

Registration No.

199001005930 (197499-U)

SUN LIFE MALAYSIA ASSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

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SUN LIFE MALAYSIA ASSURANCE BERHAD
(Incorporated in Malaysia)

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SUN LIFE MALAYSIA ASSURANCE BERHAD
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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Group		Company	
		30.6.2022	31.12.2021	30.6.2022	31.12.2021
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Property and equipment		56,772	54,577	56,772	54,577
Intangible assets		16,002	16,632	16,002	16,632
Right-of-use assets		8,021	9,641	8,021	9,641
Financial assets	12	2,777,418	2,919,391	2,781,128	2,952,275
Loans and receivables		195,924	158,731	192,138	125,770
Reinsurance assets	13	126,814	124,592	126,814	124,592
Insurance receivables		13,667	13,778	13,667	13,778
Other receivables		29,830	22,933	29,830	22,933
Current tax assets		6,002	-	6,002	-
Cash and bank balances		10,927	12,493	10,917	12,483
TOTAL ASSETS		3,241,377	3,332,768	3,241,291	3,332,681
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES					
Share capital		358,000	358,000	358,000	358,000
Retained earnings		92,938	98,361	92,938	98,361
Reserves		132,854	126,914	132,854	126,914
Total equity		583,792	583,275	583,792	583,275
Insurance contract liabilities	14	2,481,891	2,546,173	2,481,891	2,546,173
Insurance claims liabilities		51,218	55,918	51,218	55,918
Insurance payables		14,103	13,758	14,103	13,758
Lease liabilities		8,346	9,964	8,346	9,964
Other financial liabilities		12,312	2,755	12,312	2,755
Other payables		63,911	78,396	63,825	78,309
Current tax liabilities		-	1,211	-	1,211
Deferred tax liabilities		25,804	41,318	25,804	41,318
Total liabilities		2,657,585	2,749,493	2,657,499	2,749,406
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		3,241,377	3,332,768	3,241,291	3,332,681

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

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

	Group		Company	
	6 months	6 month	6 months	6 months
	period ended	period ended	period ended	period ended
Note	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Gross premiums	321,822	537,035	321,822	537,035
Premiums ceded to reinsurers	(34,095)	(34,288)	(34,095)	(34,288)
Net premiums	<u>287,727</u>	<u>502,747</u>	<u>287,727</u>	<u>502,747</u>
Investment income	59,359	54,796	54,539	56,500
Net realized gains	46	-	46	-
Other operating income	6,526	5,989	6,526	5,989
Other income	<u>65,931</u>	<u>60,785</u>	<u>61,111</u>	<u>62,489</u>
Gross benefits and claims paid	(159,100)	(257,393)	(159,100)	(257,393)
Claims ceded to reinsurers	29,728	28,984	29,728	28,984
Gross change in contract liabilities	64,282	(118,277)	64,282	(118,277)
Change in contract liabilities ceded to reinsurers	4,852	(1,790)	4,852	(1,790)
Net claims	<u>(60,238)</u>	<u>(348,476)</u>	<u>(60,238)</u>	<u>(348,476)</u>
Net fair value losses	(205,603)	(75,610)	(201,196)	(77,734)
Commission expenses	(32,079)	(39,141)	(32,079)	(39,141)
Management expenses	(66,206)	(72,708)	(65,793)	(72,288)
Other operating expenses	(509)	(268)	(509)	(268)
Investment expenses	(1,165)	(1,079)	(1,165)	(1,079)
Finance cost	(169)	(180)	(169)	(180)
Other expenses	<u>(305,731)</u>	<u>(188,986)</u>	<u>(300,911)</u>	<u>(190,690)</u>

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022 (CONTINUED)

	Group		Company	
	6 months period ended 30.6.2022 RM'000	6 month period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000
(Loss)/profit before taxation	(12,311)	26,070	(12,311)	26,070
Tax credit attributable to policyholders and unitholders	11,107	1,164	11,107	1,164
(Loss)/profit before taxation attributable to Shareholders	(1,204)	27,234	(1,204)	27,234
Taxation	15			
Tax credit attributable to policyholders and unitholders	12,828	(622)	12,828	(622)
	(11,107)	(1,164)	(11,107)	(1,164)
Tax credit/(expense) attributable to Shareholders	1,721	(1,786)	1,721	(1,786)
Net profit and total comprehensive income for the financial period	517	25,448	517	25,448
Basic earnings per share (sen)	0.21	10.52	0.21	10.52

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 2022**

<u>Group/Company</u>	<u>Share capital RM'000</u>	<u>Reserves¹ RM'000</u>	<u>Retained earnings RM'000</u>	<u>Total RM'000</u>
At 1 January 2022	358,000	126,914	98,361	583,275
Total comprehensive income/(loss) for the financial period	-	5,940	(5,423)	517
At 30 June 2022	<u>358,000</u>	<u>132,854</u>	<u>92,938</u>	<u>583,792</u>
At 1 January 2021	358,000	77,692	68,823	504,515
Total comprehensive income/(loss) for the financial period	-	28,776	(3,328)	25,448
At 30 June 2021	<u>358,000</u>	<u>106,468</u>	<u>65,495</u>	<u>529,963</u>

¹ Reserves comprise unallocated surpluses from Life fund (net of deferred tax). This amount is only distributable upon the annual recommendation by the Appointed Actuary to transfer the Life fund surplus to the Shareholders' fund.

