867	803	6,670
Cash and bank balances	7,090	305	69	121	43	7,628
	<u>260,468</u>	<u>305,934</u>	<u>69</u>	<u>608,801</u>	<u>846</u>	<u>1,176,118</u>
<u>Company</u>						
<u>Government</u>						
Investment Issues	-	-	-	406,519	-	406,519
Cagamas Sukuk	10,988	-	-	-	-	10,988
Unquoted Sukuk	231,686	271,326	-	534,640	-	1,037,652
Financing and receivables	89,652	67,597	-	1,264	-	158,513
Other receivables	-	-	-	8,461	803	9,264
Cash and bank balances	8,364	305	69	124	43	8,905
	<u>340,690</u>	<u>339,228</u>	<u>69</u>	<u>951,008</u>	<u>846</u>	<u>1,631,841</u>

* Credit risk of these financial assets is considered low for the purpose of MFRS 9.