

Company No.

200501012215 (689263-M)

SUN LIFE MALAYSIA TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020

2889A8/nm

Company No.

200501012215 (689263-M)

SUN LIFE MALAYSIA TAKAFUL BERHAD
(Incorporated in Malaysia)

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SUN LIFE MALAYSIA TAKAFUL BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	<u>Note</u>	<u>30.6.2020</u>			<u>Audited</u> <u>31.12.2019</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
ASSETS							
Property and equipment		181	-	181	263	-	263
Intangible assets		27,791	-	27,791	29,879	-	29,879
Right-of-use assets		112	-	112	11	-	11
Available-for-sale financial assets	12	339,665	994,974	1,325,331	294,325	953,292	1,238,529
Fair value through profit or loss financial assets	12	-	175,585	175,585	-	150,296	150,296
Financing and receivables		57,535	81,449	138,984	103,981	76,760	180,741
Takaful receivables		110	7,802	7,912	-	15,233	15,233
Retakaful assets	13	48	111,882	111,930	48	124,556	124,604
Other receivables		25,754	11,216	11,753	18,820	7,666	8,144
Current tax assets		332	9	341	1,978	2,461	4,439
Cash and bank balances		459	12,965	13,424	4,505	11,939	16,444
Total assets		451,987	1,395,882	1,813,344	453,810	1,342,203	1,768,583

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020 (CONTINUED)

	30.6.2020			Audited 31.12.2019		
<u>Note</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	200,000	-	200,000	200,000	-	200,000
Available-for-sale reserve	14,737	-	14,737	9,427	-	9,427
Retained earnings	205,730	-	205,730	209,990	-	209,990
Total equity	420,467	-	420,467	419,417	-	419,417
LIABILITIES						
Takaful contract liabilities	256	1,326,825	1,317,773	659	1,264,047	1,255,618
Takaful payables	1,209	16,579	17,788	2,198	12,970	15,168
Lease liabilities	112	-	112	12	-	12
Other payables	25,660	45,784	46,227	28,724	54,202	64,584
Expense liabilities	17	-	17	25	-	25
Deferred tax liabilities	4,266	6,694	10,960	2,697	5,131	7,828
Current tax liabilities	-	-	-	78	5,853	5,931
Total liabilities	31,520	1,395,882	1,392,877	34,393	1,342,203	1,349,166
TOTAL EQUITY AND LIABILITIES	451,987	1,395,882	1,813,344	453,810	1,342,203	1,768,583

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 2020

	<u>6 months period ended 30.6.2020</u>			<u>6 months period ended 30.6.2019</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>
Gross earned contribution	-	204,467	204,467	-	206,767	206,767
Contribution ceded to retakaful operators	-	(34,262)	(34,262)	-	(36,184)	(36,184)
Net earned contribution	-	170,205	170,205	-	170,583	170,583
Wakalah income	70,544	-	-	78,946	-	-
Surplus sharing from Family Takaful funds	3,495	-	-	16,316	-	-
Investment income	8,406	23,705	30,396	9,075	22,023	29,366
Realised gains	47	1,756	1,803	93	1,065	1,158
Net fair value gains	-	3,674	3,674	-	8,982	8,982
Commission income	-	31	31	-	119	119
Other operating income	1,985	22	2,007	1,300	38	1,338
Total income	84,477	199,393	208,116	105,730	202,810	211,546

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (CONTINUED)

	<u>6 months period ended 30.6.2020</u>			<u>6 months period ended 30.6.2019</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		(325)	(91,019)	(91,344)	(379)	(89,758)	(90,137)
Claims ceded to retakaful operators		-	28,124	28,124	-	32,243	32,243
Gross change in Takaful contract liabilities		403	(45,452)	(45,049)	855	(66,231)	(65,376)
Change in Takaful contract liabilities ceded to retakaful operators		-	(12,674)	(12,674)	(223)	20,897	20,674
Net claims		<u>78</u>	<u>(121,021)</u>	<u>(120,943)</u>	<u>253</u>	<u>(102,849)</u>	<u>(102,596)</u>
Surplus sharing with Takaful operator		-	(3,495)	-	-	(16,316)	-
Wakalah expenses		-	(70,544)	-	-	(78,946)	-
Commission expenses		(25,388)	-	(25,388)	(26,808)	-	(26,808)
Management expenses		(55,412)	-	(55,412)	(58,389)	-	(58,389)
Other operating expenses		(4,799)	(3,095)	(6,179)	(7,420)	(3,078)	(8,766)
Finance cost		(2)	-	(2)	(2)	-	(2)
		<u>(85,601)</u>	<u>(77,134)</u>	<u>(86,981)</u>	<u>(92,619)</u>	<u>(98,340)</u>	<u>(93,965)</u>
Total expenses		<u>(85,523)</u>	<u>(198,155)</u>	<u>(207,924)</u>	<u>(92,366)</u>	<u>(201,189)</u>	<u>(196,561)</u>