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SUN LIFE MALAYSIA ASSURANCE BERHAD
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UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

	Group		Company	
	6 months period ended 30.6.2022 RM'000	6 month period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial period	517	25,448	517	25,448
Adjustments for:				
Gross change in contract liabilities	(64,282)	118,277	(64,282)	118,277
Change in contract liabilities ceded to reinsurers	(4,852)	1,790	(4,852)	1,790
Property and equipment				
- depreciation	1,981	1,486	1,981	1,486
- gains on disposal	(46)	-	(46)	-
Amortisation of intangible assets	5,837	4,443	5,837	4,443
Amortisation of right-of-use assets	1,983	1,448	1,983	1,448
Net fair value losses on investments at fair value through profit or loss	205,603	75,610	201,196	77,734
Interest income	(51,140)	(47,587)	(43,288)	(39,772)
Dividend income	(8,023)	(6,944)	(11,055)	(16,463)
Rental income	(196)	(265)	(196)	(265)
Finance cost	169	180	169	180
Taxation	(12,828)	622	(12,828)	622
Short term and low value lease assets expense	85	249	85	249
Profit from operations before changes in operating assets and liabilities	74,808	174,757	75,221	175,177
(Increase)/decrease in loans and receivables	(37,249)	403	(66,425)	7,469
Increase in receivables	(4,567)	(12,339)	(4,567)	(12,130)
Increase in right-of-use assets	(363)	(353)	(363)	(353)
(Decrease)/increase in insurance claims liabilities	(2,070)	2,971	(2,070)	2,971
(Decrease)/increase in payables	(4,239)	336	(4,238)	304
Purchase of investments	(477,835)	(522,585)	(253,714)	(442,353)
Proceeds from disposal and maturity of investments	414,992	311,779	224,181	222,541
	(36,523)	(45,031)	(31,975)	(46,374)
Investment income received:				
- Dividend	8,114	6,743	11,146	16,262
- Interest	50,409	47,485	42,829	39,309
- Rental	196	265	196	265
Finance cost paid	(169)	(182)	(169)	(182)
Taxation paid	(12,209)	(2,510)	(12,209)	(2,510)
Short term and low value lease assets paid	(68)	(257)	(68)	(257)
Net cash generated from operating activities	9,750	6,513	9,750	6,513

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UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022 (CONTINUED)

	<u>Group</u>		<u>Company</u>	
	<u>6 months</u>	<u>6 month</u>	<u>6 months</u>	<u>6 months</u>
	<u>period ended</u>	<u>period ended</u>	<u>period ended</u>	<u>period ended</u>
	<u>30.6.2022</u>	<u>30.6.2021</u>	<u>30.6.2022</u>	<u>30.6.2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property and equipment	56	3	56	3
Purchase of property and equipment	(7,902)	(7,238)	(7,902)	(7,238)
Purchase of intangible assets	(1,490)	(1,171)	(1,490)	(1,171)
Net cash used in investing activities	<u>(9,336)</u>	<u>(8,406)</u>	<u>(9,336)</u>	<u>(8,406)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of lease liabilities	(1,980)	(1,460)	(1,980)	(1,460)
Net cash used in financing activities	<u>(1,980)</u>	<u>(1,460)</u>	<u>(1,980)</u>	<u>(1,460)</u>
Net decrease in cash and cash equivalents	(1,566)	(3,353)	(1,566)	(3,353)
Cash and cash equivalents at beginning of the financial period	12,493	11,990	12,483	11,980
Cash and cash equivalents at end of the financial period	<u>10,927</u>	<u>8,637</u>	<u>10,917</u>	<u>8,627</u>
Cash and cash equivalents comprise:				
Cash and bank balances	<u>10,927</u>	<u>8,637</u>	<u>10,917</u>	<u>8,627</u>

The Group and the Company classify 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 insurance contracts, net of cash flows for payments of benefits and claims incurred for insurance contracts, which are treated accordingly under the operating activities.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

1 CORPORATE INFORMATION

The Group and the Company are engaged principally in the underwriting of life insurance and investment-linked business. There were no significant changes in the nature of these activities during the six months period ended 30 June 2022.

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

The Company's registered office and principal place of business is at the 11th 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 unaudited interim financial statements of the Group and the Company 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 Group's and the Company's audited financial statements for the financial year ended 31 December 2021.

The Group and the Company met the minimum capital requirements as prescribed by the Risk-Based Capital Framework (the RBC Framework) as of the date of the statement of financial position.

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 accounting policies of the Group and the Company.

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 Group's and 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.

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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:

New standard that is effective and was adopted

The amendments and improvements to published standards and interpretations that the Group and the Company have adopted for the first time for the financial year beginning on or after 1 January 2022 are as follows:

- (i) Amendment to MFRS 16 “COVID-19-Related Rent Concessions beyond 30 June 2021”
- (ii) Amendments to MFRS 3 ‘Reference to Conceptual Framework’

The adoption of this amendment did not have any material impact to the Group’s and the Company’s financial statements.

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 were deferred for adoption by the Group and the Company 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 Group's and the Company's business activity are predominately insurance and hence, qualify for the temporary exemption approach. Consequently, management has 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 as set out in Note 19.

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

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

A number of new standards and amendments to standards and interpretations are effective for annual periods after 1 January 2022. None of these are expected to have a significant effect on the financial statements of the Group and the Company, 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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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(b) Standards, amendments to published standards and interpretation to existing standards that are applicable to the Group and 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 Group and the Company are in the process of assessing the financial impact of this standard on its financial statements.

- Amendment to MFRS 17 “Initial Application of MFRS 17 and MFRS 9 – Comparative Information” (effective 1 January 2023).

The amendment is available for entities that initially apply MFRS 9 at the same time as they apply MFRS 17.

The amendment permits an entity to present comparative information as if the classification and measurement requirements of MFRS 9 had been applied to that financial asset. It is not required to apply impairment requirements of MFRS 9.

Any difference in the carrying amount of the financial asset at the transition date resulting from applying the classification overlay would be recognised in opening retained earnings.

The Group and the Company are 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 interpretation to existing standards that are applicable to the Group and the Company but not yet effective: (continued)

- 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.

There is no financial impact of this amendment to the Group and the Company.

- 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 Group and the Company to disclose material accounting policies rather than significant accounting policies. The disclosures are expected to be specific to the Group and 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 Group and 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.

