

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 2023**

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Registration No.

199001005930 (197499-U)

**SUN LIFE MALAYSIA ASSURANCE BERHAD**  
(Incorporated in Malaysia)

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**SUN LIFE MALAYSIA ASSURANCE BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Note	Group			Company		
		30.6.2023 RM'000	31.12.2022 RM'000 Restated*	1.1.2022 RM'000 Restated*	30.6.2023 RM'000	31.12.2022 RM'000 Restated*	1.1.2022 RM'000 Restated*
<b>ASSETS</b>							
Property and equipment		51,862	57,529	54,577	51,862	57,529	54,577
Intangible assets		18,560	14,855	16,632	18,560	14,855	16,632
Right-of-use assets		4,377	6,378	9,641	4,377	6,378	9,641
Fair value through profit or loss financial assets	12	2,350,074	2,948,739	2,919,391	2,359,467	2,955,440	2,952,275
Fair value through other comprehensive income financial assets	12	739,447	-	-	739,447	-	-
Loans and receivables		81,915	133,207	131,740	72,460	126,436	98,779
Reinsurance contracts assets	13	76,912	76,253	103,310	76,912	76,253	103,310
Insurance contract assets	13	17,049	16,694	17,209	17,049	16,694	17,209
Other receivables		31,029	30,559	22,420	31,029	30,559	22,420
Current tax assets		1,979	-	-	1,979	-	-
Cash and bank balances		8,075	9,530	12,493	8,064	9,519	12,483
<b>TOTAL ASSETS</b>		<b>3,381,279</b>	<b>3,293,744</b>	<b>3,287,413</b>	<b>3,381,206</b>	<b>3,293,663</b>	<b>3,287,326</b>

\* Restated due to adoption of MFRS 17

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**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023 (CONTINUED)**

	Note	Group			Company		
		30.6.2023 RM'000	31.12.2022 RM'000 Restated*	1.1.2022 RM'000 Restated*	30.6.2023 RM'000	31.12.2022 RM'000 Restated*	1.1.2022 RM'000 Restated*
<b>EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>							
Share capital		358,000	358,000	358,000	358,000	358,000	358,000
Retained earnings		23,026	81,235	98,361	23,026	81,235	98,361
Reserves		211,137	132,879	151,542	211,137	132,879	151,542
Fair value through other comprehensive income reserve		4,504	-	-	4,504	-	-
<b>TOTAL EQUITY</b>		<b>596,667</b>	<b>572,114</b>	<b>607,903</b>	<b>596,667</b>	<b>572,114</b>	<b>607,903</b>
Insurance contracts liabilities	13	2,636,985	2,559,454	2,542,410	2,636,985	2,559,454	2,542,410
Reinsurance contracts liabilities	13	9,533	1,737	1,837	9,533	1,737	1,837
Lease liabilities		4,630	6,691	9,964	4,630	6,691	9,964
Other financial liabilities		5,706	41,561	2,615	5,706	41,561	2,615
Other payables		65,685	80,306	74,378	65,612	80,225	74,291
Current tax liabilities		-	516	1,211	-	516	1,211
Deferred tax liabilities		62,073	31,365	47,095	62,073	31,365	47,095
<b>TOTAL LIABILITIES</b>		<b>2,784,612</b>	<b>2,721,630</b>	<b>2,679,510</b>	<b>2,784,539</b>	<b>2,721,549</b>	<b>2,679,423</b>
<b>TOTAL EQUITY, POLICYHOLDERS FUNDS AND LIABILITIES</b>		<b>3,381,279</b>	<b>3,293,744</b>	<b>3,287,413</b>	<b>3,381,206</b>	<b>3,293,663</b>	<b>3,287,326</b>

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**SUN LIFE MALAYSIA ASSURANCE BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

	Group		Company	
	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated*	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated*
Insurance revenue	180,472	156,915	180,472	156,915
Insurance service expenses	(121,154)	(102,168)	(121,154)	(102,168)
Insurance service result before reinsurance contracts held	59,318	54,747	59,318	54,747
Allocation of reinsurance premiums	(50,157)	(45,921)	(50,157)	(45,921)
Amounts recoverable from reinsurers for incurred claims	35,262	29,615	35,262	29,615
Net expense from reinsurance contracts held	(14,895)	(16,306)	(14,895)	(16,306)
Insurance service result	44,423	38,441	44,423	38,441
Investment income	61,643	58,329	61,674	53,509
Net realised gain	-	46	-	46
Net fair value gains/(losses)	75,176	(205,603)	74,762	(201,196)
Net investment income	136,819	(147,228)	136,436	(147,641)
Insurance finance (expenses)/income for insurance contracts issued	(100,277)	84,768	(100,277)	84,768
Reinsurance finance income/ (expenses) for reinsurance contracts held	1,504	(4,095)	1,504	(4,095)
Net insurance financial result	(98,773)	80,673	(98,773)	80,673
Net investment result	38,046	(66,555)	37,663	(66,968)
Other operating income	546	4	546	4
Other operating expenses	(394)	(716)	(11)	(303)
Other finance cost	(102)	(169)	(102)	(169)
Investment expenses	(1,028)	(983)	(1,028)	(983)
Other expenses	(978)	(1,864)	(595)	(1,451)

\* Restated due to adoption of MFRS 17

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

	Group		Company	
	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated*	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated*
Profit/(loss) before taxation	81,491	(29,978)	81,491	(29,978)
Tax (expense)/credit attributable to policyholders and unitholders	(9,574)	11,107	(9,574)	11,107
Profit/(loss) before taxation attributable to Shareholders	71,917	(18,871)	71,917	(18,871)
Taxation	(22,134)	16,205	(22,134)	16,205
Tax expense/(credit) attributable to policyholders and unitholders	9,574	(11,107)	9,574	(11,107)
Tax (expense)/credit attributable to Shareholders	(12,560)	5,098	(12,560)	5,098
Net profit/(loss) for the financial period	59,357	(13,773)	59,357	(13,773)

\* Restated due to adoption of MFRS 17

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

	Group		Company	
	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated*	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated*
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss:				
Fair value change on fair value through other comprehensive income financial assets:				
- Revaluation	22,292	-	22,292	-
- Transfer to profit or loss upon disposal	(35)	-	(35)	-
- Gross fair value changes	22,257	-	22,257	-
- Deferred taxation	(5,668)	-	(5,668)	-
- Net fair value changes	16,589	-	16,589	-
Other comprehensive income for the financial period, net of tax	16,589	-	16,589	-
Total comprehensive income /(loss) for the financial period	75,946	(13,773)	75,946	(13,773)
Basic earnings/(loss) per share (sen)	24.53	(5.69)	24.53	(5.69)

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**SUN LIFE MALAYSIA ASSURANCE BERHAD**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

<u>Group / Company</u>	Share Capital RM'000	Reserves <sup>1</sup> RM'000	FVOCI* Reserve RM'000	Retained Earnings RM'000	Total RM'000
At 31 December 2021 (as previously reported)	358,000	126,914	-	98,361	583,275
Impact of first time adoption of MFRS 17 (Note 17)	-	24,628	-	-	24,628
At 1 January 2022 (restated)	358,000	151,542	-	98,361	607,903
Dividend paid	-	-	-	(70,000)	(70,000)
Total comprehensive (loss)/income for the financial year (restated)	-	(18,663)	-	52,874	34,211
At 31 December 2022 (restated)/ 1 January 2023	358,000	132,879	-	81,235	572,114
Impact of first time adoption of MFRS 9 (Note 17)	-	30,541	(12,085)	151	18,607
At 1 January 2023 (restated)	358,000	163,420	(12,085)	81,386	590,721
Dividend paid	-	-	-	(70,000)	(70,000)
Total comprehensive income for the financial period	-	47,717	16,589	11,640	75,946
At 30 June 2023	358,000	211,137	4,504	23,026	596,667

\* FVOCI refers to Fair Value through Other Comprehensive Income



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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 2023**

	Group		Company	
	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated*	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated*
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit/(loss) for the financial period	59,357	(13,773)	59,357	(13,773)
Adjustments for:				
Property and equipment				
- Depreciation	2,104	1,981	2,104	1,981
- Gains on disposal	-	(46)	-	(46)
Amortisation of intangible assets	5,896	5,836	5,896	5,836
Amortisation of right-of-use assets	2,000	1,983	2,000	1,983
Amortisation of premiums (net)	462	-	462	-
Net fair value (gains)/losses	(75,176)	205,603	(74,762)	201,196
Expected credit loss on investments at fair value through other comprehensive income	28	-	28	-
Interest income	(54,465)	(50,110)	(46,806)	(42,258)
Dividend income	(7,468)	(8,023)	(15,158)	(11,055)
Rental income	(200)	(196)	(200)	(196)
Finance cost	102	169	102	169
Taxation	22,134	(16,205)	22,134	(16,205)
Short term and low value lease assets expense	69	85	69	85
Profit from operations before changes in operating assets and liabilities	(45,157)	127,304	(44,774)	127,717
Decrease/(increase) in loans and receivables	51,282	(36,376)	53,967	(65,552)
Decrease/(increase) in receivables	5,451	(4,607)	5,451	(4,607)
Decrease/(increase) in right-of-use assets	1	(363)	1	(363)
Increase in net insurance contracts liabilities	77,175	(69,338)	77,175	(69,338)
Decrease in net reinsurance contracts assets	7,137	17,211	7,137	17,211
Decrease in payables	(50,394)	(6,400)	(50,384)	(6,399)
Purchase of investments	(221,591)	(477,835)	(182,924)	(253,714)
Proceeds from disposal and maturity of investments	205,451	414,992	163,972	224,181
	29,355	(35,412)	29,621	(30,864)
Investment income received:				
- Dividend	7,370	8,114	15,060	11,146
- Interest	53,891	49,298	45,935	41,718
- Rental	200	196	200	196
Finance cost paid	(77)	(169)	(77)	(169)
Taxation paid	(13,917)	(12,209)	(13,917)	(12,209)
Short term and low value lease assets paid	(153)	(68)	(153)	(68)
Net cash generated from operating activities	76,669	9,750	76,669	9,750

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**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

	Group		Company	
	6 months period ended 30.6.2023	6 months period ended 30.6.2022	6 months period ended 30.6.2023	6 months period ended 30.6.2022
	RM'000	RM'000 Restated*	RM'000	RM'000 Restated*
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal of property and equipment	-	56	-	56
Purchase of property and equipment	(5,499)	(7,902)	(5,499)	(7,902)
Purchase of intangible assets	(539)	(1,490)	(539)	(1,490)
Net cash used in investing activities	(6,038)	(9,336)	(6,038)	(9,336)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividend paid	(70,000)	-	(70,000)	-
Payment of lease liabilities	(2,086)	(1,980)	(2,086)	(1,980)
Net cash used in financing activities	(72,086)	(1,980)	(72,086)	(1,980)
Net decrease in cash and cash equivalents	(1,455)	(1,566)	(1,455)	(1,566)
Cash and cash equivalents at beginning of the financial period	9,530	12,493	9,519	12,483
Cash and cash equivalents at end of the financial period	8,075	10,927	8,064	10,917
Cash and cash equivalents comprise:				
Cash and bank balances	8,075	10,927	8,064	10,917

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023**

**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 2023.

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 2022.

