Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.

(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

0380A2/lh

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DIRECTORS' REPORT

The Directors are pleased to submit their report to the member together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the Group and the Company is the underwriting of all classes of life insurance business, including investment-linked business. There has been no significant change in the nature of this activity during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	230,366	230,461

DIVIDENDS

The amount of dividend declared and paid by the Group and the Company since the end of the previous financial year was as follows:

	RM'000
In respect of the financial year ended 31 December 2020:	
Final single tier dividend of 2.21 sen per ordinary shares, paid on 28 June 2021	5,000

SHARE CAPITAL

There was no issuance of new ordinary shares during the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

PROVISION FOR INSURANCE LIABILITIES

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps to ascertain that there was adequate provision for the insurance liabilities in accordance with the valuation methods specified in Part D of the Risk-Based Capital Framework ("RBC Framework") issued by Bank Negara Malaysia ("BNM") for insurers.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the Directors of the Group and the Company are not aware of any circumstances which would render the amounts written off for bad debts or the amounts of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps to ensure that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of the Group and the Company have been written down to an amount which the current assets might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and the Company misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and the Company that has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and the Company to meet their obligations as and when they fall due.

For the purpose of this paragraph, contingent or other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Group and the Company.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

CORPORATE GOVERNANCE DISCLOSURE

A. BOARD OF DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Tan Sri Dato' Dr Yahya Bin Awang	Chairman, Non-Independent Non-Executive Director
Datuk Leong Kam Weng	Independent Director
Chuah Sue Yin	Independent Director
U Chen Hock	Independent Director
Tang Loo Chuan	Executive Director

The Board of Directors ("Board") has the overall responsibility for promoting sustainable growth and financial soundness of the Group and the Company, and for ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the Board's decisions on the Group and the Company and their customers, officers and the general public.

The Board is responsible for:

(a) reviewing and approving the strategic plan for the Group and the Company including the 3-year IT and cybersecurity strategic plans;

(b) reviewing and approving the Group and the Company's overall risk strategy, risk appetite including the technology risk appetite; and oversee their implementation;

(c) identifying principal risks and ensure the implementation of appropriate systems to manage these risks, including application of immediate remedial measures should the need arise;

(d) ensuring the Group and the Company maintains an appropriate level and quality of capital for their risk profile and business plan;

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

The Board is responsible for: (continued)

(e) approving and overseeing the effective implementation of sound and robust Technology Risk Management Framework ("TRMF") and Cyber Resilience Framework ("CRF"), and ensure the risk assessments undertaken in relation to material technology applications submitted to BNM are robust and comprehensive.

(f) overseeing the conduct of the Group and the Company's business, including that of participating business, to ensure sound management by the senior management and to evaluate whether the business is properly managed towards achieving corporate objectives, and that the Group and the Company's dealings with shareholders, policyholders, claimants and creditors are conducted in a fair and equitable manner;

(g) safeguarding the integrity and credibility of the Group and the Company, including ensuring that the senior management and all levels of employees conduct business with highest level of moral behavior and in a manner that instills public confidence;

(h) providing a clear framework of objectives and policies for the senior management to operate, including the setting of authority limits and reporting lines;

(i) reviewing and be responsible for the adequacy and integrity of the Group and the Company's internal control systems and management information systems, including policies and procedures for compliance with applicable laws, regulations, rules, directives and guidelines;

(j) developing, implementing and maintaining an effective communications policy that enables both the Board and the senior management to communicate effectively with their shareholders, stakeholders and public;

(k) safeguarding the interests of policyholders and shareholders with trustworthy, prudent, efficient and able administration; and

(l) adhering to sound corporate governance principles in the appointment or reappointment of Directors, Chief Executive Officer and Company Secretary, the structure and composition of the Board and the individual Board committees as well as relevant disclosures.

The detailed responsibilities of the Board is set out in the Board Charter, which is available at the website, www.tokiomarine.com.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board

The Board is made up of 3 Independent Non-Executive Directors, 1 Non-Independent Non-Executive Director and 1 Executive Director. The appointments and re-appointments of all Board members were approved by BNM.

The Board comprises members from diverse backgrounds and qualifications and bring a wide range of financial and commercial experience to the Board. Collectively, they provide the necessary business acumen, knowledge, capabilities and competencies to the Group and the Company. This composition is the right mix for proper governance of and the Group and the Company.

All members of the Board complied with BNM's requirements on the minimum criteria of "A Fit and Proper Person" as prescribed under the Financial Services Act, 2013 ("FSA 2013").