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (CONTINUED)

	Note	6 months period ended 30.6.2020			6 months period ended 30.6.2019		
		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
(Loss)/profit before taxation		(1,046)	1,238	192	13,364	1,621	14,985
Tax expense attributable to participants		-	(1,238)	(1,238)	-	(1,621)	(1,621)
(Loss)/profit before taxation attributable to Shareholders		(1,046)	-	(1,046)	13,364	-	13,364
Taxation	15	(3,214)	(1,238)	(4,452)	(6,323)	(1,621)	(7,944)
Tax expense attributable to participants		-	1,238	1,238	-	1,621	1,621
Tax expense attributable to Shareholders		(3,214)	-	(3,214)	(6,323)	-	(6,323)
Net (loss)/profit for the financial period		(4,260)	-	(4,260)	7,041	-	7,041
Basic earnings per share (sen)		-	-	(4.26)	-	-	7.04

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (CONTINUED)

	<u>6 months period ended 30.6.2020</u>			<u>6 months period ended 30.6.2019</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>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other comprehensive income:						
Items that may be subsequently reclassified to profit or loss:						
Fair value change on available-for-sale financial assets:						
- Revaluation	6,974	17,770	24,744	10,482	40,682	51,163
- Transfer to profit or loss upon disposal	13	1,062	1,075	168	(296)	(127)
	<u>6,987</u>	<u>18,832</u>	<u>25,819</u>	<u>10,650</u>	<u>40,386</u>	<u>51,036</u>
- Gross fair value changes	(1,677)	(1,506)	(3,183)	(2,556)	(3,231)	(5,787)
- Deferred taxation						
- Net fair value changes	<u>5,310</u>	<u>17,326</u>	<u>22,636</u>	<u>8,094</u>	<u>37,155</u>	<u>45,249</u>
Changes in Takaful contract liabilities arising from unrealised net fair value changes	-	(17,326)	(17,326)	-	(37,155)	(37,155)
Other comprehensive income for the financial period, net of tax	<u>5,310</u>	-	<u>5,310</u>	<u>8,094</u>	-	<u>8,094</u>
Total comprehensive income for the financial period	<u>1,050</u>	-	<u>1,050</u>	<u>15,135</u>	-	<u>15,135</u>

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 2020

	<u>Non-distributable</u>			
	<u>Share capital</u>	<u>Available- for-sale reserve</u>	<u>Retained earnings</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</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>
As at 1 January 2019	200,000	3,467	206,981	410,448
Effects on adoption of MFRS 16 (note 18)	-	-	(2)	(2)
Total comprehensive income for the financial period	-	8,094	7,041	15,135
As at 30 June 2019	<u>200,000</u>	<u>11,561</u>	<u>214,020</u>	<u>425,581</u>

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 CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020

	6 months period ended <u>30.6.2020</u> RM'000	6 months period ended <u>30.6.2019</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/profit for the financial period	(4,260)	7,041
Adjustments for:		
Depreciation of property and equipment	47	48
Amortisation of intangible assets	2,234	2,058
Depreciation of right-of-use assets	34	34
Amortisation of premiums/(accretion of discounts) - net	587	(16)
Realised gains on disposal of financial assets	(1,803)	(1,158)
Profit income	(29,147)	(28,359)
Dividend income	(1,836)	(991)
Net fair value gains	(3,674)	(8,982)
Provision for expense liability	(8)	(48)
Writeback of allowance for impairment loss	-	(10)
Decrease in Shareholder's fund Takaful contract liabilities	(403)	(855)
Increase in Family Takaful contract liabilities	45,452	66,231
Finance cost	2	2
Taxation	4,452	7,944
	<hr/>	<hr/>
Profit from operations before changes in operating assets and liabilities	11,677	42,939
Proceeds from disposal and maturity of investments	73,025	133,859
Purchase of investments	(154,054)	(146,295)
(Increase)/decrease in other receivables	(3,603)	246
Decrease in Takaful receivables	7,321	18,122
Decrease/(increase) in financing and receivables	41,757	(22,860)
Decrease/(increase) in retakaful assets	12,674	(20,674)
Decrease in other payables	(19,716)	(6,022)
Increase/(decrease) in Takaful payables	2,620	(27,974)
	<hr/>	<hr/>
	(28,299)	(28,659)
Finance cost paid	(2)	(2)
Income tax paid	(4,949)	(5,744)
Zakat paid	(30)	-
Profit income received	28,574	28,525
Dividend income received	1,830	991
	<hr/>	<hr/>
Net cash used in operating activities	(2,876)	(4,889)