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 recognized 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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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)

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 2023 are as follows:

- (i) MFRS 17 Insurance Contracts
- (ii) Amendments to MFRS 17 Insurance Contracts
- (iii) Initial Application of MFRS 17 and MFRS 9 – Comparative Information (Amendments to MFRS 17 Insurance Contracts)
- (iv) MFRS 9 Financial Instruments
- (v) Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on “Disclosure of Accounting Policies” and “Definition of Accounting Estimates”

The adoption of these amendments did not have any material impact to the Group’s and the Company’s financial statements, other than as disclosed in Note 17 of the effects on adoption of MFRS 17 Insurance Contracts and MFRS 9 Financial Instruments.

(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 2023. 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:

- Amendments to MFRS 101 “Classification of liabilities as current or non-current” (effective 1 January 2024) 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.

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NOTES TO THE FINANCIAL STATEMENTS  
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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 2023.

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 2023.

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 2023.

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 2023.

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 2022:

	RM'000
Dividend paid on 30 June 2023:	
- 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
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	70,000
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

**8 CONTINGENT LIABILITIES**

There were no material contingent liabilities that arose during the six months period ended 30 June 2023.

**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 2023.

**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 2023.

**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 2023.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

12 FINANCIAL ASSETS

Group

	30.6.2023	31.12.2022	1.1.2022
	RM'000	RM'000	RM'000
		Restated	Restated
Malaysian Government Securities	685,317	693,648	682,214
Cagamas bonds	5,688	5,648	5,911
Unquoted corporate debt securities	1,661,603	1,623,649	1,490,693
Quoted equity securities	152,800	144,239	188,498
Unit trust funds	503,854	429,341	500,411
Structured product	52,970	52,040	51,490
Unquoted equity securities	27,289	174	174
	<u>3,089,521</u>	<u>2,948,739</u>	<u>2,919,391</u>

Company

	30.6.2023	31.12.2022	1.1.2022
	RM'000	RM'000	RM'000
		Restated	Restated
Malaysian Government Securities	670,398	658,395	620,218
Cagamas bonds	5,688	5,648	5,911
Unquoted corporate debt securities	1,345,288	1,328,525	1,207,165
Quoted equity securities	152,800	144,239	188,498
Unit trust funds	503,854	429,341	500,411
Controlled structured entities	340,627	337,078	378,408
Structured product	52,970	52,040	51,490
Unquoted equity securities	27,289	174	174
	<u>3,098,914</u>	<u>2,955,440</u>	<u>2,952,275</u>

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

Group

	30.6.2023	31.12.2022	1.1.2022
	RM'000	RM'000	RM'000
		Restated	Restated
Fair value through profit or loss (FVTPL)			
- designated upon initial recognition	2,350,074	2,948,739	2,919,391
Fair value through other comprehensive income (FVOCI)	739,447	-	-
	<u>3,089,521</u>	<u>2,948,739</u>	<u>2,919,391</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

12 FINANCIAL ASSETS (CONTINUED)

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

Company

	<u>30.6.2023</u>	<u>31.12.2022</u>	<u>1.1.2022</u>
	RM'000	RM'000	RM'000
		Restated	Restated
Fair value through profit or loss (FVTPL)			
- designated upon initial recognition	2,359,467	2,955,440	2,952,275
Fair value through other comprehensive income (FVOCI)	739,447	-	-
	<u>3,098,914</u>	<u>2,955,440</u>	<u>2,952,275</u>

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

Group

	<u>30.6.2023</u>	<u>31.12.2022</u>	<u>1.1.2022</u>
	RM'000	RM'000	RM'000
		Restated	Restated
FVTPL - designated upon initial recognition	2,346,270	1,963,751	2,032,550
FVOCI	734,342	-	-
	<u>3,080,612</u>	<u>1,963,751</u>	<u>2,032,550</u>

Company

	<u>30.6.2023</u>	<u>31.12.2022</u>	<u>1.1.2022</u>
	RM'000	RM'000	RM'000
		Restated	Restated
FVTPL - designated upon initial recognition	2,346,270	1,963,751	1,740,656
FVOCI	734,342	-	-
	<u>3,080,612</u>	<u>1,963,751</u>	<u>1,740,656</u>



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12 FINANCIAL ASSETS (CONTINUED)

(a) FVTPL - designated upon initial recognition

Group

	30.6.2023	31.12.2022	1.1.2022
	RM'000	RM'000	RM'000
		Restated	Restated
Malaysian Government Securities	496,865	693,648	682,214
Cagamas bonds	5,688	5,648	5,911
Unquoted corporate debt securities	1,110,608	1,623,649	1,490,693
Quoted equity securities	152,800	144,239	188,498
Unit trust funds	503,854	429,341	500,411
Structured product	52,970	52,040	51,490
Unquoted equity securities	27,289	174	174
	<u>2,350,074</u>	<u>2,948,739</u>	<u>2,919,391</u>

Company

	30.6.2023	31.12.2022	1.1.2022
	RM'000	RM'000	RM'000
		Restated	Restated
Malaysian Government Securities	481,946	658,395	620,218
Cagamas bonds	5,688	5,648	5,911
Unquoted corporate debt securities	794,293	1,328,525	1,207,165
Quoted equity securities	152,800	144,239	188,498
Unit trust funds	503,854	429,341	500,411
Controlled structured entities	340,627	337,078	378,408
Structured product	52,970	52,040	51,490
Unquoted equity securities	27,289	174	174
	<u>2,359,467</u>	<u>2,955,440</u>	<u>2,952,275</u>

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12 FINANCIAL ASSETS (CONTINUED)

(b) FVOCI

Group

	<u>30.6.2023</u>	<u>31.12.2022</u>	<u>1.1.2022</u>
	RM'000	RM'000	RM'000
		Restated	Restated
Malaysian Government Securities	188,452	-	-
Unquoted corporate debt securities	550,995	-	-
	<u>739,447</u>	<u>-</u>	<u>-</u>

Company

	<u>30.6.2023</u>	<u>31.12.2022</u>	<u>1.1.2022</u>
	RM'000	RM'000	RM'000
		Restated	Restated
Malaysian Government Securities	188,452	-	-
Unquoted corporate debt securities	550,995	-	-
	<u>739,447</u>	<u>-</u>	<u>-</u>

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12 FINANCIAL ASSETS (CONTINUED)

(c) Carrying values of financial assets

<u>Group</u>	<u>FVTPL</u> RM'000	<u>FVOCI</u> RM'000	<u>Total</u> RM'000
At 1 January 2023	2,948,739	-	2,948,739
First time adoption of MFRS 9 (Note 17)	(685,369)	712,482	27,113
At 1 January 2023 (restated)	2,263,370	712,482	2,975,852
Purchases	196,352	25,239	221,591
Maturities	-	(20,072)	(20,072)
Disposals	(184,577)	-	(184,577)
Fair value gains recorded in:			
Profit or loss	74,376	-	74,376
Other comprehensive income	-	22,229	22,229
Movement in accrued interest	553	31	584
Amortisation adjustments	-	(462)	(462)
At 30 June 2023	2,350,074	739,447	3,089,521
At 1 January 2022	2,919,391	-	2,919,391
Purchases	906,478	-	906,478
Maturities	(47,825)	-	(47,825)
Disposals	(683,170)	-	(683,170)
Fair value losses recorded in:			
Profit or loss	(147,320)	-	(147,320)
Movement in accrued interest	1,185	-	1,185
At 31 December 2022	2,948,739	-	2,948,739

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12 FINANCIAL ASSETS (CONTINUED)

(c) Carrying values of financial assets (continued)

<u>Company</u>	<u>FVTPL</u> RM'000	<u>FVOCI</u> RM'000	<u>Total</u> RM'000
At 1 January 2023	2,955,440	-	2,955,440
First time adoption of MFRS 9 (Note 17)	(685,369)	712,482	27,113
At 1 January 2023 (restated)	2,270,071	712,482	2,982,553
Purchases	157,685	25,239	182,924
Maturities	-	(20,072)	(20,072)
Disposals	(144,452)	-	(144,452)
Fair value gains recorded in:			
Profit or loss	75,314	-	75,314
Other comprehensive income	-	22,229	22,229
Movement in accrued interest	849	31	880
Amortisation adjustments	-	(462)	(462)
At 30 June 2023	2,359,467	739,447	3,098,914
At 1 January 2022	2,952,275	-	2,952,275
Purchases	577,472	-	577,472
Maturities	(15,017)	-	(15,017)
Disposals	(414,331)	-	(414,331)
Fair value losses recorded in:			
Profit or loss	(145,638)	-	(145,638)
Movement in accrued interest	679	-	679
At 31 December 2022	2,955,440	-	2,955,440

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12 **FINANCIAL ASSETS (CONTINUED)**

(d) Fair value hierarchy

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 2023:

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12 FINANCIAL ASSETS (CONTINUED)

(d) Fair value hierarchy (continued)

<u>Group</u>	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>30.6.2023</u>				
<u>FVTPL</u>				
Malaysian Government Securities	-	496,865	-	496,865
Cagamas bonds	-	5,688	-	5,688
Unquoted corporate debt securities	-	1,110,608	-	1,110,608
Quoted equity securities	152,800	-	-	152,800
Unit trust funds	503,854	-	-	503,854
Structured product	-	52,970	-	52,970
Unquoted equity securities	-	-	27,289	27,289
<u>FVOCI</u>				
Malaysian Government Securities	-	188,452	-	188,452
Unquoted corporate debt securities	-	550,995	-	550,995
	<u>656,654</u>	<u>2,405,578</u>	<u>27,289</u>	<u>3,089,521</u>
<u>31.12.2022</u>				
<u>Restated</u>				
<u>FVTPL</u>				
Malaysian Government Securities	-	693,648	-	693,648
Cagamas bonds	-	5,648	-	5,648
Unquoted corporate debt securities	-	1,623,649	-	1,623,649
Quoted equity securities	144,239	-	-	144,239
Unit trust funds	429,341	-	-	429,341
Structured product	-	52,040	-	52,040
Unquoted equity securities	-	-	174	174
	<u>573,580</u>	<u>2,374,985</u>	<u>174</u>	<u>2,948,739</u>

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12 FINANCIAL ASSETS (CONTINUED)