There is no financial impact of these amendments to the Group and the Company.

3 SEASONALITY OF OPERATIONS

The Group’s and the Company’s business operations were not materially affected by any seasonal or cyclical fluctuations during the six months period ended 30 June 2022.

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 2022.

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NOTES TO THE FINANCIAL STATEMENTS
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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 2022.

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 2022.

7 DIVIDENDS

The amounts of dividends the Company paid or declared since the end of the previous financial year are as follows:

For the financial year ended 31 December 2021:

Dividend paid on 6 July 2022:

- Single-Tier Final Dividend in respect of the Perpetual Noncumulative Preference Shares of 8 sen per share	8,000
- Single-Tier Final Dividend in respect of the Ordinary Shares of 25.62 sen per share	62,000
	<u>70,000</u>

8 CONTINGENT LIABILITIES

There were no material contingent liabilities that arose during the six months period ended 30 June 2022.

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 2022.

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 2022.

11 EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

There were no changes in the composition of the Group and the Company during the six months period ended 30 June 2022.

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12 FINANCIAL ASSETS

	<u>Group</u>		<u>Company</u>	
	<u>30.6.2022</u>	<u>31.12.2021</u>	<u>30.6.2022</u>	<u>31.12.2021</u>
	RM'000	RM'000	RM'000	RM'000
Malaysian Government Securities	650,631	682,214	587,046	620,218
Cagamas bonds	5,649	5,911	5,649	5,911
Unquoted corporate debt securities	1,463,490	1,490,693	1,195,085	1,207,165
Quoted equity securities	155,335	188,498	155,335	188,498
Unit trust funds	449,594	500,411	449,594	500,411
Controlled structured entities	-	-	335,700	378,408
Structured product	52,545	51,490	52,545	51,490
Unquoted equity securities	174	174	174	174
	<u>2,777,418</u>	<u>2,919,391</u>	<u>2,781,128</u>	<u>2,952,275</u>

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

	<u>Group</u>		<u>Company</u>	
	<u>30.6.2022</u>	<u>31.12.2021</u>	<u>30.6.2022</u>	<u>31.12.2021</u>
	RM'000	RM'000	RM'000	RM'000
Fair value through profit or loss (FVTPL)				
- designated upon initial recognition	<u>2,777,418</u>	<u>2,919,391</u>	<u>2,781,128</u>	<u>2,952,275</u>

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

	<u>Group</u>		<u>Company</u>	
	<u>30.6.2022</u>	<u>31.12.2021</u>	<u>30.6.2022</u>	<u>31.12.2021</u>
	RM'000	RM'000	RM'000	RM'000
FVTPL - designated upon initial Recognition	<u>1,682,209</u>	<u>2,032,550</u>	<u>1,677,153</u>	<u>1,740,656</u>

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12 FINANCIAL ASSETS (CONTINUED)

	Group		Company	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
(a) FVTPL - designated upon initial recognition				
Malaysian Government Securities	650,631	682,214	587,046	620,218
Cagamas bonds	5,649	5,911	5,649	5,911
Unquoted corporate debt securities	1,463,490	1,490,693	1,195,085	1,207,165
Quoted equity securities	155,335	188,498	155,335	188,498
Unit trust funds	449,594	500,411	449,594	500,411
Controlled structured entities	-	-	335,700	378,408
Structured product	52,545	51,490	52,545	51,490
Unquoted equity securities	174	174	174	174
	2,777,418	2,919,391	2,781,128	2,952,275
(b) Carrying values of financial assets				
<u>Group</u>				<u>FVTPL/Total</u> RM'000
At 1 January 2022				2,919,391
Purchases				477,835
Maturities				(33,712)
Disposals				(390,186)
Fair value losses recorded in:				
Profit or loss				(196,697)
Movement in accrued interest				787
At 30 June 2022				2,777,418
At 1 January 2021				2,650,081
Purchases				911,280
Maturities				(50,258)
Disposals				(473,524)
Fair value gains recorded in:				
Profit or loss				(119,540)
Movement in accrued interest				1,352
At 31 December 2021				2,919,391

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12 FINANCIAL ASSETS (CONTINUED)

(b) Carrying values of financial assets (continued)

<u>Company</u>	<u>FVTPL/Total</u> <u>RM'000</u>
At 1 January 2022	2,952,275
Purchases	253,714
Maturities	(5,904)
Disposals	(221,623)
Fair value losses recorded in:	
Profit or loss	(197,850)
Movement in accrued interest	516
At 30 June 2022	<u>2,781,128</u>
At 1 January 2021	2,659,011
Purchases	796,094
Maturities	(45,144)
Disposals	(337,198)
Fair value gains recorded in:	
Profit or loss	(122,404)
Movement in accrued interest	1,916
At 31 December 2021	<u>2,952,275</u>

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12 FINANCIAL ASSETS (CONTINUED)

(c) Fair value hierarchy (continued)

The Group and the Company categorise their fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Group's and 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 Group and the Company have 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 interest 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.