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UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (CONTINUED)

	6 months period ended 30.6.2020 RM'000	6 months period ended 30.6.2019 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(90)	(110)
Purchase of intangible assets	(21)	(4,000)
Net cash used in investing activities	<u>(111)</u>	<u>(4,110)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(33)	(35)
Net cash used in financing activities	<u>(33)</u>	<u>(35)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,020)	(9,034)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	16,444	27,050
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>13,424</u>	<u>18,016</u>
Cash and cash equivalents comprise:		
Cash and bank balances	<u>13,424</u>	<u>18,016</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.

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

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SUN LIFE MALAYSIA TAKAFUL BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020

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 2020.

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 2019.

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.

SUN LIFE MALAYSIA TAKAFUL BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (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 standards that are effective and were adopted

The amendments and improvements to published standards and interpretations that the Company adopted for the first time for the financial year beginning on or after 1 January 2020 are as follows:

- (i) The Conceptual Framework for Financial Reporting
- (ii) Amendments to MFRS 101 and MFRS 108 "Definition of Material"

The adoption of these amendments did not have any material impact to the Company's financial statements.

New standard that is effective and were deferred for adoption

- Amendments to MFRS 4 – 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 2021 at the latest. An entity may apply the temporary exemption from MFRS 9 if its activities are predominantly connected with insurance while 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.

SUN LIFE MALAYSIA TAKAFUL BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (CONTINUED)

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 were deferred for adoption (continued)

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.

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 2021, which is in line with the adoption of MFRS 17 Insurance Contracts. The additional disclosures are 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 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 annual periods beginning after 1 January 2020. 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 2021) replaces MFRS 4 "Insurance Contracts".

MFRS 17 is effective for annual periods beginning on or after 1 January 2021. Nevertheless, the due process to defer the effective date of MFRS 17 by two years to 1 January 2023 is currently in progress and is expected to be announced soon.

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 service contracts 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 service components 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 2020 (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 2022) 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (CONTINUED)

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 2020.

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 2020.

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 2020.

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 2020.

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 2020.

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 2020.

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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 2020.

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 2020.

12 FINANCIAL ASSETS

	Shareholders' fund RM'000	Family Takaful fund RM'000	Company RM'000
<u>30.6.2020</u>			
Government Investment Issues	194,232	191,165	385,397
Cagamas Sukuk	-	10,848	10,848
Unquoted Sukuk	136,125	792,961	929,086
Quoted equity securities	-	75,127	75,127
Unit trust funds	-	100,458	100,458
Investments in investment-linked funds	9,308	-	-
Total	<u>339,665</u>	<u>1,170,559</u>	<u>1,500,916</u>
<u>Audited</u>			
<u>31.12.2019</u>			
Government Investment Issues	147,050	176,111	323,161
Cagamas Sukuk	-	10,602	10,602
Unquoted Sukuk	138,187	766,579	904,766
Quoted equity securities	-	65,890	65,890
Unit trust funds	-	84,406	84,406
Investments in investment-linked funds	9,088	-	-
Total	<u>294,325</u>	<u>1,103,588</u>	<u>1,388,825</u>

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12 FINANCIAL ASSETS (CONTINUED)

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

	Shareholders' fund RM'000	Family Takaful fund RM'000	Company RM'000
<u>30.6.2020</u>			
AFS	339,665	994,974	1,325,331
FVTPL – designated upon initial recognition	-	175,585	175,585
Total	<u>339,665</u>	<u>1,170,559</u>	<u>1,500,916</u>
<u>Audited</u> <u>31.12.2019</u>			
AFS	294,325	953,292	1,238,529
FVTPL – designated upon initial recognition	-	150,296	150,296
Total	<u>294,325</u>	<u>1,103,588</u>	<u>1,388,825</u>

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

	Shareholders' fund RM'000	Family Takaful fund RM'000	Company RM'000
<u>30.6.2020</u>			
AFS	<u>307,205</u>	<u>979,687</u>	<u>1,286,892</u>
<u>Audited</u> <u>31.12.2019</u>			
AFS	<u>260,054</u>	<u>938,254</u>	<u>1,198,308</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>30.6.2020</u>			
Government Investment Issues	194,232	191,165	385,397
Cagamas Sukuk	-	10,848	10,848
Unquoted Sukuk	136,125	792,961	929,086
Investments in investment-linked funds	9,308	-	-
Total	<u>339,665</u>	<u>994,974</u>	<u>1,325,331</u>
<u>Audited</u> <u>31.12.2019</u>			
Government Investment Issues	147,050	176,111	323,161
Cagamas Sukuk	-	10,602	10,602
Unquoted Sukuk	138,187	766,579	904,766
Investments in investment-linked funds	9,088	-	-
Total	<u>294,325</u>	<u>953,292</u>	<u>1,238,529</u>