(d) Fair value hierarchy (continued)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<u>Group (continued)</u>				
<u>1.1.2022</u>				
<u>Restated</u>				
<u>FVTPL</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>2,230,308</u>	<u>174</u>	<u>2,919,391</u>
<u>Company</u>				
<u>30.6.2023</u>				
<u>FVTPL</u>				
Malaysian Government Securities	-	481,946	-	481,946
Cagamas bonds	-	5,688	-	5,688
Unquoted corporate debt securities	-	794,293	-	794,293
Quoted equity securities	152,800	-	-	152,800
Unit trust funds	503,854	-	-	503,854
Controlled structured entities	340,627	-	-	340,627
Structured product	-	52,970	-	52,970
Unquoted equity securities	-	-	27,289	27,289
	<u>997,281</u>	<u>2,074,344</u>	<u>27,289</u>	<u>3,098,914</u>
<u>FVOCI</u>				
Malaysian Government Securities	-	188,452	-	188,452
Unquoted corporate debt securities	-	550,995	-	550,995
	<u>997,281</u>	<u>2,074,344</u>	<u>27,289</u>	<u>3,098,914</u>

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12 FINANCIAL ASSETS (CONTINUED)

(d) Fair value hierarchy (continued)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<u>Company (continued)</u>				
<u>31.12.2022</u>				
<u>Restated</u>				
<u>FVTPL</u>				
Malaysian Government Securities	-	658,395	-	658,395
Cagamas bonds	-	5,648	-	5,648
Unquoted corporate debt securities	-	1,328,525	-	1,328,525
Quoted equity securities	144,239	-	-	144,239
Unit trust funds	429,341	-	-	429,341
Controlled structured entities	337,078	-	-	337,078
Structured product	-	52,040	-	52,040
Unquoted equity securities	-	-	174	174
	<u>910,658</u>	<u>2,044,608</u>	<u>174</u>	<u>2,955,440</u>
<u>1.1.2022</u>				
<u>Restated</u>				
<u>FVTPL</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
Controlled structured entities	378,408	-	-	378,408
Structured product	-	51,490	-	51,490
Unquoted equity securities	-	-	174	174
	<u>1,067,317</u>	<u>1,884,784</u>	<u>174</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 2023.



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**13 INSURANCE AND REINSURANCE CONTRACTS**

The breakdown of groups of insurance contracts issued and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

Group/Company

	30.6.2023			31.12.2022 (Restated)			1.1.2022 (Restated)		
	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Life insurance contracts issued	(17,049)	2,636,985	2,619,936	(16,694)	2,559,454	2,542,760	(17,209)	2,542,410	2,525,201
Reinsurance contracts held	(76,912)	9,533	(67,379)	(76,253)	1,737	(74,516)	(103,310)	1,837	(101,473)
Insurance and reinsurance contracts (assets)/liabilities	<u>(93,961)</u>	<u>2,646,518</u>	<u>2,552,557</u>	<u>(92,947)</u>	<u>2,561,191</u>	<u>2,468,244</u>	<u>(120,519)</u>	<u>2,544,247</u>	<u>2,423,728</u>

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13 **INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)**

13.1 Roll-forward of net asset or liability for life insurance contracts issued and reinsurance contracts held showing the liability for remaining coverage and the liability for incurred claims

13.1.1 Life insurance contracts issued

The roll-forward of the net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims for portfolios included in life insurance unit, is disclosed below:

Group/Company

	30.6.2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding Loss Component	Loss Component	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023					
Life insurance contract liabilities	2,481,016	17	78,222	199	2,559,454
Life insurance contract asset	(18,775)	-	2,081	-	(16,694)
Net insurance contract liabilities as at 1 January	2,462,241	17	80,303	199	2,542,760
Insurance revenue					
Expected incurred claims and other insurance service result	(86,467)	-	-	-	(86,467)
Change in risk adjustment for non-financial risk	(14,872)	-	-	-	(14,872)
CSM recognised for service provided	(39,055)	-	-	-	(39,055)
Recovery of insurance acquisition cash flows	(24,900)	-	-	-	(24,900)
Contracts under PAA	(15,834)	-	-	-	(15,834)
Other amount including experience adjustments	656	-	-	-	656
	(180,472)	-	-	-	(180,472)
Insurance service expenses					
Incurred claims and other expenses	-	-	88,058	97	88,155
Amortisation of insurance acquisition cash flows	32,993	-	-	-	32,993
Losses on onerous contracts and reversals of those losses	-	6	-	-	6
	32,993	6	88,058	97	121,154

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13 **INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)**

13.1 Roll-forward of net asset or liability for life insurance contracts issued and reinsurance contracts held showing the liability for remaining coverage and the liability for incurred claims (continued)

13.1.1 Life insurance contracts issued (continued)

Group/Company

					30.6.2023
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding Loss Component	Loss Component	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Investment components	(78,731)	-	78,731	-	-
Insurance service result	(226,210)	6	166,789	97	(59,318)
Insurance finance expenses	100,279	(2)	-	-	100,277
Total changes in the statement of profit or loss	(125,931)	4	166,789	97	40,959
<b>Cash flows</b>					
Premiums received	271,151	-	-	-	271,151
Claims and other expenses paid including investment components	-	-	(134,118)	-	(134,118)
Total cash flows	271,151	-	(134,118)	-	137,033
Other movements	(73,971)	-	(26,845)	-	(100,816)
Net life insurance contract liabilities	2,533,490	21	86,129	296	2,619,936
<b>At 30 June 2023</b>					
Life insurance contract liabilities	2,553,058	21	83,610	296	2,636,985
Life insurance contract assets	(19,568)	-	2,519	-	(17,049)
Net life insurance contract liabilities as at 30 June	2,533,490	21	86,129	296	2,619,936

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13 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

13.1 Roll-forward of net asset or liability for life insurance contracts issued and reinsurance contracts held showing the liability for remaining coverage and the liability for incurred claims (continued)

13.1.1 Life insurance contracts issued (continued)

Group/Company

	31.12.2022 (Restated)				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding Loss Component	Loss Component	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022					
Life insurance contract liabilities	2,476,569	1	65,667	173	2,542,410
Life insurance contract asset	(19,197)	-	1,988	-	(17,209)
Net insurance contract liabilities as at 1 January	2,457,372	1	67,655	173	2,525,201
Insurance revenue					
Expected incurred claims and other insurance service result	(192,127)	-	-	-	(192,127)
Change in risk adjustment for non-financial risk	(40,848)	-	-	-	(40,848)
CSM recognised for service provided	(78,420)	-	-	-	(78,420)
Recovery of insurance acquisition cash flows	(23,729)	-	-	-	(23,729)
Contracts under PAA	(24,341)	-	-	-	(24,341)
Other amount including experience adjustments	34,360	-	-	-	34,360
	(325,105)	-	-	-	(325,105)
Insurance service expenses					
Incurred claims and other expenses	-	-	179,212	26	179,238
Amortisation of insurance acquisition cash flows	45,362	-	-	-	45,362
Losses on onerous contracts and reversals of those losses	-	18	-	-	18
	45,362	18	179,212	26	224,618

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13 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

13.1 Roll-forward of net asset or liability for life insurance contracts issued and reinsurance contracts held showing the liability for remaining coverage and the liability for incurred claims (continued)

13.1.1 Life insurance contracts issued (continued)

Group/Company

	31.12.2022 (Restated)				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding Loss Component	Loss Component	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Investment components	(108,403)	-	108,403	-	-
Insurance service result	(388,146)	18	287,615	26	(100,487)
Insurance finance expenses	(18,902)	(2)	-	-	(18,904)
Total changes in the statement of profit or loss	(407,048)	16	287,615	26	(119,391)
<b>Cash flows</b>					
Premiums received	549,807	-	-	-	549,807
Claims and other expenses paid including investment components	-	-	(215,513)	-	(215,513)
Total cash flows	549,807	-	(215,513)	-	334,294
Other movements	(137,890)	-	(59,454)	-	(197,344)
Net life insurance contract liabilities as at 31 December	2,462,241	17	80,303	199	2,542,760
<b>At 31 December 2022</b>					
Life insurance contract liabilities	2,481,016	17	78,222	199	2,559,454
Life insurance contract assets	(18,775)	-	2,081	-	(16,694)
Net life insurance contract liabilities as at 31 December	2,462,241	17	80,303	199	2,542,760

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**13 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)**

13.1 Roll-forward of net asset or liability for life insurance contracts issued and reinsurance contracts held showing the liability for remaining coverage and the liability for incurred claims (continued)

13.1.2 Reinsurance contracts held

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers in the life insurance unit is disclosed in the table below:

<u>Group/Company</u>	30.6.2023				
	<u>Assets for remaining coverage</u>		<u>Amounts recoverable on incurred claims</u>		
	Excluding loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023					
Reinsurance contract assets	(4,698)	2	80,949	-	76,253
Reinsurance contract liabilities	(1,527)	-	(210)	-	(1,737)
Net reinsurance contract assets as at 1 January	(6,225)	2	80,739	-	74,516
Allocation of reinsurance premiums					
Expected recovery for insurance service expenses	(31,759)	-	-	-	(31,759)
Change in risk adjustment for non-financial risk	(2,150)	-	-	-	(2,150)
Net cost recognised	(13,278)	-	-	-	(13,278)
Contracts under PAA	(2,676)	-	-	-	(2,676)
Other amount including experience adjustments	(294)	-	-	-	(294)
	(50,157)	-	-	-	(50,157)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for claims and other expenses incurred	-	-	30,534	-	30,534
Changes in amount recoverable from liabilities for incurred claims	-	-	4,728	-	4,728
	-	-	35,262	-	35,262
Reinsurance investment components	-	-	-	-	-
Reinsurance finance income	1,504	-	-	-	1,504
Total changes in the statement of profit or loss	(48,653)	-	35,262	-	(13,391)

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13 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

13.1 Roll-forward of net asset or liability for life insurance contracts issued and reinsurance contracts held showing the liability for remaining coverage and the liability for incurred claims (continued)

13.1.2 Reinsurance contracts held (continued)

<u>Group/Company</u>	<u>Assets for remaining coverage</u>		<u>Amounts recoverable on incurred claims</u>		<u>30.6.2023</u>
	<u>Excluding loss-recovery component</u>	<u>Loss-recovery component</u>	<u>Estimates of the present value of future cash flows</u>	<u>Risk adjustment</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows					
Premiums paid	49,224	-	-	-	49,224
Claims and benefits recovered	-	-	(42,970)	-	(42,970)
<b>Total cash flows</b>	<b>49,224</b>	<b>-</b>	<b>(42,970)</b>	<b>-</b>	<b>6,254</b>
Net reinsurance contract (liabilities)/assets as at 30 June	(5,654)	2	73,031	-	67,379
<b>At 30 June 2023</b>					
Reinsurance contract assets	(4,344)	2	81,254	-	76,912
Reinsurance contract liabilities	(1,310)	-	(8,223)	-	(9,533)
<b>Net reinsurance contract (liabilities)/assets as at 30 June</b>	<b>(5,654)</b>	<b>2</b>	<b>73,031</b>	<b>-</b>	<b>67,379</b>