The following table presents the Group's and the Company's financial assets that are carried at fair value as at 30 June 2022:

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Group</u>				
<u>FVTPL</u>				
<u>30.6.2022</u>				
Malaysian Government				
Securities	-	650,631	-	650,631
Cagamas bonds	-	5,649	-	5,649
Unquoted corporate debt				
Securities	-	1,463,490	-	1,463,490
Quoted equity securities	155,335	-	-	155,335
Unit trust funds	449,594	-	-	449,594
Structured product	-	-	52,545	52,545
Unquoted equity securities	-	-	174	174
	<u>604,929</u>	<u>2,119,770</u>	<u>52,719</u>	<u>2,777,418</u>

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12 FINANCIAL ASSETS (CONTINUED)

(c) Fair value hierarchy (continued)

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Group</u>				
<u>FVTPL</u>				
<u>Audited</u> <u>31.12.2021</u>				
Malaysian Government				
Securities	-	682,214	-	682,214
Cagamas bonds	-	5,911	-	5,911
Unquoted corporate debt				
Securities	-	1,490,693	-	1,490,693
Quoted equity securities	188,498	-	-	188,498
Unit trust funds	500,411	-	-	500,411
Structured product	-	-	51,490	51,490
Unquoted equity securities	-	-	174	174
	<u>688,909</u>	<u>2,178,818</u>	<u>51,664</u>	<u>2,919,391</u>
<u>Company</u>				
<u>FVTPL</u>				
<u>30.6.2022</u>				
Malaysian Government				
Securities	-	587,046	-	587,046
Cagamas bonds	-	5,649	-	5,649
Unquoted corporate debt				
Securities	-	1,195,085	-	1,195,085
Quoted equity securities	155,335	-	-	155,335
Unit trust funds	449,594	-	-	449,594
Structured product	-	-	52,545	52,545
Controlled structured entities	335,700	-	-	335,700
Unquoted equity securities	-	-	174	174
	<u>940,629</u>	<u>1,787,780</u>	<u>52,719</u>	<u>2,781,128</u>

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12 FINANCIAL ASSETS (CONTINUED)

(c) Fair value hierarchy (continued)

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Company</u>				
<u>FVTPL</u>				
<u>Audited</u> <u>31.12.2021</u>				
Malaysian Government				
Securities	-	620,218	-	620,218
Cagamas bonds	-	5,911	-	5,911
Unquoted corporate debt securities	-	1,207,165	-	1,207,165
Quoted equity securities	188,498	-	-	188,498
Unit trust funds	500,411	-	-	500,411
Structured product	-	-	51,490	51,490
Controlled structured entities	378,408	-	-	378,408
Unquoted equity securities	-	-	174	174
	<u>1,067,317</u>	<u>1,833,294</u>	<u>51,664</u>	<u>2,952,275</u>

There are no transfers between Levels 1 and 2 of the fair value hierarchy during the six months period ended 30 June 2022.

13 REINSURANCE ASSETS

	<u>Group/Company</u> <u>Audited</u>	
	<u>30.6.2022</u> RM'000	<u>31.12.2021</u> RM'000
Reinsurance of insurance contracts		
- insurance claims liabilities	24,328	26,958
- insurance contract liabilities (note 14)	102,486	97,634
	<u>126,814</u>	<u>124,592</u>
Receivable within 12 months	30,671	32,769
Receivable after 12 months	96,143	91,823
	<u>126,814</u>	<u>124,592</u>

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14 INSURANCE CONTRACT LIABILITIES

The insurance contract liabilities and their movements are further analysed as follows:

	30.6.2022			Audited 31.12.2021		
	Gross RM'000	Re- insurance RM'000	Net RM'000	Gross RM'000	Re- insurance RM'000	Net RM'000
<u>Group/Company</u>						
Actuarial liabilities	1,954,365	(102,486)	1,851,879	1,971,999	(97,634)	1,874,365
Net asset value attributable to unitholders	527,526	-	527,526	574,174	-	574,174
	<u>2,481,891</u>	<u>(102,486)</u>	<u>2,379,405</u>	<u>2,546,173</u>	<u>(97,634)</u>	<u>2,448,539</u>
Current	606,957	(6,343)	600,614	635,033	(5,811)	629,222
Non-current	1,874,934	(96,143)	1,778,791	1,911,140	(91,823)	1,819,317
	<u>2,481,891</u>	<u>(102,486)</u>	<u>2,379,405</u>	<u>2,546,173</u>	<u>(97,634)</u>	<u>2,448,539</u>

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14 INSURANCE CONTRACT LIABILITIES (CONTINUED)

The insurance contract liabilities and their movements are further analysed as follows: (continued)

<u>Group/Company</u>	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
At 1 January 2022	2,546,173	(97,634)	2,448,539
<u>Projected changes of inforce policies</u>			
Premium income	170,850	(34,725)	136,125
Expense and commission	(27,306)	88	(27,218)
Benefits	(133,867)	35,533	(98,334)
Interest on cashflows	17,868	(885)	16,983
Others	(15,191)	3,646	(11,545)
Experience variance on inforce policies	22,138	(2,387)	19,751
Reserve for new policies	22,789	(11,287)	11,502
<u>Assumption changes</u>			
Discount rate	(73,596)	5,168	(68,428)
Others	62	48	110
Expense reserve	(4,437)	-	(4,437)
Other changes	3,056	(51)	3,005
Movement in net asset value attributable to unitholders	(46,648)	-	(46,648)
At 30 June 2022	<u>2,481,891</u>	<u>(102,486)</u>	<u>2,379,405</u>

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14 INSURANCE CONTRACT LIABILITIES (CONTINUED)

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

<u>Group/Company</u>	<u>Gross</u> RM'000	<u>Reinsurance</u> RM'000	<u>Net</u> RM'000
At 1 January 2021	2,303,544	(79,834)	2,223,710
<u>Projected changes of inforce policies</u>			
Premium income	394,665	(66,748)	327,917
Expense and commission	(59,584)	141	(59,443)
Benefits	(248,312)	67,386	(180,926)
Interest on cashflows	32,646	(1,324)	31,322
Others	(27,352)	7,827	(19,525)
Experience variance on inforce policies	49,511	(5,120)	44,391
Reserve for new policies	48,559	(18,891)	29,668
<u>Assumption changes</u>			
Discount rate	(97,892)	5,070	(92,822)
Mortality	(1)	1	-
Lapse rates	(4,362)	5,480	1,118
Policy expenses	2,927	-	2,927
Expense reserve	(10,245)	-	(10,245)
Other changes	(208)	(11,622)	(11,830)
Movement in net asset value attributable to unitholders	162,277	-	162,277
At 31 December 2021	<u>2,546,173</u>	<u>(97,634)</u>	<u>2,448,539</u>