(b) FVTPL – designated upon initial recognition

	<u>Family Takaful</u> <u>fund/Company</u> <u>RM'000</u>
<u>30.6.2020</u>	
Quoted equity securities	75,127
Unit trust funds	100,458
Total	<u>175,585</u>
<u>Audited</u> <u>31.12.2019</u>	
Quoted equity securities	65,890
Unit trust funds	84,406
Total	<u>150,296</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	
1 January 2020	294,325	953,292	-	150,296	1,388,825
Purchases	43,254	53,196	-	57,604	154,054
Maturities	(4,954)	(14,990)	-	-	(19,944)
Disposals	-	(15,289)	-	(34,626)	(49,915)
Fair value gains recorded in:					
Profit or loss	-	-	-	2,311	2,311
Other comprehensive income	6,987	18,832	-	-	25,819
Elimination of fair value loss from Shareholders' fund investment in investment-linked funds	-	-	-	-	(220)
Movement in accrued profit	320	253	-	-	573
Amortisation adjustments	(267)	(320)	-	-	(587)
At 30 June 2020	<u>339,665</u>	<u>994,974</u>	<u>-</u>	<u>175,585</u>	<u>1,500,916</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 2019	334,522	838,310	-	103,926	1,268,206
Purchases	60,103	180,062	-	106,508	346,673
Maturities	(5,054)	(28,178)	-	-	(33,232)
Disposals	(102,464)	(88,583)	-	(68,938)	(259,985)
Fair value gains recorded in:					
Profit or loss	-	-	-	8,800	8,800
Other comprehensive income	7,842	50,269	-	-	58,111
Elimination of fair value loss from Shareholders' fund investment in investment-linked funds	-	-	-	-	(536)
Movement in accrued profit	(512)	1,343	-	-	831
(Amortisation)/accretion adjustments	(112)	69	-	-	(43)
At 31 December 2019	294,325	953,292	-	150,296	1,388,825

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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 transfers between Levels 1 and 2 during the six months period ended 30 June 2020.

The following table presents the Company's financial assets that are carried at fair value as at 30 June 2020:

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Total</u> RM'000
<u>30.6.2020</u>			
<u>Shareholders' fund</u>			
<u>AFS</u>			
- Government Investment Issues	-	194,232	194,232
- Unquoted Sukuk	-	136,125	136,125
- Investments in investment-linked funds	9,308	-	9,308
	<u>9,308</u>	<u>330,357</u>	<u>339,665</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>30.6.2020 (continued)</u>			
<u>Family Takaful fund</u>			
<u>AFS</u>			
- Government Investment Issues	-	191,165	191,165
- Cagamas Sukuk	-	10,848	10,848
- Unquoted Sukuk	-	792,961	792,961
<u>FVTPL – designated upon initial recognition</u>			
- Quoted equity securities	75,127	-	75,127
- Unit trust funds	100,458	-	100,458
	<u>175,585</u>	<u>994,974</u>	<u>1,170,559</u>
<u>Company</u>			
<u>AFS</u>			
- Government Investment Issues	-	385,397	385,397
- Cagamas Sukuk	-	10,848	10,848
- Unquoted Sukuk	-	929,086	929,086
<u>FVTPL – designated upon initial recognition</u>			
- Quoted equity securities	75,127	-	75,127
- Unit trust funds	100,458	-	100,458
	<u>175,585</u>	<u>1,325,331</u>	<u>1,500,916</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
Audited <u>31.12.2019</u>			
<u>Shareholders' fund</u>			
<u>AFS</u>			
- Government Investment Issues	-	147,050	147,050
- Unquoted Sukuk	-	138,187	138,187
- Investments in investment-linked funds	9,088	-	9,088
	<u>9,088</u>	<u>285,237</u>	<u>294,325</u>
<u>Family Takaful fund</u>			
<u>AFS</u>			
- Government Investment Issues	-	176,111	176,111
- Cagamas Sukuk	-	10,602	10,602
- Unquoted Sukuk	-	766,579	766,579
<u>FVTPL – designated upon initial recognition</u>			
- Quoted equity securities	65,890	-	65,890
- Unit trust funds	84,406	-	84,406
	<u>150,296</u>	<u>953,292</u>	<u>1,103,588</u>
<u>Company</u>			
<u>AFS</u>			
- Government Investment Issues	-	323,161	323,161
- Cagamas Sukuk	-	10,602	10,602
- Unquoted Sukuk	-	904,766	904,766
<u>FVTPL – designated upon initial recognition</u>			
- Quoted equity securities	65,890	-	65,890
- Unit trust funds	84,406	-	84,406
	<u>150,296</u>	<u>1,238,529</u>	<u>1,388,825</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>30.06.2020</u>			
Retakaful of Takaful contracts			
- Takaful contract liabilities (note 14)	48	111,882	111,930
	<u>48</u>	<u>111,882</u>	<u>111,930</u>
Receivable within 12 months	48	61,101	61,149
Receivable after 12 months	-	50,781	50,781
	<u>48</u>	<u>111,882</u>	<u>111,930</u>
Audited			
<u>31.12.2019</u>			
Retakaful of Takaful contracts			
- Takaful contract liabilities (note 14)	48	124,556	124,604
	<u>48</u>	<u>124,556</u>	<u>124,604</u>
Receivable within 12 months	48	38,469	38,517
Receivable after 12 months	-	86,087	86,087
	<u>48</u>	<u>124,556</u>	<u>124,604</u>