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13 **INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)**

13.1 Roll-forward of net asset or liability for life insurance contracts issued and reinsurance contracts held showing the liability for remaining coverage and the liability for incurred claims (continued)

13.1.2 Reinsurance contracts held (continued)

<u>Group/Company</u>	31.12.2022 (Restated)				
	<u>Assets for remaining coverage</u>		<u>Amounts recoverable on incurred claims</u>		
	Excluding loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022					
Reinsurance contract assets	37,809	-	65,501	-	103,310
Reinsurance contract liabilities	(2,332)	-	495	-	(1,837)
Net reinsurance contract assets as at 1 January	35,477	-	65,996	-	101,473
Allocation of reinsurance premiums					
Expected recovery for insurance service expenses	(73,414)	-	-	-	(73,414)
Change in risk adjustment for non-financial risk	(4,616)	-	-	-	(4,616)
Net cost recognised	(16,558)	-	-	-	(16,558)
Contracts under PAA	(5,372)	-	-	-	(5,372)
Other amount including experience adjustments	2,614	-	-	-	2,614
	(97,346)	-	-	-	(97,346)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for claims and other expenses incurred	-	-	58,095	-	58,095
Changes in amount recoverable from liabilities for incurred claims	-	-	5,687	-	5,687
Income of loss-recovery from onerous contracts	-	2	-	-	2
	-	2	63,782	-	63,784
Reinsurance investment components	(136)	-	136	-	-
Reinsurance finance expenses	(1,506)	-	-	-	(1,506)
Total changes in the statement of profit or loss	(98,988)	2	63,918	-	(35,068)



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13 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

13.1 Roll-forward of net asset or liability for life insurance contracts issued and reinsurance contracts held showing the liability for remaining coverage and the liability for incurred claims (continued)

13.1.2 Reinsurance contracts held (continued)

<u>Group/Company</u>	31.12.2022 (Restated)				
	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows					
Premiums paid	57,286	-	-	-	57,286
Claims and benefits recovered	-	-	(49,175)	-	(49,175)
Total cash flows	57,286	-	(49,175)	-	8,111
Net reinsurance contract (liabilities)/assets as at 31 December	(6,225)	2	80,739	-	74,516
At 31 December 2022					
Reinsurance contract assets	(4,698)	2	80,949	-	76,253
Reinsurance contract liabilities	(1,527)	-	(210)	-	(1,737)
Net reinsurance contract (liabilities)/assets as at 31 December	(6,225)	2	80,739	-	74,516

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13 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

13.2 Roll-forward of the net asset or liability for life insurance contracts issued and reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and Contractual Service Margin for contracts not measured under Premium Allocation Approach (“PAA”)

13.2.1 Life insurance contracts issued

The table below presents a roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and Contractual Service Margin for portfolios included in the life insurance unit.

Group/Company

	30.6.2023			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023				
Life insurance contract liabilities	2,025,430	135,395	396,568	2,557,393
Life insurance contract assets	(33,610)	11,118	5,939	(16,553)
Net life insurance contract liabilities as at 1 January	1,991,820	146,513	402,507	2,540,840
Changes that relate to current services				
Contractual service margin recognised for services provided	-	-	(19,572)	(19,572)
Risk adjustment recognised for the risk expired	-	(14,872)	-	(14,872)
Experience adjustments	(538)	-	(19,258)	(19,796)
	(538)	(14,872)	(38,830)	(54,240)
Changes that relate to future services				
Contracts initially recognised in the period	(46,788)	11,982	34,346	(460)
Changes in estimates that adjust the contractual service margin	17,722	3,259	(20,981)	-
Changes in estimates that do not adjust the contractual service margin	1,038	(772)	-	266
	(28,028)	14,469	13,365	(194)
Insurance service result	(28,566)	(403)	(25,465)	(54,434)
Insurance finance expenses	85,450	5,056	9,771	100,277
Total changes in the statement of profit or loss	56,884	4,653	(15,694)	45,843

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13 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

13.2 Roll-forward of the net asset or liability for life insurance contracts issued and reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and Contractual Service Margin for contracts not measured under Premium Allocation Approach (“PAA”) (continued)

13.2.1 Life insurance contracts issued (continued)

Group/Company

	30.6.2023			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
	RM'000	RM'000	RM'000	RM'000
Cash flows				
Premiums received	255,119	-	-	255,119
Claims and other expenses paid including investment components	(133,722)	-	-	(133,722)
Total cash flows	121,397	-	-	121,397
Other movements	(91,007)	-	-	(91,007)
Net life insurance contract liabilities as at 30 June	2,079,094	151,166	386,813	2,617,073
At 30 June 2023				
Life insurance contract liabilities	2,110,470	140,876	382,776	2,634,122
Life insurance contract assets	(31,376)	10,290	4,037	(17,049)
Net life insurance contract liabilities as at 30 June	2,079,094	151,166	386,813	2,617,073

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13 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

13.2 Roll-forward of the net asset or liability for life insurance contracts issued and reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and Contractual Service Margin for contracts not measured under Premium Allocation Approach ("PAA") (continued)

13.2.1 Life insurance contracts issued (continued)

Group/Company

	31.12.2022 (Restated)			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2022				
Life insurance contract liabilities	2,056,999	152,080	332,319	2,541,398
Life insurance contract assets	(38,140)	13,173	7,758	(17,209)
Net life insurance contract liabilities as at 1 January	<u>2,018,859</u>	<u>165,253</u>	<u>340,077</u>	<u>2,524,189</u>
Changes that relate to current services				
Contractual service margin recognised for services provided	-	-	(39,445)	(39,445)
Risk adjustment recognised for the risk expired	-	(40,848)	-	(40,848)
Experience adjustments	18,238	(1)	(38,974)	(20,737)
	<u>18,238</u>	<u>(40,849)</u>	<u>(78,419)</u>	<u>(101,030)</u>
Changes that relate to future services				
Contracts initially recognised in the period	(67,949)	32,572	33,399	(1,978)
Changes in estimates that adjust the contractual service margin	(78,386)	(12,335)	90,721	-
Changes in estimates that do not adjust the contractual service margin	1,978	4	-	1,982
	<u>(144,357)</u>	<u>20,241</u>	<u>124,120</u>	<u>4</u>
Insurance service result	(126,119)	(20,608)	45,701	(101,026)
Insurance finance (income)/expenses	(37,501)	1,868	16,729	(18,904)
Total changes in the statement of profit or loss	<u>(163,620)</u>	<u>(18,740)</u>	<u>62,430</u>	<u>(119,930)</u>

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13 **INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)**

13.2 Roll-forward of the net asset or liability for life insurance contracts issued and reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and Contractual Service Margin for contracts not measured under Premium Allocation Approach ("PAA") (continued)

13.2.1 Life insurance contracts issued (continued)

Group/Company

	31.12.2022 (Restated)			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
	RM'000	RM'000	RM'000	RM'000
Cash flows				
Premiums received	525,015	-	-	525,015
Claims and other expenses paid including investment components	(215,649)	-	-	(215,649)
Total cash flows	309,366	-	-	309,366
Other movements	(172,785)	-	-	(172,785)
Net life insurance contract liabilities as at 31 December	1,991,820	146,513	402,507	2,540,840
At 31 December 2022				
Life insurance contract liabilities	2,025,430	135,395	396,568	2,557,393
Life insurance contract assets	(33,610)	11,118	5,939	(16,553)
Net life insurance contract liabilities as at 31 December	1,991,820	146,513	402,507	2,540,840

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**13 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)**

13.2 Roll-forward of the net asset or liability for life insurance contracts issued and reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and Contractual Service Margin for contracts not measured under Premium Allocation Approach (“PAA”) (continued)

13.2.2 Reinsurance contracts held

The table below presents a roll-forward of the net asset or liability for reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and CSM for reinsurance held portfolios included in life insurance unit.

Group/Company

	30.6.2023			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023				
Reinsurance contract assets	(26,863)	45,316	55,812	74,265
Reinsurance contract liabilities	578	(638)	(22)	(82)
Net reinsurance contract assets/(liabilities) as at 1 January	(26,285)	44,678	55,790	74,183
Changes that relate to current services				
Contractual service margin recognised for services received	-	-	(13,314)	(13,314)
Risk adjustment recognised for the risk expired	-	(2,150)	-	(2,150)
Experience adjustments	(3,210)	-	34	(3,176)
	(3,210)	(2,150)	(13,280)	(18,640)
Changes that relate to future services				
Contracts initially recognised in the period	6,720	1,588	(8,334)	(26)
Changes in estimates that adjust the contractual service margin	1,471	539	(1,981)	29
	8,191	2,127	(10,315)	3
Changes that relate to past services				
Changes in amounts recoverable arising from changes in liability for incurred claims	9,873	-	-	9,873
Net income/(expenses) from reinsurance contracts held	14,854	(23)	(23,595)	(8,764)
Reinsurance finance (expenses)/income	(1,569)	1,806	1,270	1,507
Total changes in the statement of profit or loss	13,285	1,783	(22,325)	(7,257)

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13 **INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)**

13.2 Roll-forward of the net asset or liability for life insurance contracts issued and reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and Contractual Service Margin for contracts not measured under Premium Allocation Approach ("PAA") (continued)

13.2.2 Reinsurance contracts held (continued)

Group/Company

	30.6.2023			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
	RM'000	RM'000	RM'000	RM'000
Cash flows				
Premiums paid	46,913	-	-	46,913
Claims and benefits recovered	(41,927)	-	-	(41,927)
Total cash flows	4,986	-	-	4,986
Other movements	-	-	-	-
Net reinsurance contract (liabilities)/assets as at 30 June	(8,014)	46,461	33,465	71,912
At 30 June 2023				
Reinsurance contract assets	(6,556)	47,099	33,477	74,020
Reinsurance contract liabilities	(1,458)	(638)	(12)	(2,108)
Net reinsurance contract (liabilities)/assets as at 30 June	(8,014)	46,461	33,465	71,912

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**13 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)**

13.2 Roll-forward of the net asset or liability for life insurance contracts issued and reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and Contractual Service Margin for contracts not measured under Premium Allocation Approach ("PAA") (continued)