The profiles of the Board members are as follows:

Tan Sri Dato' Dr Yahya Bin Awang – Chairman, Non-Independent Non-Executive Director
Working experience: Tan Sri Yahya was appointed as Chairman and Director of our Company on 3 July 2007. He is a member of the Audit Committee, Nominating Committee, Remuneration Committee and Risk Management and Compliance Committee. On 3 July 2019, he was redesignated to Non-Independent Non-Executive Director following Bank Negara Malaysia's approval for his re-appointment. Tan Sri Yahya graduated from Monash University, Australia with a Bachelor of Medicine and Bachelor of Surgery degree in December 1974 and in October 1984, he received a Diploma of Fellowship from The Royal College of Surgeons and Physicians of Glasgow, Scotland, United Kingdom.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board (continued)

The profiles of the Board members are as follows: (continued)

Tan Sri Dato' Dr Yahya Bin Awang – Chairman, Non-Independent Non-Executive Director (continued)
Working experience: (continued) After completing his housemanship in Hospital Sultanah Aminah in Johor Bahru in December 1975, Tan Sri Yahya became a Medical Officer in Kota Tinggi District Hospital from January 1976 to April 1976, and subsequently, a Medical Officer in Hospital Sultanah Aminah from May 1976 to December 1978. He then took on the position of Senior Medical Officer in the Department of Surgery in Kuala Lumpur General Hospital in January 1979. In January 1980, Tan Sri Yahya obtained the Fellowship of the Royal College of Surgeons and Physicians of Glasgow, Scotland, United Kingdom as a training surgeon until June 1981. Thereafter, in July 1981, Tan Sri Yahya joined the Department of Cardiothoracic Surgery at Brompton Hospital, London, United Kingdom as a Senior Surgical Resident, and became the Surgical Registrar there from January 1983 to November 1983. He subsequently returned to Malaysia and joined the Kuala Lumpur General Hospital, first as a Cardiothoracic Surgeon from December 1983 to June 1985, and then as the Head and Senior Consultant Cardiothoracic Surgeon from July 1985 to June 1992 and finally, as the Medical Consultant Surgeon from July 1992 to September 1998. From October 1998 to October 2002, Tan Sri Yahya took on the position as the Medical Director and Head and Senior Consultant Cardiothoracic Surgeon at the National Heart Institute of Malaysia and subsequently as the Medical Director and acting Chief Executive Officer of the National Heart Institute of Malaysia from November 2002 until February 2004. Tan Sri Yahya was also the visiting Consultant Cardiothoracic Surgeon at the Selangor Specialist Hospital Sdn Bhd between August 2006 and August 2015 and a visiting Consultant Cardiothoracic Surgeon at Damansara Specialist Hospital Sdn Bhd between February 2004 and May 2018. Between April 2016 and December 2019, Tan Sri Yahya was a visiting Consultant Cardiothoracic Surgeon at the Prince Court Medical Centre Sdn Bhd. Since December 2017, he has been a resident Consultant Cardiothoracic Surgeon at the Cardiac Vascular Sentral (Kuala Lumpur) Sdn Bhd. Further, since April 1993, he has been a committee member and the founding Chairman of the Malaysian Board of Cardiothoracic Surgery and a member of the Malaysian Association of Thoracic & Cardiovascular Surgery. Since September 2005, he is a member and Chairman of the Board of Governors of International Medical University Malaysia. From July 2011 until October 2016, he was the Pro-Chancellor of Universiti Teknologi Malaysia. In 2013, Tan Sri Yahya was awarded the Merdeka Award for his contribution to pioneering the development of clinical research and cardiac surgery in Malaysia and for his instrumental role in the establishment of the National Heart Institute of Malaysia. Tan Sri Yahya currently holds directorships in a number of public and private companies and foundations, including MPHB Capital Berhad, Cardiac Vascular Sentral (Kuala Lumpur) Sdn Bhd, Cardiac Vascular Sentral Holdings (Malaysia) Sdn Bhd, Gribbles Pathology Asia, Perikatan Asia Sdn Bhd, Yayasan Wah Seong, SELCARE Foundation and RHB Foundation.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board (continued)

The profiles of the Board members are as follows: (continued)