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15 TAXATION

	Group/Company	
	6 months period ended <u>30.6.2022</u> RM'000	6 months period ended <u>30.6.2021</u> RM'000
Tax (credit)/expense on the profit for the financial period:		
Income tax:		
Current tax	3,121	5,270
Deferred tax	(15,514)	(4,648)
	<u>(12,393)</u>	<u>622</u>
Over provision in prior financial years	(435)	-
	<u>(12,828)</u>	<u>622</u>
Tax (credit)/expense attributable to Shareholders	(1,721)	1,786
Tax credit attributable to policyholders and unitholders	(11,107)	(1,164)
	<u>(12,828)</u>	<u>622</u>

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

	Group		Company	
	6 months period ended <u>30.6.2022</u> RM'000	6 months period ended <u>30.6.2021</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000	6 months period ended <u>30.6.2021</u> RM'000
(Loss)/profit before taxation attributable to Shareholders	(1,204)	27,234	(1,204)	27,234
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	(289)	6,536	(289)	6,536
Income not subject to tax	(845)	(2,389)	(746)	(2,288)
Expenses not deductible for tax purposes	215	326	116	225
Section 110B tax credit set off	(367)	(1,716)	(367)	(1,716)
Changes in tax rate	-	(971)	-	(971)
Over provision in prior financial years	(435)	-	(435)	-
Tax expense attributable to Shareholders	(1,721)	1,786	(1,721)	1,786
Tax credit attributable to policyholders and unitholders	(11,107)	(1,164)	(11,107)	(1,164)
	<u>(12,828)</u>	<u>622</u>	<u>(12,828)</u>	<u>622</u>

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16 OPERATING LEASE COMMITMENTS

The future minimum lease payments of the operating lease commitments are as follows:

	<u>Group/Company</u>	
	<u>30.6.2022</u>	<u>31.12.2021</u>
	RM'000	RM'000
Not later than 1 year	75	38
Later than 1 year and not later than 5 years	-	5
	<u>75</u>	<u>43</u>

17 CAPITAL COMMITMENTS

	<u>Group/Company</u>	
	<u>30.6.2022</u>	<u>31.12.2021</u>
	RM'000	RM'000
Approved and contracted for: Intangible assets	462	1,873
Approved but not contracted for Intangible assets	1,551	268
	<u>2,013</u>	<u>2,141</u>

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18 REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 30 June 2022, as prescribed under the RBC Framework is provided below:

	<u>Group/Company</u>	
	<u>30.6.2022</u>	<u>31.12.2021</u>
	RM'000	RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	358,000	358,000
Retained earnings	92,938	98,361
Eligible contract liabilities	164,018	156,684
	<u>614,956</u>	<u>613,045</u>
Amounts deducted from capital	(20,152)	(16,632)
Total capital available	<u><u>594,804</u></u>	<u><u>596,413</u></u>

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19 **ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT**

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

<u>Fair value as at 30 June 2022</u>	<u>Financial assets with SPPI cash flows</u> RM'000	<u>All other financial assets</u> RM'000	<u>Total*</u> RM'000
<u>Group</u>			
Financial assets	-	2,803,331	2,803,331
Malaysian Government Securities	-	650,631	650,631
Cagamas bonds	-	5,649	5,649
Unquoted corporate debt securities	-	1,450,716	1,450,716
Unquoted corporate securities (perpetual instruments)	-	12,774	12,774
Quoted equity securities	-	155,335	155,335
Unquoted equity securities#	-	26,087	26,087
Unit trust funds	-	449,594	449,594
Structured product	-	52,545	52,545
Loans and receivables – Fixed and call deposits	168,141	-	168,141
Other receivables	29,830	-	29,830
Cash and bank balances	10,927	-	10,927
	<u>208,898</u>	<u>2,803,331</u>	<u>3,012,229</u>
<u>Company</u>			
Financial assets	-	2,807,041	2,807,041
Malaysian Government Securities	-	587,046	587,046
Cagamas bonds	-	5,649	5,649
Unquoted corporate debt securities	-	1,195,085	1,195,085
Quoted equity securities	-	155,335	155,335
Unquoted equity securities#	-	26,087	26,087
Unit trust funds	-	449,594	449,594
Structured product	-	52,545	52,545
Controlled structured entities	-	335,700	335,700
Loans and receivables – Fixed and call deposits	164,355	-	164,355
Other receivables	29,830	-	29,830
Cash and bank balances	10,917	-	10,917
	<u>205,102</u>	<u>2,807,041</u>	<u>3,012,143</u>

* Insurance receivables, reinsurance assets, policy loans, automatic premium loans 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.

Under MFRS 9, the unquoted equity securities are stated at market value.

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19 **ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT (CONTINUED)**

<u>Fair value as at 31 December 2021</u>	<u>Financial assets with SPPI cash flows</u> RM'000	<u>All other financial assets</u> RM'000	<u>Total*</u> RM'000
<u>Group</u>			
Financial assets	-	2,945,304	2,945,304
Malaysian Government Securities	-	682,214	682,214
Cagamas bonds	-	5,911	5,911
Unquoted corporate debt securities	-	1,485,504	1,485,504
Unquoted corporate securities (perpetual instruments)	-	5,189	5,189
Quoted equity securities	-	188,498	188,498
Unquoted equity securities#	-	26,087	26,087
Unit trust funds	-	500,411	500,411
Structured product	-	51,490	51,490
Loans and receivables – Fixed and call deposits	131,740	-	131,740
Other receivables	22,933	-	22,933
Cash and bank balances	12,493	-	12,493
	<u>167,166</u>	<u>2,945,304</u>	<u>3,112,470</u>
<u>Company</u>			
Financial assets	-	2,978,188	2,978,188
Malaysian Government Securities	-	620,218	620,218
Cagamas bonds	-	5,911	5,911
Unquoted corporate debt securities	-	1,207,165	1,207,165
Quoted equity securities	-	188,498	188,498
Unquoted equity securities#	-	26,087	26,087
Unit trust funds	-	500,411	500,411
Structured product	-	51,490	51,490
Controlled structured entities	-	378,408	378,408
Loans and receivables – Fixed and call deposits	98,779	-	98,779
Other receivables	22,933	-	22,933
Cash and bank balances	12,483	-	12,483
	<u>134,195</u>	<u>2,978,188</u>	<u>3,112,383</u>

* Insurance receivables, reinsurance assets, policy loans, automatic premium loans 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 non-financial assets.