13.2.2 Reinsurance contracts held (continued)

Group/Company

	31.12.2022 (Restated)			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2022				
Reinsurance contract assets	80,159	50,705	(28,654)	102,210
Reinsurance contract liabilities	(88)	(639)	3	(724)
Net reinsurance contract assets/(liabilities) as at 1 January	80,071	50,066	(28,651)	101,486
Changes that relate to current services				
Contractual service margin recognised for services received	-	-	(19,073)	(19,073)
Risk adjustment recognised for the risk expired	-	(4,616)	-	(4,616)
Experience adjustments	(16,305)	-	2,516	(13,789)
	(16,305)	(4,616)	(16,557)	(37,478)
Changes that relate to future services				
Contracts initially recognised in the period	21,966	3,516	(25,987)	(505)
Changes in estimates that adjust the contractual service margin	(121,337)	(4,784)	126,628	507
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
	(99,371)	(1,268)	100,641	2
Changes that relate to past services				
Changes in amounts recoverable arising from changes in liability for incurred claims	4,910	-	-	4,910
Net (expenses)/income from reinsurance contracts held	(110,766)	(5,884)	84,084	(32,566)
Reinsurance finance (expenses)/income	(2,358)	496	357	(1,505)
Total changes in the statement of profit or loss	(113,124)	(5,388)	84,441	(34,071)



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13 **INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)**

13.2 Roll-forward of the net asset or liability for life insurance contracts issued and reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and Contractual Service Margin for contracts not measured under Premium Allocation Approach ("PAA") (continued)

13.2.2 Reinsurance contracts held (continued)

Group/Company

	31.12.2022 (Restated)			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
	RM'000	RM'000	RM'000	RM'000
Cash flows				
Premiums paid	51,035	-	-	51,035
Claims and benefits recovered	(44,267)	-	-	(44,267)
Total cash flows	6,768	-	-	6,768
Other movements	-	-	-	-
Net reinsurance contract (liabilities)/assets as at 31 December	(26,285)	44,678	55,790	74,183
At 31 December 2022				
Reinsurance contract assets	(26,863)	45,316	55,812	74,265
Reinsurance contract liabilities	578	(638)	(22)	(82)
Net reinsurance contract (liabilities)/assets as at 31 December	(26,285)	44,678	55,790	74,183

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14 OPERATING LEASE COMMITMENTS

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

	30.6.2023	31.12.2022
	RM'000	RM'000
Not later than 1 year	1,462	143
Later than 1 year and not later than 5 years	575	-
	<u>2,037</u>	<u>143</u>

15 CAPITAL COMMITMENTS

	30.6.2023	31.12.2022
	RM'000	RM'000
Approved and contracted for: Intangible assets	2,838	4,393
Approved but not contracted for: Intangible assets	3,805	3,090
	<u>6,643</u>	<u>7,483</u>

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**16 REGULATORY CAPITAL REQUIREMENTS**

The capital structure of the Company as at 30 June 2023, as prescribed under the RBC Framework is provided below:

	Group/Company	
	30.6.2023	31.12.2022
	RM'000	RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	358,000	358,000
Retained earnings	21,681	80,670
Eligible contract liabilities	225,320	165,873
	<u>605,001</u>	<u>604,543</u>
Eligible reserves	5,561	-
Amounts deducted from capital	(18,560)	(14,872)
Total capital available	<u>592,002</u>	<u>589,671</u>

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)

#### 17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS

##### (a) MFRS 17 Insurance Contracts

MFRS 17 Insurance Contracts was issued in May 2017, replacing MFRS 4 Insurance Contracts. The Group and the Company have adopted MFRS 17 Insurance Contracts, including any consequential amendments to other standards and subsequent amendments to MFRS 17, effective 1 January 2023, with corresponding comparative financial information provided for 2022.

##### Changes to classification and measurement

The adoption of MFRS 17 did not change the classification of the Group's and the Company's insurance contracts. MFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group and the Company. The key principles of MFRS 17 are that the Group and the Company:

- Identify insurance contracts as those under which the Group and the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separate specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards (MFRS 9 for embedded derivatives and investment components or MFRS 15 for non-insurance goods and services);
- Divides the insurance and reinsurance contracts into groups it will recognise and measure; and;
- Recognise profit from a group of insurance contracts over each period the Group and the Company provide insurance contract services, as the Company is released from risk. If a group of contracts is expected to be onerous (i.e. loss-making) over the remaining coverage period, the Group and the Company recognise the loss immediately.

MFRS 17 introduces three new measurement models, reflecting a different extent of policyholder participation in investment performance or overall insurance company performance. The general measurement model ("GMM"), also known as the building block approach ("BBA"), consists of the fulfillment cash flows ("FCF") and the contractual service margin ("CSM"), both held as liability for remaining coverage ("LFRC"). The FCF represent the risk-adjusted present value of an entity's rights and obligations to the policyholders, comprising estimates of expected future cash flows, discounting and risk adjustment ("RA") for non-financial risk. The CSM represents the unearned profit from in-force contracts that an entity will recognise as it provides services over the coverage period. The contractual service margin is adjusted for changes in cash flows related to future services (operating assumption change) and grows by interest accretion at locked-in interest rates at initial recognition. A release from the CSM is recognised in profit or loss each period to reflect the services provided in that period.

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#### 17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

##### (a) MFRS 17 Insurance Contracts (continued)

The RA for non-financial risk represents the compensation that the Group and the Company require for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount. The Group and the Company estimate the risk adjustment by referencing to provision of risk margin for adverse deviation (PRAD) technique. The PRAD technique requires the Group and the Company to estimate the probability distribution of the fulfilment cash flows, and the additional provision that it requires at each future date in the cash flow projection to comply with the statutory reserving requirements. Besides that, the Group and the Company have decided to disaggregate the change in RA between the insurance service result and insurance finance income or expenses for GMM measured insurance contracts.

The variable fee approach ("VFA") is a mandatory modification of the GMM regarding the treatment of the contractual service margin in order to accommodate direct participating contracts, if the following three requirements are met: the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items; the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

For contracts with direct participation features ("DPF"), the contractual service margin is adjusted for changes in the amount of the entity's share of the fair value of the underlying items arising from operating assumption change and adjustment for financial risks.

The premium allocation approach ("PAA") is an optional simplified measurement model in MFRS 17 when the approach provides a measurement which is not materially different from that under the GMM or if the coverage period of each contract in the group of insurance contracts is one year or less. Under the PAA, the LFRC is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

In determining the measurement models, firstly the Group and the Company can choose to use PAA if at the inception of the contract, the coverage period of each insurance contract in the group of insurance contracts is one year or less. Alternatively the Group and the Company can still apply PAA if they can reasonably expect that such simplification can produce a measurement of the LFRC which would not differ materially as compared to the LFRC computed under the GMM by performing the PAA Eligibility Testing. Should the Group's and the Company's group of insurance contracts fail the PAA and VFA eligibility test, GMM will be used as the measurement model of that group of insurance contracts.

At the end of a reporting period, the carrying amount of a group of insurance contracts is the sum of the LFRC and the liability of incurred claims ("LFIC").

LFIC consists of fulfilment cash flows related to past services, including claims that have been incurred but not yet reported. The measurement of the LFIC is identical under all three measurement models.

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**17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)**

(a) MFRS 17 Insurance Contracts (continued)

Transition

In terms of transition approach, MFRS 17 has to be applied retrospectively unless this is impracticable. Fulfillment cash flows are determined prospectively at every reporting date, including the date of initial application. However, the contractual service margin is rolled-forward over time, a split of profits between equity (“earned profits”) and CSM (“unearned profits”) is required, but is often very challenging due to the long-term nature of life insurance contracts.

If it is impracticable to apply a full retrospective, an entity can choose between a modified retrospective approach or a fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it will apply the fair value approach. Under the fair value approach, the contractual service margin of a group of contracts at transition is determined as the difference between the fair value of this group at transition determined in accordance with MFRS 13 and the corresponding MFRS 17 fulfillment cash flows measured at transition.

The Group and the Company have applied the fair value approach on transition for all insurance contracts issued prior to transition date as of 1 January 2022 and applied the modified retrospective approach for all reinsurance contracts held prior to transition date as of 1 January 2022.

Thus, on 1 January 2022, the Group and the Company has identified, recognised and measured each group of insurance contracts as if MFRS 17 had always; derecognised any existing balances that would not exist had MFRS 17 always applied; and recognised any resulting net difference in equity.

Transition impact from adoption of MFRS 17

The effects as a result of adoption of MFRS 17 were recognised as adjustments to Reserves as at 1 January 2022, which has resulted in an increase of Shareholders’ equity as of 1 January 2022 by RM25 million, as summarised below:

- Change in reserving basis (+RM323 million), mainly from Investment-Linked portfolio due to the change from Sterling to Gross Premium Valuation (GPV) basis, and Universal Life portfolio due to recognition of negative reserve for the non-unit fund
- Creation of transition CSM (-RM299 million)

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#### 17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

##### (a) MFRS 17 Insurance Contracts (continued)

###### Presentation and disclosure differences

MFRS 17 significantly change how insurance contracts, reinsurance contracts and investment contracts with DPF are presented and disclosed in financial statements. The key presentation and disclosure differences are as follows:

###### (i) Statements of Financial Position

- Under MFRS 17, portfolios of insurance contracts, reinsurance contracts and investment contracts with DPF are presented separately in the statement of financial position as assets and liabilities. All rights and obligations arising from a portfolio of contracts will be presented on a net basis. Therefore, balances such as insurance receivables and payables, policy loans (which were previously reported within Loans and receivables), insurance claims liabilities (which were reported as separate line items), will no longer be presented separately and will be assessed on net portfolio position and reported within Insurance Contracts Liabilities or Assets as these are insurance contract related balances. Reinsurance receivables and payables, reinsurance assets and liabilities will be assessed on a net portfolio position and reported within Reinsurance Contracts Assets or Liabilities as these are reinsurance contract related. Under MFRS 4, insurance contracts were not split and presented by asset and liability position.
- The components of insurance contracts are presented separately in the notes to the financial statements. These components include carrying amount of FCF, CSM and RA.

###### (ii) Statements of Comprehensive Income

- Under MFRS 17, amounts recognised in the Statements of Comprehensive Income are disaggregated into an insurance service result (comprising insurance revenue and insurance service expenses), insurance finance income or expenses, and income or expenses from reinsurance contracts held. Under MFRS 4, the Group and the Company reported premium income, gross claims and benefits, changes in insurance contract liabilities, premiums and claims ceded to reinsurers, and change in contract liabilities ceded to reinsurers.
- Investment components will not be included in insurance revenue and insurance service expenses under MFRS 17. As a result, total amounts of revenue and expenses from insurance contracts with investment components will be reduced compared with those recognised under MFRS 4.

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**17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)**

(a) MFRS 17 Insurance Contracts (continued)

Impact of adoption of MFRS 17 on Statement of Financial Position and Statement of Comprehensive Income

The following table sets out the financial impact of adopting MFRS 17 on the statement of financial position as at 1 January 2022.