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14 TAKAFUL CONTRACT LIABILITIES

	30.06.2020			Audited 31.12.2019		
	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	256	1,326,825	1,317,773	659	1,264,047	1,255,618
Retakaful (note 13)	(48)	(111,882)	(111,930)	(48)	(124,556)	(124,604)
Net	<u>208</u>	<u>1,214,943</u>	<u>1,205,843</u>	<u>611</u>	<u>1,139,491</u>	<u>1,131,014</u>
Current	208	83,195	83,403	611	137,378	137,989
Non-current	-	1,131,748	1,122,440	-	1,002,113	993,025
	<u>208</u>	<u>1,214,943</u>	<u>1,205,843</u>	<u>611</u>	<u>1,139,491</u>	<u>1,131,014</u>

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14 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(a) Family Takaful contract liabilities

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

	30.6.2020			Audited 31.12.2019		
	<u>Gross</u> RM'000	Re- takaful RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	Re- takaful RM'000	<u>Net</u> RM'000
Certificate holders' liabilities	1,008,290	(84,515)	923,775	1,000,365	(97,618)	902,747
Net asset value attributable to certificate holders	102,273	-	102,273	82,989	-	82,989
Actuarial liabilities	1,110,563	(84,515)	1,026,048	1,083,354	(97,618)	985,736
Claims liabilities	55,275	(27,367)	27,908	57,942	(26,938)	31,004
Unallocated surplus	90,494	-	90,494	69,584	-	69,584
Available-for-sale fair value adjustment						
- gross	76,623	-	76,623	57,791	-	57,791
- deferred tax	(6,130)	-	(6,130)	(4,624)	-	(4,624)
- net	70,493	-	70,493	53,167	-	53,167
	<u>1,326,825</u>	<u>(111,882)</u>	<u>1,214,943</u>	<u>1,264,047</u>	<u>(124,556)</u>	<u>1,139,491</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>30.6.2020</u>	<u>Gross</u> RM'000	<u>Re-</u> <u>takaful</u> 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	15,512	(31,607)	(16,095)
Benefits	(87,458)	49,234	(38,224)
Investment returns	19,689	(1,384)	18,305
Others	11,145	(11,576)	(431)
Experience variance on inforce Takaful certificates	(18,387)	896	(17,491)
Reserve on new Takaful certificates	82,429	(8,924)	73,505
Miscellaneous	(15,005)	16,464	1,459
Movement in net asset value attributable to certificate holders	19,284	-	19,284
Movement in claims liabilities	(2,667)	(429)	(3,096)
Movement in unallocated surplus	20,910	-	20,910
Movement in AFS fair value adjustment	17,326	-	17,326
At 30 June 2020	<u>1,326,825</u>	<u>(111,882)</u>	<u>1,214,943</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> <u>31.12.2019</u>	<u>Gross</u> RM'000	<u>Re-</u> <u>takaful</u> RM'000	<u>Net</u> RM'000
At 1 January 2019	1,067,695	(92,417)	975,278
<u>Projected changes of inforce Takaful certificates</u>			
Contribution income	27,378	(64,967)	(37,589)
Benefits	(161,520)	77,437	(84,083)
Investment returns	35,596	(2,175)	33,421
Others	(2,211)	(1,283)	(3,494)
Experience variance on inforce Takaful certificates	(32,851)	(781)	(33,632)
Reserve on new Takaful certificates	175,480	(24,888)	150,592
Miscellaneous	1,563	(4,474)	(2,911)
Movement in net asset value attributable to certificate holders	39,346	-	39,346
Movement in claims liabilities	22,349	(11,008)	11,341
Movement in unallocated surplus	44,975	-	44,975
Movement in AFS fair value adjustment	46,247	-	46,247
At 31 December 2019	<u>1,264,047</u>	<u>(124,556)</u>	<u>1,139,491</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:

	30.06.2020			Audited 31.12.2019		
	<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	64	-	64	229	-	229
Provision for claims reported by certificate holders	192	(48)	144	430	(48)	382
Provision for outstanding claims (i)	256	(48)	208	659	(48)	611
	<u>256</u>	<u>(48)</u>	<u>208</u>	<u>659</u>	<u>(48)</u>	<u>611</u>

(i) Provision for outstanding claims

	30.06.2020			Audited 31.12.2019		
	<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	659	(48)	611	1,916	(545)	1,371
Movement in claim liability	(403)	-	(403)	(1,257)	497	(760)
At 30 June/ 31 December	<u>256</u>	<u>(48)</u>	<u>208</u>	<u>659</u>	<u>(48)</u>	<u>611</u>

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14 TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(c) Takaful contract liabilities at Company level

	30.6.2020			Audited 31.12.2019		
	<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))	1,326,825	(111,882)	1,214,943	1,264,047	(124,556)	1,139,491
Shareholders' fund (note 14(b))	256	(48)	208	659	(48)	611
	<u>1,327,081</u>	<u>(111,930)</u>	<u>1,215,151</u>	<u>1,264,706</u>	<u>(124,604)</u>	<u>1,140,102</u>
Elimination of Shareholders' fund fund investment in investment-linked funds	(9,308)	-	(9,308)	(9,088)	-	(9,088)
Total	<u><u>1,317,773</u></u>	<u><u>(111,930)</u></u>	<u><u>1,205,843</u></u>	<u><u>1,255,618</u></u>	<u><u>(124,604)</u></u>	<u><u>1,131,014</u></u>

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15 TAXATION

	<u>30.6.2020</u>			<u>30.6.2019</u>		
	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	3,321	1,181	4,502	6,250	1,016	7,266
Deferred tax:						
Relating to origination and reversal of temporary differences	(107)	57	(50)	73	605	678
	<u>3,214</u>	<u>1,238</u>	<u>4,452</u>	<u>6,323</u>	<u>1,621</u>	<u>7,944</u>

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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>30.6.2020</u>	<u>Company</u> <u>30.6.2019</u>
	RM'000	RM'000
Profit before taxation attributable to Shareholders	(1,046)	13,364
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	(251)	3,207
Income not subject to tax	(16,863)	(18,979)
Expenses not deductible for tax purposes	20,328	22,095
Tax expense attributable to Shareholders	3,214	6,323
Tax expense attributable to participants	1,238	1,621
	<u>4,452</u>	<u>7,944</u>

16 OPERATING LEASE COMMITMENTS

There were no operating lease commitment that arose during the six months period ended 30 June 2020.

17 REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 30 June 2020, as prescribed under the Risk Based Capital Framework is provided below:

	<u>30.6.2020</u>	<u>Audited</u> <u>31.12.2019</u>
	RM'000	RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	200,000	200,000
Retained earnings	203,074	209,990
Eligible contract liabilities	91,318	65,791
	<u>494,392</u>	<u>475,781</u>
<u>Tier 2 Capital</u>		
Eligible reserves	25,372	18,742
Amounts deducted from capital	(28,791)	(30,879)
Total capital available	<u>490,973</u>	<u>463,644</u>

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18 CHANGE IN ACCOUNTING POLICIES UPON ADOPTION OF MFRS 16 LEASES

During the financial year ended 31 December 2019, the Company changed its accounting policies on leases upon adoption of MFRS 16. The Company had elected to use the simplified retrospective transition method and to apply a number of practical expedients as provided in MFRS 16.

Under the simplified retrospective transition method, the 2018 comparative information was not restated and the cumulative effects of initial application of MFRS 16 where the Company is a lessee were recognised as an adjustment to the opening balance of retained earnings as at 1 January 2019. The comparative information continued to be reported under the previous accounting policies governed under MFRS 117 "Leases" and IC Interpretation 4 "Determining whether an Arrangement Contains a Lease".

In addition, the Company had elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying MFRS 117 and IC Interpretation 4.

Leases classified as operating leases under MFRS 117

On adoption of MFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019.

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new requirements had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2018.