Under MFRS 9, the unquoted equity securities are stated at market value.

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19 **ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT (CONTINUED)**

<u>30.6.2022</u>	<u>Financial assets with SPPI cash flows</u> RM'000	<u>All other financial assets</u> RM'000	<u>Total*</u> RM'000
<u>Changes in fair value during the period</u>			
<u>Group</u>			
Financial assets			
Malaysian Government Securities	-	(42,240)	(42,240)
Cagamas bonds	-	(260)	(260)
Unquoted corporate debt securities	-	(69,000)	(69,000)
Unquoted corporate debt securities (perpetual instruments)	-	(49)	(49)
Quoted equity securities	-	(21,982)	(21,982)
Unquoted equity securities#	-	-	-
Unit trust funds	-	(64,221)	(64,221)
Structured product	-	1,055	1,055
	-	(196,697)	(196,697)
<u>Company</u>			
Financial assets			
Malaysian Government Securities	-	(40,957)	(40,957)
Cagamas bonds	-	(260)	(260)
Unquoted corporate debt securities	-	(64,416)	(64,416)
Quoted equity securities	-	(21,982)	(21,982)
Unquoted equity securities#	-	-	-
Unit trust funds	-	(64,221)	(64,221)
Structured product	-	1,055	1,055
Controlled structured entities	-	(7,069)	(7,069)
	-	197,850	197,850

Under MFRS 9, the unquoted equity securities are stated at market value.

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19 ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT
(CONTINUED)

	Financial assets with SPPI cash flows RM'000	All other financial assets RM'000	Total* RM'000
<u>30.6.2021</u>			
<u>Changes in fair value during the period</u>			
<u>Group</u>			
Financial assets			
Malaysian Government Securities	-	(44,368)	(44,368)
Cagamas bonds	-	(246)	(246)
Unquoted corporate debt securities	-	(58,499)	(58,499)
Unquoted corporate debt securities (perpetual instruments)	-	29	29
Quoted equity securities	-	(6,503)	(6,503)
Unquoted equity securities#	-	-	-
Unit trust funds	-	17,252	17,252
	<u>-</u>	<u>(92,335)</u>	<u>(92,335)</u>
<u>Company</u>			
Financial assets			
Malaysian Government Securities	-	(42,097)	(42,097)
Cagamas bonds	-	(246)	(246)
Unquoted corporate debt securities	-	(47,787)	(47,787)
Quoted equity securities	-	(6,503)	(6,503)
Unquoted equity securities#	-	-	-
Unit trust funds	-	17,252	17,252
Controlled structured entities	-	(15,179)	(15,179)
	<u>-</u>	<u>(94,560)</u>	<u>(94,560)</u>

Under MFRS 9, the unquoted equity securities are stated at market value.

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19 **ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT (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> RM'000	<u>AA</u> RM'000	<u>Non-rated</u> RM'000	<u>Investment- linked funds</u> RM'000	<u>Total</u> RM'000
30.6.2022					
<u>Group</u>					
Loans and receivables					
– Fixed and call deposits	76,550	44,418	40,309	6,864	168,141
Other receivables	-	-	28,291	1,539	29,830
Cash and bank balances	10,917	-	-	10	10,927
	<u>87,467</u>	<u>44,418</u>	<u>68,600</u>	<u>8,413</u>	<u>208,898</u>
<u>Company</u>					
Loans and receivables					
– Fixed and call deposits	72,764	44,418	40,309	6,864	164,355
Other receivables	-	-	28,291	1,539	29,830
Cash and bank balances	10,907	-	-	10	10,917
	<u>83,671</u>	<u>44,418</u>	<u>68,600</u>	<u>8,413</u>	<u>205,102</u>
31 December 2021					
<u>Group</u>					
Loans and receivables					
- Fixed and call deposits	87,224	28,160	8,322	8,034	131,740
Other receivables	-	-	21,993	940	22,933
Cash and bank balances	12,442	31	-	20	12,493
	<u>99,666</u>	<u>28,191</u>	<u>30,315</u>	<u>8,994</u>	<u>167,166</u>
<u>Company</u>					
Loans and receivables	54,263	28,160	8,322	8,034	98,779
Other receivables	-	-	21,993	940	22,933
Cash and bank balances	12,432	31	-	20	12,483
	<u>66,695</u>	<u>28,191</u>	<u>30,315</u>	<u>8,994</u>	<u>134,195</u>

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

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20 **INSURANCE FUNDS**

The Group's and the Company's activities are organised by funds and segregated into Life and Shareholders' funds in accordance with the Financial Services Act, 2013 and Insurance Regulations, 1996.