<u>Group</u>	31.12.2021 As previously reported	Classification and measurement	1.1.2022 As restated
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
Property and equipment	54,577	-	54,577
Intangible assets	16,632	-	16,632
Right-of-use assets	9,641	-	9,641
Fair value through profit or loss financial assets	2,919,391	-	2,919,391
Loans and receivables	158,731	(26,991)	131,740
Reinsurance contracts assets	124,592	(21,282)	103,310
Insurance contract assets	-	17,209	17,209
Insurance receivables	13,778	(13,778)	-
Other receivables	22,933	(513)	22,420
Cash and bank balances	12,493	-	12,493
<b>TOTAL ASSETS</b>	<b>3,332,768</b>	<b>(45,355)</b>	<b>3,287,413</b>
<b>EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>			
Share capital	358,000	-	358,000
Retained earnings	98,361	-	98,361
Reserves	126,914	24,628	151,542
<b>TOTAL EQUITY</b>	<b>583,275</b>	<b>24,628</b>	<b>607,903</b>
Insurance contracts liabilities	2,546,173	(3,763)	2,542,410
Reinsurance contracts liabilities	-	1,837	1,837
Insurance claims liabilities	55,918	(55,918)	-
Insurance payables	13,758	(13,758)	-
Lease liabilities	9,964	-	9,964
Other financial liabilities	2,755	(140)	2,615
Other payables	78,396	(4,018)	74,378
Current tax liabilities	1,211	-	1,211
Deferred tax liabilities	41,318	5,777	47,095
<b>TOTAL LIABILITIES</b>	<b>2,749,493</b>	<b>(69,983)</b>	<b>2,679,510</b>
<b>TOTAL EQUITY, POLICYHOLDERS FUNDS AND LIABILITIES</b>	<b>3,332,768</b>	<b>(45,355)</b>	<b>3,287,413</b>



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**17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)**

(a) MFRS 17 Insurance Contracts (continued)

Impact of adoption of MFRS 17 on Statement of Financial Position and Statement of Comprehensive Income (continued)

The following table sets out the financial impact of adopting MFRS 17 on the statement of financial position as at 1 January 2022. (continued)

<u>Company</u>	31.12.2021 As previously reported	Classification and measurement	1.1.2022 As restated
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
Property and equipment	54,577	-	54,577
Intangible assets	16,632	-	16,632
Right-of-use assets	9,641	-	9,641
Fair value through profit or loss financial assets	2,952,275	-	2,952,275
Loans and receivables	125,770	(26,991)	98,779
Reinsurance contracts assets	124,592	(21,282)	103,310
Insurance contract assets	-	17,209	17,209
Insurance receivables	13,778	(13,778)	-
Other receivables	22,933	(513)	22,420
Cash and bank balances	12,483	-	12,483
<b>TOTAL ASSETS</b>	<b>3,332,681</b>	<b>(45,355)</b>	<b>3,287,326</b>
<b>EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>			
Share capital	358,000	-	358,000
Retained earnings	98,361	-	98,361
Reserves	126,914	24,628	151,542
<b>TOTAL EQUITY</b>	<b>583,275</b>	<b>24,628</b>	<b>607,903</b>
Insurance contracts liabilities	2,546,173	(3,763)	2,542,410
Reinsurance contracts liabilities	-	1,837	1,837
Insurance claims liabilities	55,918	(55,918)	-
Insurance payables	13,758	(13,758)	-
Lease liabilities	9,964	-	9,964
Other financial liabilities	2,755	(140)	2,615
Other payables	78,309	(4,018)	74,291
Current tax liabilities	1,211	-	1,211
Deferred tax liabilities	41,318	5,777	47,095
<b>TOTAL LIABILITIES</b>	<b>2,749,406</b>	<b>(69,983)</b>	<b>2,679,423</b>
<b>TOTAL EQUITY, POLICYHOLDERS FUNDS AND LIABILITIES</b>	<b>3,332,681</b>	<b>(45,355)</b>	<b>3,287,326</b>

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**17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)**

(a) MFRS 17 Insurance Contracts (continued)

Impact of adoption of MFRS 17 on Statement of Financial Position and Statement of Comprehensive Income (continued)

The following table sets out the financial impact of adopting MFRS 17 on the statement of financial position as at 31 December 2022.

<u>Group</u>	31.12.2022 As previously reported	Classification and measurement	31.12.2022 As restated
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
Property and equipment	57,529	-	57,529
Intangible assets	14,855	-	14,855
Right-of-use assets	6,378	-	6,378
Fair value through profit or loss financial assets	2,948,739	-	2,948,739
Loans and receivables	162,827	(29,620)	133,207
Reinsurance contracts assets	24,845	51,408	76,253
Insurance contract assets	-	16,694	16,694
Insurance receivables	8,649	(8,649)	-
Other receivables	30,701	(142)	30,559
Cash and bank balances	9,530	-	9,530
<b>TOTAL ASSETS</b>	<b>3,264,053</b>	<b>29,691</b>	<b>3,293,744</b>
<b>EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>			
Share capital	358,000	-	358,000
Retained earnings	80,670	565	81,235
Reserves	134,357	(1,478)	132,879
<b>TOTAL EQUITY</b>	<b>573,027</b>	<b>(913)</b>	<b>572,114</b>
Insurance contracts liabilities	2,433,172	126,282	2,559,454
Reinsurance contracts liabilities	-	1,737	1,737
Insurance claims liabilities	67,428	(67,428)	-
Insurance payables	19,211	(19,211)	-
Lease liabilities	6,691	-	6,691
Other financial liabilities	41,846	(285)	41,561
Other payables	90,450	(10,144)	80,306
Current tax liabilities	516	-	516
Deferred tax liabilities	31,712	(347)	31,365
<b>TOTAL LIABILITIES</b>	<b>2,691,026</b>	<b>30,604</b>	<b>2,721,630</b>
<b>TOTAL EQUITY, POLICYHOLDERS FUNDS AND LIABILITIES</b>	<b>3,264,053</b>	<b>29,691</b>	<b>3,293,744</b>

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**17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)**

(a) MFRS 17 Insurance Contracts (continued)

Impact of adoption of MFRS 17 on Statement of Financial Position and Statement of Comprehensive Income (continued)

The following table sets out the financial impact of adopting MFRS 17 on the statement of financial position as at 31 December 2022. (continued)

<u>Company</u>	31.12.2022 As previously reported	Classification and measurement	31.12.2022 As restated
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
Property and equipment	57,529	-	57,529
Intangible assets	14,855	-	14,855
Right-of-use assets	6,378	-	6,378
Fair value through profit or loss financial assets	2,955,440	-	2,955,440
Loans and receivables	156,056	(29,620)	126,436
Reinsurance contracts assets	24,845	51,408	76,253
Insurance contract assets	-	16,694	16,694
Insurance receivables	8,649	(8,649)	-
Other receivables	30,701	(142)	30,559
Cash and bank balances	9,519	-	9,519
<b>TOTAL ASSETS</b>	<b>3,263,972</b>	<b>29,691</b>	<b>3,293,663</b>
<b>EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES</b>			
Share capital	358,000	-	358,000
Retained earnings	80,670	565	81,235
Reserves	134,357	(1,478)	132,879
<b>TOTAL EQUITY</b>	<b>573,027</b>	<b>(913)</b>	<b>572,114</b>
Insurance contracts liabilities	2,433,172	126,282	2,559,454
Reinsurance contracts liabilities	-	1,737	1,737
Insurance claims liabilities	67,428	(67,428)	-
Insurance payables	19,211	(19,211)	-
Lease liabilities	6,691	-	6,691
Other financial liabilities	41,846	(285)	41,561
Other payables	90,369	(10,144)	80,225
Current tax liabilities	516	-	516
Deferred tax liabilities	31,712	(347)	31,365
<b>TOTAL LIABILITIES</b>	<b>2,690,945</b>	<b>30,604</b>	<b>2,721,549</b>
<b>TOTAL EQUITY, POLICYHOLDERS FUNDS AND LIABILITIES</b>	<b>3,263,972</b>	<b>29,691</b>	<b>3,293,663</b>

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17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS  
(CONTINUED)

(a) MFRS 17 Insurance Contracts (continued)

Impact of adoption of MFRS 17 on Statement of Financial Position and Statement of Comprehensive  
Income (continued)

The following table sets out the financial impact of adopting MFRS 17 on the statement of  
comprehensive income as at 30 June 2022.

Group

	30.6.2022 As previously reported RM'000	Classification and measurement RM'000	30.6.2022 As restated RM'000
Net profit for the financial period	517	(14,290)	(13,773)

Company

	30.6.2022 As previously reported RM'000	Classification and measurement RM'000	30.6.2022 As restated RM'000
Net profit/(loss) for the financial period	517	(14,290)	(13,773)

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**17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)**

(b) MFRS 9 Financial Instruments

MFRS 9 Financial Instruments was issued in 2014, replacing MFRS 139 Financial Instruments: Recognition and Measurement, for annual periods beginning on or after January 1, 2018. However, the Group and the Company elected, under the amendments to MFRS 4 to apply the temporary exemption from MFRS 9, deferring the initial application date of MFRS 9 to align with the initial application of MFRS 17 on 1 January 2023.

The Group and the Company's accounting policies for classification and measurement of financial instruments and impairment of financial assets in accordance with MFRS 9 are as follows:-

Classification and measurement

The Group and the Company classify financial assets into three primary measurement categories: Fair Value Through Profit or Loss ("FVTPL"), Fair Value Through Other Comprehensive Income ("FVOCI") and Amortised Cost.

The classification of financial assets is generally based on the Group's and the Company's business model in which a financial asset is managed ("business model test") and its contractual cash flow characteristics ("SPPI test"). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The SPPI test determines whether the contractual cash flows are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- Business model is to hold assets to collect contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

- Business model is both to hold assets to collect contractual cash flows and selling financial assets; and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

All other financial assets are classified and measured at FVTPL.

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**17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)**

(b) MFRS 9 Financial Instruments (continued)

Classification and measurement differences

Generally, all the financial assets classification under MFRS 9 is similar to MFRS 139 except for the following changes:

- (i) Change of classification for debt instruments in Universal Life fund from FVTPL to FVOCI
- (ii) Measure unquoted equity security at FVTPL instead of amortised cost

The impact on the adoption of MFRS 9 which has resulted in an increase of Shareholders' equity as of 1 January 2023 by RM19 million are summarized below:

- Measure unquoted equity security at FVTPL instead of costs (+RM18.6 million)
- Transfer of RM12 million from Reserves to FVOCI reserve due to change of classification for debt instruments in Universal Fund to FVOCI from FVTPL

Impairment

MFRS 9 replaces the "incurred loss" model in MFRS 139 with a forward-looking Expected Credit Loss ("ECL") model. This requires considerable judgement about how changes in economic factors affect ECL, which will be determined on a probability-weighted basis.