Datuk Leong Kam Weng – Independent Director
Working experience: Datuk Leong was appointed as a Director of our Company on 1 July 2015. He is the chairman of the Audit Committee, Nominating Committee and Remuneration Committee and a member of the Risk Management and Compliance Committee. Datuk Leong graduated with a Bachelor of Economics degree and a Bachelor of Laws degree from Monash University, Australia in April 1986 and May 1988 respectively. He is a Chartered Accountant of the Malaysian Institute of Accountants since October 2004 and a Fellow of CPA Australia since September 2013. He was called to the Malaysian Bar in January 1989 and is a certified mediator on the panel of the Malaysian Mediation Centre, Bar Council Malaysia. Datuk Leong was practising as an advocate and solicitor in Chooi & Co from January 1989 to January 1992, after which he joined TA Securities Sdn Bhd as the Manager of the Legal Department to manage and oversee the legal affairs for the TA Enterprise Berhad and TA Global Berhad group of companies in February 1992. He became the Senior Manager / Head of the Legal Department of TA Securities Sdn. Bhd. in July 1993. Between November 1993 and October 1995, he was also made the Vice President of the International Division of TA Enterprise Berhad where his responsibilities include the identification of investment opportunities in the Asia Pacific region, and the negotiation and implementation of such investments. Datuk Leong subsequently took on the position of General Manager cum Executive Director in Credit Leasing Corporation Sdn Bhd (which was, at the time, a wholly-owned subsidiary of TA Enterprise Berhad) from November 1995 to February 1997, where he oversaw and managed the operations of the company. From March 1997 to June 1998, he joined TA Bank of Philippines Inc as an Executive Director where he assisted the Chief Executive Officer in the management of the bank, in particular in relation to corporate finance matters. He was also a member of the bank's Assets and Lending Committee which oversaw the approval of loans and the determination of lending policies and interest rates. He returned to Malaysia and became the Chief Executive Officer of TA Securities Berhad from June 1998 to July 1999. Since July 1999, he has been a Partner at a law firm, Messrs Iza Ng Yeoh & Kit and is now the Joint Managing Partner of the said law firm. Datuk Leong currently holds directorships in a number of public and private companies, including Only World Group Holdings Berhad, Asian Outreach (Malaysia) Bhd, Xin Hwa Holdings Berhad, Pecca Group Berhad, Riang Satria Sdn Bhd and Keep Linked Sdn Bhd.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board (continued)

The profiles of the Board members are as follows: (continued)

Chuah Sue Yin – Independent Director
Working experience: Ms. Chuah was appointed as a Director of our Company on 8 May 2016. She is the chairperson of the Risk Management and Compliance Committee and a member of the Audit Committee, Nominating Committee and Remuneration Committee. Ms. Chuah graduated with a Bachelor of Science with Honours in Management Science from the University of Warwick, United Kingdom in July 1994. She is a Chartered Accountant of the Malaysian Institute of Accountants since April 1999 and a Fellow member of the Institute of Chartered Accountants in England & Wales since April 2012. She is also an associate of the Malaysian Institute of Taxation (now known as Chartered Tax Institute of Malaysia) since August 2007. Further, Ms. Chuah is an approved company auditor under the Companies Act, 2016, a Registered Auditor of Public Interest Entity under the Securities Commission Malaysia Act, 1993, an Auditor of Co-operative Societies under the Co-operatives Societies Act, 1993, a Registered ASEAN Chartered Professional Accountant, a tax agent under the Income Tax Act, 1967. Ms. Chuah began her career in September 1994 as a Senior Accountant in Coopers & Lybrand Birmingham, United Kingdom where she performed and managed various audit assignments. Thereafter, she joined PricewaterhouseCoopers London, United Kingdom as the Supervisor of the Risk Assurance Division from September 1997 to December 1998 where she performed and managed various risk management and computer audit assignments. She subsequently returned to Malaysia and joined PCCO PLT as a Senior Manager from January 1999 to April 2004. She became a Partner of PCCO PLT in April 2004 and since April 2007, she has been the Managing Partner of PCCO PLT. She oversees the finance and operations of the firm and manages the financial accounting and reporting, internal and external audits and due diligence portfolio of PCCO PLT. She has also been the Director of PCCO Management Services Sdn Bhd ("PCCO Management") since January 1999 and PCCO Tax Services Sdn Bhd ("PCCO Tax") since April 2004. Further, she has been the Managing Director of PCCO Tax and PCCO Management since April 2007, where she oversees the finance and operations of the companies, manages tax portfolio of PCCO Tax and manages the financial accounting and reporting, internal audit, due diligence and human resource functions of PCCO Management. Ms. Chuah currently holds directorships in a number of public and private companies including BP Plastics Holding Bhd, PCCO Management and PCCO Tax.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board (continued)

The profiles of the Board members are as follows: (continued)

Tang Loo Chuan – Executive Director

Working experience:

Mr. Tang was appointed as a Director of our Company on 8 May 2016. He is a member of the Nominating Committee. He was a Non-Independent Non-Executive Director and also a member of the Remuneration Committee and the Risk Management and Compliance Committee until 7 May 2018. On 8 May 2018, he was redesignated to Non-Independent Executive Director and on the same day, relinquished his position as member of the Remuneration Committee and the Risk Management and Compliance Committee following BNM's approval for his re-appointment.