The Group's and the Company's statement of financial position and statement of comprehensive income have been further analysed by funds which are as follows:

Statement of financial position by Funds as at 30 June 2022

	<u>Shareholders' Fund</u>		<u>Life Fund</u>		<u>Elimination</u>		<u>Total</u>	
	<u>30.6.2022</u>	<u>31.12.2021</u>	<u>30.6.2022</u>	<u>31.12.2021</u>	<u>30.6.2022</u>	<u>31.12.2021</u>	<u>30.6.2022</u>	<u>31.12.2021</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Group</u>								
<u>Assets</u>								
Property and equipment	-	-	56,772	54,577	-	-	56,772	54,577
Intangible assets	-	-	16,002	16,632	-	-	16,002	16,632
Right-of-use assets	-	-	8,021	9,641	-	-	8,021	9,641
Financial assets	377,677	393,792	2,442,118	2,569,332	(42,377)	(43,733)	2,777,418	2,919,391
Loans and receivables	38,410	34,009	157,514	124,722	-	-	195,924	158,731
Reinsurance assets	-	-	126,814	124,592	-	-	126,814	124,592
Insurance receivables	-	-	13,667	13,778	-	-	13,667	13,778
Other receivables	207,835	196,776	26,837	22,378	(204,842)	(196,221)	29,830	22,933
Current tax assets	(7,600)	-	13,602	-	-	-	6,002	-
Cash and bank balances	20	21	10,907	12,472	-	-	10,927	12,493
Total assets	616,342	624,598	2,872,254	2,948,124	(247,219)	(239,954)	3,241,377	3,332,768

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20 INSURANCE FUNDS (CONTINUED)

Statement of financial position by Funds as at 30 June 2022 (continued)

	Shareholders' Fund		Life Fund		Elimination		Total	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Group</u>								
Share capital	358,000	358,000	-	-	-	-	358,000	358,000
Retained earnings	92,938	98,361	-	-	-	-	92,938	98,361
Reserves	132,854	126,914	-	-	-	-	132,854	126,914
Total equity	583,792	583,275	-	-	-	-	583,792	583,275
<u>Liabilities</u>								
Insurance contract liabilities	-	-	2,524,268	2,589,906	(42,377)	(43,733)	2,481,891	2,546,173
Insurance claims liabilities	-	-	51,218	55,918	-	-	51,218	55,918
Insurance payables	569	495	13,534	13,263	-	-	14,103	13,758
Lease liabilities	-	-	8,346	9,964	-	-	8,346	9,964
Other financial liabilities	-	128	12,312	2,627	-	-	12,312	2,755
Other payables	578	1,034	268,175	273,583	(204,842)	(196,221)	63,911	78,396
Current tax liabilities	-	7,600	-	(6,389)	-	-	-	1,211
Deferred tax liabilities	31,403	32,066	(5,599)	9,252	-	-	25,804	41,318
Total liabilities	32,550	41,323	2,872,254	2,948,124	(247,219)	(239,954)	2,657,585	2,749,493
Total equity, policyholders' funds and liabilities	616,342	624,598	2,872,254	2,948,124	(247,219)	(239,954)	3,241,377	3,332,768

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20 INSURANCE FUNDS (CONTINUED)

Statement of financial position by Funds as at 30 June 2022 (continued)

	Shareholders' Fund		Life Fund		Elimination		Total	
	Audited		Audited		Audited		Audited	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company</u>								
<u>Assets</u>								
Property and equipment	-	-	56,772	54,577	-	-	56,772	54,577
Intangible assets	-	-	16,002	16,632	-	-	16,002	16,632
Right-of-use assets	-	-	8,021	9,641	-	-	8,021	9,641
Financial assets	381,387	426,676	2,442,118	2,569,332	(42,377)	(43,733)	2,781,128	2,952,275
Loans and receivables	34,624	1,048	157,514	124,722	-	-	192,138	125,770
Reinsurance assets	-	-	126,814	124,592	-	-	126,814	124,592
Insurance receivables	-	-	13,667	13,778	-	-	13,667	13,778
Other receivables	207,835	196,776	26,837	22,378	(204,842)	(196,221)	29,830	22,933
Current tax assets	(7,600)	-	13,602	-	-	-	6,002	-
Cash and bank balances	10	11	10,907	12,472	-	-	10,917	12,483
Total assets	616,256	624,511	2,872,254	2,948,124	(247,219)	(239,954)	3,241,291	3,332,681

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20 INSURANCE FUNDS (CONTINUED)

Statement of financial position by Funds as at 30 June 2022 (continued)

	Shareholders' Fund		Life Fund		Elimination		Total	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Company</u>								
Share capital	358,000	358,000	-	-	-	-	358,000	358,000
Retained earnings	92,938	98,361	-	-	-	-	92,938	98,361
Reserves	132,854	126,914	-	-	-	-	132,854	126,914
Total equity	583,792	583,275	-	-	-	-	583,792	583,275
<u>Liabilities</u>								
Insurance contract liabilities	-	-	2,524,268	2,589,906	(42,377)	(43,733)	2,481,891	2,546,173
Insurance claims liabilities	-	-	51,218	55,918	-	-	51,218	55,918
Insurance payables	569	495	13,534	13,263	-	-	14,103	13,758
Lease liabilities	-	-	8,346	9,964	-	-	8,346	9,964
Other financial liabilities	-	128	12,312	2,627	-	-	12,312	2,755
Other payables	492	947	268,175	273,583	(204,842)	(196,221)	63,825	78,309
Current tax liabilities	-	7,600	-	(6,389)	-	-	-	1,211
Deferred tax liabilities	31,403	32,066	(5,599)	9,252	-	-	25,804	41,318
Total liabilities	32,464	41,236	2,872,254	2,948,124	(247,219)	(239,954)	2,657,499	2,749,406
Total equity, policyholders' funds and liabilities	616,256	624,511	2,872,254	2,948,124	(247,219)	(239,954)	3,241,291	3,332,681

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20 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2022