MFRS 9 requires the Group and the Company to record an allowance for ECLs for all debt instruments not held at FVTPL.

ECL impact

The effects from the implementation of impairment requirements based on an ECL methodology of RM23,000 (gross of tax) was recognised on 1 January 2023.

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17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

(b) MFRS 9 Financial Instruments (continued)

Impact of adoption of MFRS 9 on Statement of Financial Position as at 1 January 2023

The following table sets out the financial impact of adopting MFRS 9 on the statement of financial position as at 1 January 2023.

Group

	FVTPL financial assets <u>RM'000</u>	FVOCI financial assets <u>RM'000</u>	Other receivables <u>RM'000</u>	Deferred tax liabilities <u>RM'000</u>	Retained Earnings <u>RM'000</u>	Reserves <u>RM'000</u>	FVOCI Reserves <u>RM'000</u>
Closing balance as at 31 December 2022 (restated)	2,948,739	-	30,559	31,365	81,235	132,879	-
Effect on adoption of MFRS 9:							
- Change of classification for debt instruments in Universal Life fund from FVTPL to FVOCI	(712,482)	712,482	-	-	-	12,102	(12,102)
- Measure unquoted equity security at FVTPL instead of amortised cost	27,113	-	(2,148)	6,358	151	18,456	-
- Recognition of ECL impact	-	-	-	-	-	(17)	17
	<u>(685,369)</u>	<u>712,482</u>	<u>(2,148)</u>	<u>6,358</u>	<u>151</u>	<u>30,541</u>	<u>(12,085)</u>
Opening balance as at 1 January 2023	<u>2,263,370</u>	<u>712,482</u>	<u>28,411</u>	<u>37,723</u>	<u>81,386</u>	<u>163,420</u>	<u>(12,085)</u>

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17 EFFECTS ON ADOPTION OF MFRS 17 INSURANCE CONTRACTS AND MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

(b) MFRS 9 Financial Instruments (continued)

Impact of adoption of MFRS 9 on Statement of Financial Position as at 1 January 2023 (continued)

The following table sets out the financial impact of adopting MFRS 9 on the statement of financial position as at 1 January 2023. (continued)

Company

	FVTPL financial assets <u>RM'000</u>	FVOCI financial assets <u>RM'000</u>	Other receivables <u>RM'000</u>	Deferred tax liabilities <u>RM'000</u>	Retained Earnings <u>RM'000</u>	Reserves <u>RM'000</u>	FVOCI Reserves <u>RM'000</u>
Closing balance as at 31 December 2022 (restated)	2,955,440	-	30,559	31,365	81,235	132,879	-
Effect on adoption of MFRS 9:							
- Change of classification for debt instruments in Universal Life fund from FVTPL to FVOCI	(712,482)	712,482	-	-	-	12,102	(12,102)
- Measure unquoted equity security at FVTPL instead of amortised cost	27,113	-	(2,148)	6,358	151	18,456	-
- Recognition of ECL impact	-	-	-	-	-	(17)	17
	<u>(685,369)</u>	<u>712,482</u>	<u>(2,148)</u>	<u>6,358</u>	<u>151</u>	<u>30,541</u>	<u>(12,085)</u>
Opening balance as at 1 January 2023	<u>2,270,071</u>	<u>712,482</u>	<u>28,411</u>	<u>37,723</u>	<u>81,386</u>	<u>163,420</u>	<u>(12,085)</u>



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**18 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 2023

	Shareholders' Fund			Life Fund			Elimination			Total		
	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000
		Restated	Restated		Restated	Restated		Restated	Restated		Restated	Restated
<u>Group</u>												
<u>Assets</u>												
Property and equipment	-	-	-	51,862	57,529	54,577	-	-	-	51,862	57,529	54,577
Intangible assets	-	-	-	18,560	14,855	16,632	-	-	-	18,560	14,855	16,632
Right-of-use assets	-	-	-	4,377	6,378	9,641	-	-	-	4,377	6,378	9,641
FVTPL financial assets	380,569	377,984	393,792	2,013,545	2,614,373	2,569,332	(44,040)	(43,618)	(43,733)	2,350,074	2,948,739	2,919,391
FVOCI financial assets	-	-	-	739,447	-	-	-	-	-	739,447	-	-
Loans and receivables	13,256	13,495	34,009	68,659	119,712	97,731	-	-	-	81,915	133,207	131,740
Reinsurance contract assets	-	-	-	76,912	76,253	103,310	-	-	-	76,912	76,253	103,310
Insurance contract assets	-	-	-	17,049	16,694	17,209	-	-	-	17,049	16,694	17,209
Other receivables	258,218	227,405	227,181	27,955	27,281	21,864	(255,144)	(224,127)	(226,625)	31,029	30,559	22,420
Current tax assets	-	-	-	1,979	-	-	-	-	-	1,979	-	-
Cash and bank balances	21	22	21	8,054	9,508	12,472	-	-	-	8,075	9,530	12,493
<b>Total assets</b>	<b>652,064</b>	<b>618,906</b>	<b>655,003</b>	<b>3,028,399</b>	<b>2,942,583</b>	<b>2,902,768</b>	<b>(299,184)</b>	<b>(267,745)</b>	<b>(270,358)</b>	<b>3,381,279</b>	<b>3,293,744</b>	<b>3,287,413</b>

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SUN LIFE MALAYSIA ASSURANCE BERHAD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)

18 INSURANCE FUNDS (CONTINUED)

Statement of financial position by Funds as at 30 June 2023 (CONTINUED)

	Shareholders' Fund			Life Fund			Elimination			Total		
	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000
Group		Restated	Restated		Restated	Restated		Restated	Restated		Restated	Restated
Share capital	358,000	358,000	358,000	-	-	-	-	-	-	358,000	358,000	358,000
Retained earnings	23,026	81,235	98,361	-	-	-	-	-	-	23,026	81,235	98,361
Reserves	211,137	132,879	151,542	-	-	-	-	-	-	211,137	132,879	151,542
FVOCI reserve	4,504	-	-	-	-	-	-	-	-	4,504	-	-
<b>Total equity</b>	<b>596,667</b>	<b>572,114</b>	<b>607,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>596,667</b>	<b>572,114</b>	<b>607,903</b>
<b>Liabilities</b>												
Insurance contract liabilities	(1,346)	(565)	-	2,682,371	2,603,637	2,586,143	(44,040)	(43,618)	(43,733)	2,636,985	2,559,454	2,542,410
Reinsurance contract liabilities	-	-	-	9,533	1,737	1,837	-	-	-	9,533	1,737	1,837
Lease liabilities	-	-	-	4,630	6,691	9,964	-	-	-	4,630	6,691	9,964
Other financial liabilities	7	-	128	5,699	41,561	2,487	-	-	-	5,706	41,561	2,615
Other payables	1,772	2,031	1,529	319,057	302,402	299,474	(255,144)	(224,127)	(226,625)	65,685	80,306	74,378
Current tax liabilities	-	11,400	7,600	-	(10,884)	(6,389)	-	-	-	-	516	1,211
Deferred tax liabilities	54,964	33,926	37,843	7,109	(2,561)	9,252	-	-	-	62,073	31,365	47,095
<b>Total liabilities</b>	<b>55,397</b>	<b>46,792</b>	<b>47,100</b>	<b>3,028,399</b>	<b>2,942,583</b>	<b>2,902,768</b>	<b>(299,184)</b>	<b>(267,745)</b>	<b>(270,358)</b>	<b>2,784,612</b>	<b>2,721,630</b>	<b>2,679,510</b>
<b>Total equity, policyholders' funds and liabilities</b>	<b>652,064</b>	<b>618,906</b>	<b>655,003</b>	<b>3,028,399</b>	<b>2,942,583</b>	<b>2,902,768</b>	<b>(299,184)</b>	<b>(267,745)</b>	<b>(270,358)</b>	<b>3,381,279</b>	<b>3,293,744</b>	<b>3,287,413</b>

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18 INSURANCE FUNDS (CONTINUED)

Statement of financial position by Funds as at 30 June 2023 (CONTINUED)

	Shareholders' Fund			Life Fund			Elimination			Total		
	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000	<u>1.1.22</u> RM'000
		Restated	Restated		Restated	Restated		Restated	Restated		Restated	Restated
<u>Company</u>												
<u>Assets</u>												
Property and equipment	-	-	-	51,862	57,529	54,577	-	-	-	51,862	57,529	54,577
Intangible assets	-	-	-	18,560	14,855	16,632	-	-	-	18,560	14,855	16,632
Right-of-use assets	-	-	-	4,377	6,378	9,641	-	-	-	4,377	6,378	9,641
FVTPL financial assets	389,962	384,685	426,676	2,013,545	2,614,373	2,569,332	(44,040)	(43,618)	(43,733)	2,359,467	2,955,440	2,952,275
FVOCI financial assets	-	-	-	739,447	-	-	-	-	-	739,447	-	-
Loans and receivables	3,801	6,724	1,048	68,659	119,712	97,731	-	-	-	72,460	126,436	98,779
Reinsurance contract assets	-	-	-	76,912	76,253	103,310	-	-	-	76,912	76,253	103,310
Insurance contract assets	-	-	-	17,049	16,694	17,209	-	-	-	17,049	16,694	17,209
Other receivables	258,218	227,405	227,181	27,955	27,281	21,864	(255,144)	(224,127)	(226,625)	31,029	30,559	22,420
Current tax assets	-	-	-	1,979	-	-	-	-	-	1,979	-	-
Cash and bank balances	10	11	11	8,054	9,508	12,472	-	-	-	8,064	9,519	12,483
<b>Total assets</b>	<b>651,991</b>	<b>618,825</b>	<b>654,916</b>	<b>3,028,399</b>	<b>2,942,583</b>	<b>2,902,768</b>	<b>(299,184)</b>	<b>(267,745)</b>	<b>(270,358)</b>	<b>3,381,206</b>	<b>3,293,663</b>	<b>3,287,326</b>

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**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

18 INSURANCE FUNDS (CONTINUED)

Statement of financial position by Funds as at 30 June 2023 (CONTINUED)