Mr. Tang graduated from Nanyang Technological University, Singapore with a Bachelor of Business (specialising in Actuarial Science) in May 1994. Since July 2003, he is a Fellow of the Institute of Actuaries, United Kingdom (now known as Institute & Faculty of Actuaries).

He began his career in May 1994 as a Senior Actuarial Assistant in the Insurance Corporation of Singapore Limited where he oversaw product pricing and valuation functions as well as the customisation of actuarial valuation software. He subsequently joined The Asia Life Assurance Society Limited (Singapore) as the Actuarial Manager from May 1997 to May 2002 where he oversaw product pricing, product development and stress test reporting. He then took on the position of an Actuarial Manager in John Hancock Life Assurance Company Limited from May 2002 to May 2004 where he oversaw product pricing, product development, stress test reporting and experience studies. Mr. Tang subsequently joined Manulife (Singapore) Pte Limited (following the merger of Manulife (Singapore) Pte Ltd and John Hancock Life Assurance Company Ltd in 2004) as the Vice President and Appointed Actuary, from May 2004 to May 2008, where he was the head of pricing and local risk-based capital reporting. From June 2008 to March 2010, Mr. Tang was the Appointed Actuary of UOB Life Assurance Ltd (now Pru Life Assurance Ltd) where he oversaw product pricing, product development, local risk-based capital framework, stress test reporting, reinsurance and participating fund governance. He was also a member of the company's investment committee and bancassurance committee. He subsequently joined AXA Life Insurance Singapore Pte Ltd from June 2010 to September 2011 as the Chief Actuary and Appointed Actuary where he similarly oversaw product pricing, local risk-based capital framework, stress test reporting, reinsurance, par fund governance and asset liability management. During the same period, he was also a member the Agency Compensation Review Workgroup and the Local Investment Committee of AXA Life Insurance Singapore Pte Ltd. He then joined Aviva Ltd from October 2011 to January 2015 as an Appointed Actuary, where he was also the deputy to the chief financial officer and oversaw product pricing, local risk-based capital framework, capital management, stress test reporting, reinsurance, participating fund governance, asset liability management and experience studies.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board (continued)

The profiles of the Board members are as follows: (continued)

Tang Loo Chuan – Executive Director (continued)
Working experience: (continued) Since January 2015, he has been the Senior Vice President of the Life Actuarial Department of Tokio Marine Asia Pte. Ltd. ("TMAP"). He is also a corporate representative of Tokio Marine Life Insurance Singapore Ltd. ("TMLIS") in the Company. Mr. Tang is currently the Chief Life Officer of TMAP. Mr. Tang oversees, among other things, product pricing, capital management policy, investment policy, participating fund governance and experience studies. He is a member of the Executive Committee of TMAP, and Asset Liability Management & Investment Committee of TMLIS. He also plays a regional role in establishing the business strategies for the Tokio Marine Group's life insurance business (outside Japan). Mr. Tang currently holds directorships in a number of life insurance companies, namely PT Tokio Marine Life Insurance Indonesia, Edelweiss Tokio Life Insurance Company Limited and TMLIS.

U Chen Hock – Independent Director
Working experience: Mr. U was appointed as a Director of our Company on 1 April 2020. He is a member of the Audit Committee, Nominating Committee and Risk Management and Compliance Committee. Mr. U holds a Bachelor of Economics and Management (Hon) degree from the National University of Malaysia (UKM). He is a Certified Financial Planner (CFP), an accreditation awarded by the Financial Planning Standards Board, USA. Mr. U had also attended numerous Senior Executive Leadership Programmes at INSEAD, London Business School, Duke Corporate Education and IMD during his long banking career. Mr. U is a career banker with more than 36 years of extensive experience in corporate, commercial, investment and consumer banking. He completed 30 years of his long banking career at a global banking group where he had assumed senior leadership roles in Malaysia and Taiwan and at the Asia Pacific Headquarters in Hong Kong. He left the global banking group in July 2010.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A1 Composition of the Board (continued)