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000
<u>Group</u>								
Gross premiums	-	-	321,822	537,035	-	-	321,822	537,035
Premiums ceded to reinsurers	-	-	(34,095)	(34,288)	-	-	(34,095)	(34,288)
Net premiums	-	-	287,727	502,747	-	-	287,727	502,747
Investment income	7,950	7,880	51,409	46,916	-	-	59,359	54,796
Net realized gains	-	-	46	-	-	-	46	-
Other operating income	-	-	6,526	5,989	-	-	6,526	5,989
Other income	7,950	7,880	57,981	52,905	-	-	65,931	60,785
Gross benefits and claims paid	(9)	(506)	(159,091)	(256,887)	-	-	(159,100)	(257,393)
Claims ceded to reinsurers	-	-	29,728	28,984	-	-	29,728	28,984
Gross change in contract liabilities	-	-	65,638	(118,132)	(1,356)	(145)	64,282	(118,277)
Change in contract liabilities ceded to reinsurers	-	-	4,852	(1,790)	-	-	4,852	(1,790)
Net claims	(9)	(506)	(58,873)	(347,825)	(1,356)	(145)	(60,238)	(348,476)

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20 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2022 (continued)

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000
<u>Group</u>								
Net fair value losses	(15,110)	(13,362)	(191,849)	(62,393)	1,356	145	(205,603)	(75,610)
Commission expenses	(57)	(139)	(32,022)	(39,002)	-	-	(32,079)	(39,141)
Management expenses	(812)	(709)	(65,394)	(71,999)	-	-	(66,206)	(72,708)
Other operating expenses	(480)	(239)	(29)	(29)	-	-	(509)	(268)
Investment expenses	(19)	(17)	(1,146)	(1,062)	-	-	(1,165)	(1,079)
Finance cost	-	-	(169)	(180)	-	-	(169)	(180)
Other expenses	(16,478)	(14,466)	(290,609)	(174,665)	1,356	145	(305,731)	(188,986)
(Loss)/profit before taxation	(8,537)	(7,092)	(3,774)	33,162	-	-	(12,311)	26,070
Tax credit attributable to policyholders and unitholders	-	-	11,107	1,164	-	-	11,107	1,164
Transfer from life fund	7,333	34,326	(7,333)	(34,326)	-	-	-	-
(Loss)/profit before taxation attributable to Shareholders	(1,204)	27,234	-	-	-	-	(1,204)	27,234

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20 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2022 (continued)

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000
<u>Group</u>								
(Loss)/profit before taxation attributable to Shareholders	(1,204)	27,234	-	-	-	-	(1,204)	27,234
Taxation *	1,721	(1,786)	11,107	1,164	-	-	12,828	(622)
Tax credit attributable to policyholders and unitholders	-	-	(11,107)	(1,164)	-	-	(11,107)	(1,164)
Tax credit/(expense) attributable to Shareholders	1,721	(1,786)	-	-	-	-	1,721	(1,786)
Net profit for the financial period	517	25,448	-	-	-	-	517	25,448

* The taxation of Shareholders' Fund is on the profit before taxation whereas taxation of Life Fund is on the investment income.

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20 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2022 (continued)

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000
<u>Company</u>								
Gross premiums	-	-	321,822	537,035	-	-	321,822	537,035
Premiums ceded to reinsurers	-	-	(34,095)	(34,288)	-	-	(34,095)	(34,288)
Net premiums	-	-	287,727	502,747	-	-	287,727	502,747
Investment income	3,130	9,584	51,409	46,916	-	-	54,539	56,500
Net fair value gains	-	-	46	-	-	-	46	-
Other operating income	-	-	6,526	5,989	-	-	6,526	5,989
Other income	3,130	9,584	57,981	52,905	-	-	61,111	62,489
Gross benefits and claims paid	(9)	(506)	(159,091)	(256,887)	-	-	(159,100)	(257,393)
Claims ceded to reinsurers	-	-	29,728	28,984	-	-	29,728	28,984
Gross change in contract liabilities	-	-	65,638	(118,132)	(1,356)	(145)	64,282	(118,277)
Change in contract liabilities ceded to reinsurers	-	-	4,852	(1,790)	-	-	4,852	(1,790)
Net claims	(9)	(506)	(58,873)	(347,825)	(1,356)	(145)	(60,238)	(348,476)

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20 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2022 (continued)

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000
<u>Company</u>								
Net fair value losses	(10,703)	(15,486)	(191,849)	(62,393)	1,356	145	(201,196)	(77,734)
Commission expenses	(57)	(139)	(32,022)	(39,002)	-	-	(32,079)	(39,141)
Management expenses	(399)	(289)	(65,394)	(71,999)	-	-	(65,793)	(72,288)
Other operating expenses	(480)	(239)	(29)	(29)	-	-	(509)	(268)
Investment expenses	(19)	(17)	(1,146)	(1,062)	-	-	(1,165)	(1,079)
Finance cost	-	-	(169)	(180)	-	-	(169)	(180)
Other expenses	(11,658)	(16,170)	(290,609)	(174,665)	1,356	145	(300,911)	(190,690)
(Loss)/profit before taxation	(8,537)	(7,092)	(3,774)	33,162	-	-	(12,311)	26,070
Tax credit attributable to policyholders and unitholders	-	-	11,107	1,164	-	-	11,107	1,164
Transfer from life fund	7,333	34,326	(7,333)	(34,326)	-	-	-	-
(Loss)/profit before taxation attributable to Shareholders	(1,204)	27,234	-	-	-	-	(1,204)	27,234

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20 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2022 (continued)

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000	6 months period ended 30.6.2022 RM'000	6 months period ended 30.6.2021 RM'000
<u>Company</u>								
(Loss)/profit before taxation attributable to Shareholders	(1,204)	27,234	-	-	-	-	(1,204)	27,234
Taxation *	1,721	(1,786)	11,107	1,164	-	-	12,828	(622)
Tax credit attributable to policyholders and unitholders	-	-	(11,107)	(1,164)	-	-	(11,107)	(1,164)
Tax credit/(expense) attributable to Shareholders	1,721	(1,786)	-	-	-	-	1,721	(1,786)
Net profit for the financial period	517	25,448	-	-	-	-	517	25,448

* The taxation of Shareholders' Fund is on the profit before taxation whereas taxation of Life Fund is on the investment income.