	Shareholders' Fund			Life Fund			Elimination			Total		
	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000 Restated	<u>1.1.22</u> RM'000 Restated	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000 Restated	<u>1.1.22</u> RM'000 Restated	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000 Restated	<u>1.1.22</u> RM'000 Restated	<u>30.6.23</u> RM'000	<u>31.12.22</u> RM'000 Restated	<u>1.1.22</u> RM'000 Restated
<u>Company</u>												
Share capital	358,000	358,000	358,000	-	-	-	-	-	-	358,000	358,000	358,000
Retained earnings	23,026	81,235	98,361	-	-	-	-	-	-	23,026	81,235	98,361
Reserves	211,137	132,879	151,542	-	-	-	-	-	-	211,137	132,879	151,542
FVOCI reserve	4,504	-	-	-	-	-	-	-	-	4,504	-	-
<b>Total equity</b>	<b>596,667</b>	<b>572,114</b>	<b>607,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>596,667</b>	<b>572,114</b>	<b>607,903</b>
<u>Liabilities</u>												
Insurance contract liabilities	(1,346)	(565)	-	2,682,371	2,603,637	2,586,143	(44,040)	(43,618)	(43,733)	2,636,985	2,559,454	2,542,410
Reinsurance contract liabilities	-	-	-	9,533	1,737	1,837	-	-	-	9,533	1,737	1,837
Lease liabilities	-	-	-	4,630	6,691	9,964	-	-	-	4,630	6,691	9,964
Other financial liabilities	7	-	128	5,699	41,561	2,487	-	-	-	5,706	41,561	2,615
Other payables	1,699	1,950	1,442	319,057	302,402	299,474	(255,144)	(224,127)	(226,625)	65,612	80,225	74,291
Current tax liabilities	-	11,400	7,600	-	(10,884)	(6,389)	-	-	-	-	516	1,211
Deferred tax liabilities	54,964	33,926	37,843	7,109	(2,561)	9,252	-	-	-	62,073	31,365	47,095
<b>Total liabilities</b>	<b>55,324</b>	<b>46,711</b>	<b>47,013</b>	<b>3,028,399</b>	<b>2,942,583</b>	<b>2,902,768</b>	<b>(299,184)</b>	<b>(267,745)</b>	<b>(270,358)</b>	<b>2,784,539</b>	<b>2,721,549</b>	<b>2,679,423</b>
<b>Total equity, policyholders' funds and liabilities</b>	<b>651,991</b>	<b>618,825</b>	<b>654,916</b>	<b>3,028,399</b>	<b>2,942,583</b>	<b>2,902,768</b>	<b>(299,184)</b>	<b>(267,745)</b>	<b>(270,358)</b>	<b>3,381,206</b>	<b>3,293,663</b>	<b>3,287,326</b>

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18 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2023

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated
<u>Group</u>								
Insurance revenue	161	11	180,311	156,904	-	-	180,472	156,915
Insurance service expenses	(1,091)	(546)	(120,063)	(101,622)	-	-	(121,154)	(102,168)
Insurance service result before reinsurance contracts held	(930)	(535)	60,248	55,282	-	-	59,318	54,747
Allocation of reinsurance premiums	-	-	(50,157)	(45,921)	-	-	(50,157)	(45,921)
Amounts recoverable from reinsurers for incurred claims	-	-	35,262	29,615	-	-	35,262	29,615
Net expense from reinsurance contracts held	-	-	(14,895)	(16,306)	-	-	(14,895)	(16,306)
Insurance service result	(930)	(535)	45,353	38,976	-	-	44,423	38,441
Investment income	7,844	7,950	53,799	50,379	-	-	61,643	58,329
Net realised gain	-	-	-	46	-	-	-	46
Net fair value gains/(losses)	6,510	(15,110)	69,088	(191,849)	(422)	1,356	75,176	(205,603)
Net investment income	14,354	(7,160)	122,887	(141,424)	(422)	1,356	136,819	(147,228)

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18 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2023 (CONTINUED)

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated
<u>Group</u>								
Insurance finance (expenses)/income for insurance contracts issued	-	-	(100,699)	86,124	422	(1,356)	(100,277)	84,768
Reinsurance finance income/(expenses) for reinsurance contracts held	-	-	1,504	(4,095)	-	-	1,504	(4,095)
Net insurance financial result	-	-	(99,195)	82,029	422	(1,356)	(98,773)	80,673
Net investment result	14,354	(7,160)	23,692	(59,395)	-	-	38,046	(66,555)
Other operating income	-	-	546	4	-	-	546	4
Other operating expenses	(394)	(716)	-	-	-	-	(394)	(716)
Other finance cost	-	-	(102)	(169)	-	-	(102)	(169)
Investment expenses	(23)	(19)	(1,005)	(964)	-	-	(1,028)	(983)
Other expenses	(417)	(735)	(561)	(1,129)	-	-	(978)	(1,864)

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18 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2023 (CONTINUED)

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated
<u>Group</u>								
Profit/(loss) before taxation	13,007	(8,430)	68,484	(21,548)	-	-	81,491	(29,978)
Tax (expense)/credit attributable to policyholders and unitholders	-	-	(9,574)	11,107	-	-	(9,574)	11,107
Transfer from life fund	58,910	(10,441)	(58,910)	10,441	-	-	-	-
Profit/(loss) before taxation attributable to Shareholders	71,917	(18,871)	-	-	-	-	71,917	(18,871)
Taxation	(12,560)	5,098	(9,574)	11,107	-	-	(22,134)	16,205
Tax expense/(credit) attributable to policyholders and unitholders	-	-	9,574	(11,107)	-	-	9,574	(11,107)
Tax (expense)/credit attributable to Shareholders	(12,560)	5,098	-	-	-	-	(12,560)	5,098
Net profit/(loss) for the financial period	59,357	(13,773)	-	-	-	-	59,357	(13,773)

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18 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2023 (CONTINUED)

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated
<u>Group</u>								
Other comprehensive income: Items that may be subsequently reclassified to profit or loss: Fair value change on fair value through other comprehensive income financial assets:								
- Revaluation	22,292	-	-	-	-	-	22,292	-
- Transfer to profit or loss upon disposal	(35)	-	-	-	-	-	(35)	-
					-	-		-
- Gross fair value changes	22,257	-	-	-	-	-	22,257	-
- Deferred taxation	(5,668)	-	-	-	-	-	(5,668)	-
- Net fair value changes	16,589	-	-	-	-	-	16,589	-
Other comprehensive income for the financial period, net of tax	16,589	-	-	-	-	-	16,589	-
Total comprehensive income/(loss) for the financial period	75,946	(13,773)	-	-	-	-	75,946	(13,773)



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18 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2023

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated
<u>Company</u>								
Insurance revenue	161	11	180,311	156,904	-	-	180,472	156,915
Insurance service expenses	(1,091)	(546)	(120,063)	(101,622)	-	-	(121,154)	(102,168)
Insurance service result before reinsurance contracts held	(930)	(535)	60,248	55,282	-	-	59,318	54,747
Allocation of reinsurance premiums	-	-	(50,157)	(45,921)	-	-	(50,157)	(45,921)
Amounts recoverable from reinsurers for incurred claims	-	-	35,262	29,615	-	-	35,262	29,615
Net expense from reinsurance contracts held	-	-	(14,895)	(16,306)	-	-	(14,895)	(16,306)
Insurance service result	(930)	(535)	45,353	38,976	-	-	44,423	38,441
Investment income	7,875	3,130	53,799	50,379	-	-	61,674	53,509
Net realised gain	-	-	-	46	-	-	-	46
Net fair value gains/(losses)	6,096	(10,703)	69,088	(191,849)	(422)	1,356	74,762	(201,196)
Net investment income	13,971	(7,573)	122,887	(141,424)	(422)	1,356	136,436	(147,641)

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18 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2023 (CONTINUED)

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended	6 months period ended	6 months period ended	6 months period ended	6 months period ended	6 months period ended	6 months period ended	6 months period ended
	<u>30.6.2023</u>	<u>30.6.2022</u>	<u>30.6.2023</u>	<u>30.6.2022</u>	<u>30.6.2023</u>	<u>30.6.2022</u>	<u>30.6.2023</u>	<u>30.6.2022</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
		Restated		Restated		Restated		Restated
<u>Company</u>								
Insurance finance (expenses)/income for insurance contracts issued	-	-	(100,699)	86,124	422	(1,356)	(100,277)	84,768
Reinsurance finance income/(expenses) for reinsurance contracts held	-	-	1,504	(4,095)	-	-	1,504	(4,095)
Net insurance financial result	-	-	(99,195)	82,029	422	(1,356)	(98,773)	80,673
Net investment result	13,971	(7,573)	23,692	(59,395)	-	-	37,663	(66,968)
Other operating income	-	-	546	4	-	-	546	4
Other operating expenses	(11)	(303)	-	-	-	-	(11)	(303)
Other finance cost	-	-	(102)	(169)	-	-	(102)	(169)
Investment expenses	(23)	(19)	(1,005)	(964)	-	-	(1,028)	(983)
Other expenses	(34)	(322)	(561)	(1,129)	-	-	(595)	(1,451)

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)

18 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2023 (CONTINUED)

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated	6 months period ended <u>30.6.2023</u> RM'000	6 months period ended <u>30.6.2022</u> RM'000 Restated
<u>Company</u>								
Profit/(loss) before taxation	13,007	(8,430)	68,484	(21,548)	-	-	81,491	(29,978)
Tax (expense)/credit attributable to policyholders and unitholders	-	-	(9,574)	11,107	-	-	(9,574)	11,107
Transfer from life fund	58,910	(10,441)	(58,910)	10,441	-	-	-	-
Profit/(loss) before taxation attributable to Shareholders	71,917	(18,871)	-	-	-	-	71,917	(18,871)
Taxation	(12,560)	5,098	(9,574)	11,107	-	-	(22,134)	16,205
Tax expense/(credit) attributable to policyholders and unitholders	-	-	9,574	(11,107)	-	-	9,574	(11,107)
Tax (expense)/credit attributable to Shareholders	(12,560)	5,098	-	-	-	-	(12,560)	5,098
Net profit/(loss) for the financial period	59,357	(13,773)	-	-	-	-	59,357	(13,773)

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (CONTINUED)

18 INSURANCE FUNDS (CONTINUED)

Statement of comprehensive income by Funds for the six months period ended 30 June 2023 (CONTINUED)

	Shareholders' Fund		Life Fund		Elimination		Total	
	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated	6 months period ended 30.6.2023 RM'000	6 months period ended 30.6.2022 RM'000 Restated
Other comprehensive income: Items that may be subsequently reclassified to profit or loss: Fair value change on fair value through other comprehensive income financial assets:								
- Revaluation	22,292	-	-	-	-	-	22,292	-
- Transfer to profit or loss upon disposal	(35)	-	-	-	-	-	(35)	-
- Gross fair value changes	22,257	-	-	-	-	-	22,257	-
- Deferred taxation	(5,668)	-	-	-	-	-	(5,668)	-
- Net fair value changes	16,589	-	-	-	-	-	16,589	-
Other comprehensive income for the financial period, net of tax	16,589	-	-	-	-	-	16,589	-
Total comprehensive income/(loss) for the financial period	75,946	(13,773)	-	-	-	-	75,946	(13,773)