The profiles of the Board members are as follows: (continued)

U Chen Hock – Independent Director (continued)
Working experience: (continued) Following his overseas stint, Mr. U returned to Malaysia to join a local investment bank where he was appointed as its Chief Executive Officer. Following the successful merger of the investment bank with the investment banking arm of one of the largest Malaysian banking groups, Mr. U was rehired as Executive Director of the local banking group, first to head its expanded international banking division and then as head of its group retail banking business. He left the group upon retirement in April 2017. Mr. U was Chairman of the Financial Planning Association of Malaysia for 2 terms between 2005 to 2007. Mr. U currently sits on the Board of AmBank (M) Berhad ("AmBank") and he is the Chairman of the Risk Management Committee and a Member of the Audit and Examination Committee of AmBank.

None of the Directors hold any share in the Group and the Company.

All Directors are required to attend the in-house orientation and education programmes within 3 months from his/her date of appointment and the Financial Institutions Directors' Education Programme developed by BNM and Perbadanan Insurans Deposit Malaysia in collaboration with the International Centre for Leadership in Finance within one year from his/her date of appointment.

In order to keep the Directors abreast with the dynamic and complex business environments as well as new statutory and regulatory requirements, a budget for Directors' trainings is provided each year by the Group and the Company. During the financial year, an in-house training on Market Review and Outlook had been conducted for Directors. All Directors had attended various training programmes/seminars during the financial year and the Nominating Committee reviewed the list of training programmes/seminars attended by the Directors and was satisfied with the training programmes/seminars attended by the Directors.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A2 Board Meetings

The Board held six (6) meetings during the financial year and the attendance of the Board members was as follows:

Board of Directors	Number of meetings attended
Tan Sri Dato' Dr Yahya Bin Awang	5/6
Datuk Leong Kam Weng	6/6
Chuah Sue Yin	6/6
U Chen Hock	6/6
Tang Loo Chuan	6/6

A3 Board Committees

The Board has established the following four (4) Board Committees operating on the terms of reference approved by the Board, to assist the Board in the execution of its responsibilities.

Nominating Committee ("NC")

The composition of the NC as at the date of this report are as follows:

Datuk Leong Kam Weng	Chairman, Independent Director
Tan Sri Dato' Dr Yahya Bin Awang	Non-Independent Non-Executive Director
Chuah Sue Yin	Independent Director
Tang Loo Chuan	Executive Director
U Chen Hock	Independent Director

The NC is responsible for:

(a) establishing a mechanism for formal assessment and carry out annual evaluation to assess the performance and the effectiveness of the Board as a whole, the contribution by each Director to the effectiveness of the Board, the contribution of the Board's various committees, and the performance of the Chief Executive Officer;

(b) establishing the minimum requirements for the Board and the Chief Executive Officer to perform their responsibilities effectively;

(c) recommending and assessing the nominees for directorship, nominees for Board Committees membership, as well as nominees for the Chief Executive Officer or senior management or Company Secretary. This includes assessing the Directors and the Chief Executive Officer or senior management or Company Secretary proposed for re-appointment where applicable, before an application is submitted to BNM;

(d) recommending to the Board the removal of a Director or Chief Executive Officer or Company Secretary if he/she is ineffective, errant or negligent in discharging his/her responsibilities;

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A3 Board Committees (continued)

Nominating Committee ("NC") (continued)

The NC is responsible for: (continued)

(e) ensuring Directors, Chief Executive Officer, senior management and Company Secretary are assessed under the Fit and Proper requirements at time of appointment, on an annual basis or as and when circumstance changed that may affect the ability to meet the minimum requirements;

(f) assisting the Board in regular review of succession plans for the Board and Board Committees; and

(g) ensuring that all Directors undergo appropriate induction programmes and regularly review the training needs for Directors to ensure the Directors received continuous training.

The detailed terms of reference of the NC is set out in the Board Charter, which is available at the website, www.tokiomarine.com.