In applying MFRS 16 for the first time, the Company had applied the following practical expedients permitted by the standard to leases previously classified as operating leases under MFRS 117:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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18 CHANGE IN ACCOUNTING POLICIES UPON ADOPTION OF MFRS 16 LEASES (CONTINUED)

Impacts of adoption of MFRS 16

The following table set out the financial impact arising from the adoption of MFRS 16 on 1 January 2019:

<u>Shareholders' fund/Company</u>	<u>Right-of-use assets</u> RM'000	<u>Lease liabilities</u> RM'000	<u>Retained earnings</u> RM'000
Closing balance as at 31 December 2018	-	-	(206,981)
Effects on adoption of MFRS 16:			
- Recognition of right-of-use	78	-	(78)
- Recognition of lease liabilities	-	(80)	80
	<u>78</u>	<u>(80)</u>	<u>2</u>
Opening balance as at 1 January 2019	<u>78</u>	<u>(80)</u>	<u>(206,979)</u>

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5% per annum.

The reconciliation between the operating lease commitments and the lease liabilities are as follows:

<u>Shareholders' fund/Company</u>	<u>2019</u> RM'000
Operating lease commitments disclosed as at 31 December 2018	85
Present value of operating lease commitment (discounted using borrowing rate)	80
Lease liabilities recognised as at 1 January 2019	<u>80</u>
Of which are:	
Current lease liabilities	-
Non-current lease liabilities	<u>80</u>

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19 **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 2020</u>			
<u>Shareholders' fund</u>			
Financial assets	330,357	9,308	339,665
Investments in investment-linked funds	-	9,308	9,308
Government Investment Issues	194,232	-	194,232
Unquoted Sukuk	136,125	-	136,125
Financing and receivables	57,535	-	57,535
Other receivables	25,754	-	25,754
Cash and bank balances	459	-	459
	<u>414,105</u>	<u>9,308</u>	<u>423,413</u>
<u>Family Takaful fund</u>			
Financial assets	994,974	175,585	1,170,559
Quoted equity securities	-	75,127	75,127
Unit trust funds	-	100,458	100,458
Government Investment Issues	191,165	-	191,165
Cagamas Sukuk	10,848	-	10,848
Unquoted Sukuk	792,961	-	792,961
Financing and receivables	81,449	-	81,449
Other receivables	11,216	-	11,216
Cash and bank balances	12,965	-	12,965
	<u>1,100,604</u>	<u>175,585</u>	<u>1,276,189</u>

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19 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 2020</u>			
<u>Company</u>			
Financial assets	1,325,331	175,585	1,500,916
Quoted equity securities	-	75,127	75,127
Unit trust funds	-	100,458	100,458
Government Investment Issues	385,397	-	385,397
Cagamas Sukuk	10,848	-	10,848
Unquoted Sukuk	929,086	-	929,086
Financing and receivables	138,984	-	138,984
Other receivables	11,753	-	11,753
Cash and bank balances	13,424	-	13,424
	<u>1,489,492</u>	<u>175,585</u>	<u>1,665,077</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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19 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>Audited</u>			
<u>Fair value as at 31 December 2019</u>			
<u>Shareholders' fund</u>			
Financial assets	285,237	9,088	294,325
Investments in investment-linked funds	-	9,088	9,088
Government Investment Issues	147,050	-	147,050
Unquoted Sukuk	138,187	-	138,187
Financing and receivables	103,981	-	103,981
Other receivables	18,820	-	18,820
Cash and bank balances	4,505	-	4,505
	<u>412,543</u>	<u>9,088</u>	<u>421,631</u>
<u>Family Takaful fund</u>			
Financial assets	953,292	150,296	1,103,588
Quoted equity securities	-	65,890	65,890
Unit trust funds	-	84,406	84,406
Government Investment Issues	176,111	-	176,111
Cagamas Sukuk	10,602	-	10,602
Unquoted Sukuk	766,579	-	766,579
Financing and receivables	76,760	-	76,760
Other receivables	7,666	-	7,666
Cash and bank balances	11,939	-	11,939
	<u>1,049,657</u>	<u>150,296</u>	<u>1,199,953</u>