The NC held five (5) meetings during the financial year and the attendance of the NC members was as follows:

Members of the NC	Number of meetings attended:
Datuk Leong Kam Weng	5/5
Tan Sri Dato' Dr Yahya Bin Awang	4/5
Chuah Sue Yin	5/5
Tang Loo Chuan	5/5
U Chen Hock	5/5

Remuneration Committee ("RC")

The composition of the RC as at the date of this report are as follows:

Datuk Leong Kam Weng	Chairman, Independent Director
Tan Sri Dato' Dr Yahya Bin Awang	Non-Independent Non-Executive Director
Chuah Sue Yin	Independent Director

The RC is responsible for:

(a) recommending and periodically review the remuneration of Directors on the Board, particularly on whether the remuneration remains appropriate to each director's contribution, taking into account the level of expertise, commitment and responsibilities undertaken; and

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A3 Board Committees (continued)

Remuneration Committee ("RC") (continued)

The RC is responsible for: (continued)

(b) recommending and periodically review the remuneration framework for the Group and the Company, where the framework should:

(i) be in line with the business and risk strategies, corporate values and long-term interests of the Group and the Company;

(ii) promote prudent risk-taking behaviour and encourage individuals to act in the interests of the Group and the Company as a whole, taking into account the interests of customers; and

(iii) be designed and implemented with input from the control functions and the Risk Management and Compliance Committee to ensure that risk exposures and risk outcomes are adequately considered.

The detailed terms of reference of the RC is set out in the Board Charter, which is available at the website, www.tokiomarine.com.

The RC held two (2) meetings during the financial year and the attendance of the RC members was as follows:

Members of the RC	Number of meetings attended
Datuk Leong Kam Weng	2/2
Tan Sri Dato' Dr Yahya Bin Awang	2/2
Chuah Sue Yin	2/2

Audit Committee ("AC")

The composition of the AC as at the date of this report are as follows:

Datuk Leong Kam Weng	Chairman, Independent Director
Tan Sri Dato' Dr Yahya Bin Awang	Non-Independent Non-Executive Director
Chuah Sue Yin	Independent Director
U Chen Hock	Independent Director

The AC is established pursuant to the requirements of BNM/RH/PD/029-9: Guidelines on Corporate Governance to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information to ensure reliable and transparent financial reporting and oversee the effectiveness of internal audit function and external auditor. In doing so, the AC is providing an avenue for external and internal auditors to effectively voice their findings.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A3 Board Committees (continued)

Audit Committee ("AC") (continued)

The AC is responsible for:

(a) appointing the external auditors having regarded their independence, objectivity, performance, nature and scope of audit, as well as approving the terms of audit engagement and any provision of non-audit services by them where required;

(b) reviewing the audit plans, findings and recommendations by the external auditors and statutory financial statements of the Group and the Company, including the discussion of the results and findings arising from the external audits and ensuring that senior management is taking necessary corrective actions in a timely manner to address external audit findings and recommendation;

(c) considering any related-party transactions that may arise within the Group and the Company or Tokio Marine group of companies;

(d) reviewing the adequacy of the scope, functions and resources of internal audit function to perform audits including technology audits, given the size and complexity of the Group and the Company's operations; and

(e) reviewing the internal audit programme and findings of the internal audit process and where necessary, ensuring that appropriate actions are taken to address control weaknesses non-compliance with laws, regulatory requirements, policies and other problems identified by the internal audit and other control functions.

The detailed terms of reference of the AC is set out in the Board Charter, which is available at the website, www.tokiomarine.com.

The AC held four (4) meetings during the financial year and the attendance of the AC members was as follows:

Members of the AC	Number of meetings attended
Datuk Leong Kam Weng	4/4
Tan Sri Dato' Dr Yahya Bin Awang	3/4
Chuah Sue Yin	4/4
U Chen Hock	4/4

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A3 Board Committees (continued)

Risk Management and Compliance Committee ("RMCC")

The composition of the RMCC as at the date of this report are as follows:

Chuah Sue Yin	Chairperson, Independent Director
Tan Sri Dato' Dr Yahya Bin Awang	Non-Independent Non-Executive Director
Datuk Leong Kam Weng	Independent Director
U Chen Hock	Independent Director

The RMCC is responsible for:

(a) reviewing and recommending risk management strategies, policies, risk appetite and risk tolerance levels including the technology risk appetite for the Board's approval;

(b) reviewing and assessing the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as to the extent to which these are operating effectively;

(c) reviewing and overseeing the adequacy of the 3-year IT and cybersecurity strategic plans. These plans shall be periodically reviewed, at least once every three (3) years;

(d) reviewing and recommending to the Board the technology-related frameworks including technology risk management framework (TRMF) , cyber resilience framework (CRF) and Cloud Strategy and Policy (CSP), and ensure the risk assessments undertaken in relation to material technology projects are robust and comprehensive;

(e) reviewing reports from management on risk exposure, risk portfolio composition and risk management activities and ensure that these are within the risk appetite set by the Board. This including monitoring the Group and the Company's technology risk against its approved technology risk appetite;

(f) reviewing and evaluating the adequacy and effectiveness of the overall management of compliance risk on yearly basis;

(g) reviewing the management of any compliance and risk management incidents reported to and managed by the Management as well as to provide oversight on compliance reporting requirements; and

(h) ensuring that adequate infrastructure, resources and systems are in place for effective Compliance and Risk Management. This includes ensuring that the staff responsible for managing Compliance and Risk Management are duly empowered to perform their responsibilities independently.

The detailed terms of reference of the RMCC is set out in the Board Charter, which is available at the website, www.tokiomarine.com.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

A. BOARD OF DIRECTORS (CONTINUED)

A3 Board Committees (continued)

Risk Management and Compliance Committee ("RMCC") (continued)

The RMCC held four (4) meetings during the financial year and the attendance of the RMCC members was as follows:

Members of the RMCC	Number of meetings attended
Chuah Sue Yin	4/4
Tan Sri Dato' Dr Yahya Bin Awang	3/4
Datuk Leong Kam Weng	4/4
U Chen Hock	4/4

The RMCC is supported by the Group and the Company's senior management, the Compliance Department and the Risk Management Department.

B. INTERNAL CONTROL FRAMEWORK

B1 Responsibility

The Board is responsible for the adequacy and effectiveness of the Group and the Company's risk management and internal control framework, including policies and procedures for compliance with applicable laws, regulations, rules, directives and guidelines. The framework is established to manage rather than eliminate risks and is designed to provide reasonable assurance against any occurrence of loss or non-compliances.

At the Board level, the responsibilities for the oversight of the risk management and internal control framework have been delegated to the Board RMCC and Board AC. The responsibilities are clearly defined in the respective committees' Terms of Reference.

B. INTERNAL CONTROL FRAMEWORK (CONTINUED)

B2 Authority & Responsibility

The Management Committee of the Group and the Company, led by the Chief Executive Officer, is responsible for implementation of the risk management and internal control framework. The Group and the Company have clearly defined lines of authority to supervise and monitor the business operations of the Group and the Company. Limits of authority have been established and approved by the Board. Various sub-committees have been formed to manage specific areas such as Asset & Liability Management, Claims, Underwriting, Information Technology ("IT") and Business Continuity. Roles and responsibilities for each committee are clearly defined in the respective committees' Terms of Reference.

B3 Planning, Monitoring & Reporting

The Group and the Company undergo a strategic planning and budgeting process to establish the annual business plan and performance targets which is recommended to the Board for approval. The Management Committee is responsible for implementing strategies to achieve the targets as well as adherence to established policies and procedures. Financial and operational reports are reviewed by the Management Committee on a monthly basis to allow timely response and actions to mitigate any potential risks. Reports are tabled and presented to the Board at least quarterly highlighting the performance of the Group and the Company as well as any updates on risk management, compliance and audit matters.

B4 Policies & Procedures

Policies and procedures have been established to ensure adequacy of internal controls as well as compliance with relevant laws and regulations. These policies and procedures are reviewed periodically to ensure the documents continue to be updated and aligned with business strategies and processes. The effectiveness in implementation of the policies and procedures is regularly reviewed by the governance functions of the Group and the Company. Key policies that have been established for the purpose of governance include the Risk Management Framework and Compliance Policy.

The key policies and procedures for:

(a) Risk Management function

(i) Risk Management Framework ("RMF");
(ii) Risk Appetite Framework ("RAF");
(iii) Operational Risk Management Framework ("ORMF");
(iv) Business Continuity Management related policies and procedures ("BCM Documents");
(v) Technology Risk Management Framework ("TRMF");
(vi) Cyber Resilience Framework ("CRF");
(vii) Cloud Strategy and Policy ("CSP"); and
(viii) Credit Risk Management Framework ("CRMF")

These frameworks/policies are reviewed annually or from time to time to ensure continued relevance and to reflect latest regulatory and group requirements.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

B. INTERNAL CONTROL FRAMEWORK (CONTINUED)

B4 Policies & Procedures (continued)

The key policies and procedures for: (continued)

(a) Risk Management function (continued)

During the financial year, the following key changes were made:

- Added the following into the RMF:
  a) climate risk assessment for equity and bond investment;
  b) added "climate change risk" into definition of Market and Operational risk category; and
  c) added corruption risk definition into Operational Risk Category.