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19 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 2019</u>			
<u>Company</u>			
Financial assets	1,238,529	150,296	1,388,825
Quoted equity securities	-	65,890	65,890
Unit trust funds	-	84,406	84,406
Government Investment Issues	323,161	-	323,161
Cagamas Sukuk	10,602	-	10,602
Unquoted Sukuk	904,766	-	904,766
Financing and receivables	180,741	-	180,741
Other receivables	8,144	-	8,144
Cash and bank balances	16,444	-	16,444
	<u>1,443,858</u>	<u>150,296</u>	<u>1,594,154</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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19 **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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19 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 2019</u>			
<u>Changes in fair value during the period</u>			
<u>Shareholders' fund</u>			
Financial assets			
Investments in investment-linked funds	-	447	447
Government Investment Issues	5,266	-	5,266
Unquoted Sukuk	4,937	-	4,937
Financing and receivables	-	-	-
Other receivables	-	-	-
Cash and bank balances	-	-	-
	<u>10,203</u>	<u>447</u>	<u>10,650</u>
<u>Family Takaful fund</u>			
Financial assets			
Quoted equity securities	-	3,618	3,618
Unit trust funds	-	4,029	4,029
Government Investment Issues	10,667	-	10,667
Cagamas Sukuk	283	-	283
Unquoted Sukuk	29,436	-	29,436
Financing and receivables	-	-	-
Other receivables	-	-	-
Cash and bank balances	-	-	-
	<u>40,386</u>	<u>7,647</u>	<u>48,033</u>
<u>Company</u>			
Financial assets			
Quoted equity securities	-	3,618	3,618
Unit trust funds	-	4,029	4,029
Government Investment Issues	15,933	-	15,933
Cagamas Sukuk	283	-	283
Unquoted Sukuk	34,373	-	34,373
Financing and receivables	-	-	-
Other receivables	-	-	-
Cash and bank balances	-	-	-
	<u>50,589</u>	<u>7,647</u>	<u>58,236</u>

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19 **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 2020</u>						
<u>Shareholders' fund</u>						
Government Investment						
Issues	-	-	-	194,232	-	194,232
Unquoted Sukuk	21,948	-	-	114,177	-	136,125
Financing and receivables	26,542	29,748	-	1,245	-	57,535
Other receivables	-	-	-	25,754	-	25,754
Cash and bank balances	453	-	-	6	-	459
	<u>48,943</u>	<u>29,748</u>	<u>-</u>	<u>335,414</u>	<u>-</u>	<u>414,105</u>
<u>Family Takaful fund</u>						
Government Investment						
Issues	-	-	-	191,165	-	191,165
Cagamas Sukuk	10,848	-	-	-	-	10,848
Unquoted Sukuk	184,644	268,834	-	339,483	-	792,961
Financing and receivables	66,621	14,828	-	-	-	81,449
Other receivables	-	-	-	9,164	2,052	11,216
Cash and bank balances	11,097	834	514	474	46	12,965
	<u>273,210</u>	<u>284,496</u>	<u>514</u>	<u>540,286</u>	<u>2,098</u>	<u>1,100,604</u>
<u>Company</u>						
Government Investment						
Issues	-	-	-	385,397	-	385,397
Cagamas Sukuk	10,848	-	-	-	-	10,848
Unquoted Sukuk	206,592	268,834	-	453,660	-	929,086
Financing and receivables	93,163	44,576	-	1,245	-	138,984
Other receivables	-	-	-	9,701	2,052	11,753
Cash and bank balances	11,550	834	514	480	46	13,424
	<u>322,153</u>	<u>314,244</u>	<u>514</u>	<u>850,483</u>	<u>2,098</u>	<u>1,489,492</u>

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

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19 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 2019</u>						
<u>Shareholders' fund</u>						
<u>Government Investment</u>						
Issues	-	-	-	147,050	-	147,050
Unquoted Sukuk	21,448	-	-	116,739	-	138,187
Financing and receivables	46,741	56,015	-	1,225	-	103,981
Other receivables	-	-	-	18,820	-	18,820
Cash and bank balances	4,499	-	-	6	-	4,505
	<u>72,688</u>	<u>56,015</u>	<u>-</u>	<u>283,840</u>	<u>-</u>	<u>412,543</u>
<u>Family Takaful fund</u>						
<u>Government Investment</u>						
Issues	-	-	-	176,111	-	176,111
Cagamas Sukuk	10,602	-	-	-	-	10,602
Unquoted Sukuk	190,263	262,440	-	313,876	-	766,579
Financing and receivables	51,530	25,230	-	-	-	76,760
Other receivables	-	-	-	7,167	499	7,666
Cash and bank balances	11,434	280	149	21	55	11,939
	<u>263,829</u>	<u>287,950</u>	<u>149</u>	<u>497,175</u>	<u>554</u>	<u>1,049,657</u>
<u>Company</u>						
<u>Government Investment</u>						
Issues	-	-	-	323,161	-	323,161
Cagamas Sukuk	10,602	-	-	-	-	10,602
Unquoted Sukuk	211,711	262,440	-	430,615	-	904,766
Financing and receivables	98,271	81,245	-	1,225	-	180,741
Other receivables	-	-	-	7,645	499	8,144
Cash and bank balances	15,933	280	149	27	55	16,444
	<u>336,517</u>	<u>343,965</u>	<u>149</u>	<u>762,673</u>	<u>554</u>	<u>1,443,858</u>

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