Climate change risk has been incorporated in the Company's Risk Management Framework, where Climate risk was added into our risk taxonomy for business units to assess the risk and corresponding controls in the risk register. We are making changes to our internal operations to reduce our carbon footprint where we are progressively transitioning towards more sustainable practices with e-proposal submission platform, electronic policy documents and electronic forms. The Company implemented investment restriction on 100% coal-fired power generation project and 100% coal mining projects except for ones already held as of 31 December 2020. The Company also implemented the climate risk classification on bonds and equities investment based on BNM Policy Document on Climate Change and Principle-based Taxonomy since 30 April 2021. In addition, the Company included climate-related considerations by way of scenario analysis in its 2021 Internal Capital Adequacy Assessment Process.

(b) Compliance function

(i) Compliance Policy;
(ii) Anti-Money Laundering Counter Financing of Terrorism Procedural Manual;
(iii) Anti-Bribery and Corruption Policy;
(iv) Personal Data Protection Policy;
(v) Fit & Proper Policy;
(vi) Compliance and Risk Management Incidents Reporting policy; and
(vii) Whistleblowing Policy

These frameworks/policies are reviewed annually or from time to time to ensure continued relevance and to reflect latest regulatory and group requirements. These will be tabled to the Risk Management and Compliance Committee for endorsement before the Board's approval.

B. INTERNAL CONTROL FRAMEWORK (CONTINUED)

B5 Three Lines of Defense

In accordance with the Group and the Company's RMF, the Group and the Company use the three lines of defense model to ensure the effectiveness of the risk management and internal control framework. The three lines of defense model provides clarity on roles and responsibilities as well as accountability in management of risk.

Line of Defense	Financial Segregation	Responsibilities
First Line	Risk taking units: Senior Management Business Units	• Day-to-day management of risks inherent in their business decisions and activities; and • Putting in place tools and techniques, including monitoring and reporting, for managing risks in their activities.
Second Line	Independent risk oversight and control units that oversee and review the first line's activities: • Risk Management • Compliance	Risk Management: • Responsible for developing the risk management framework, setting policies and methodologies for risk management process. Compliance: • Responsible for developing and implementing the compliance framework, policies and methodologies for managing compliance risk.
Third Line	Internal Audit	Responsible for providing the Board an independent and objective assurance on the adequacy and effectiveness of governance, risk management and internal control process within the Group and the Company.

B6 Internal Audit

The purpose of internal audit is to provide an independent, objective assurance and consulting activity designed to add value and improve the Group and the Company's operations. It helps the Group and the Company to accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of governance, risk management and internal control processes within the Group and the Company.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

C. REMUNERATION POLICY

The Remuneration Policy forms a key component of the governance and incentive structure. This covers all the employees in the Group and the Company at the headquarter and branches.

The objectives of the Policy are to:

(a) serve as a guide for the performance assessment and compensation matters of the employee through which the Board ensures the remuneration is aligned with the culture, objectives and strategy of the Group and the Company; and

(b) attract, develop and retain high performing and motivated employees.

The overall Remuneration Policy for the Group and the Company is set to:

(a) be in line with the business and risk strategies, corporate values and long-term interests of the Group and the Company;

(b) promote prudent risk-taking behaviour and encourage individuals to act in the interests of the Group and the Company as a whole, taking into account the interests of its customers; and

(c) take into account any input from the control functions and the Board RMCC to ensure that risk exposures and risk outcomes are adequately considered.

At the start of the year, the Board reviews, considers and approves the Corporate Key Performance Indicators ("KPI") and performance bonus pool for the year. The KPI is set by taking into account the business and risk strategies, long-term interest, time horizon of risks and corporate values of the Group and the Company and the performance bonus pool will depend on the actual achievement rate at the end of the financial year. The KPI set is measured by financial metrics linked to business growth, distribution strategies and value creation and non-financial metrics linked to customers' (including employees, customers and intermediaries) engagement. In the financial year ended 31 December 2021, new metrics introduced included those linked to capital management, expense management and corporate governance.

Subsequent to the Board's approval, the Chief Executive Officer will cascade the KPI to the direct reports; who then cascade to their respective departments. The KPI shall be set in accordance to the level of accountability, roles and responsibilities of the individual employee.

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

C. REMUNERATION POLICY (CONTINUED)

After the financial year ended, the Management will present the performance of the Group and the Company against the Corporate KPIs set and the resulting performance bonus pool. Performance bonus is not guaranteed and shall be subject to the performance of the Group and the Company, the department and the individual employees. If the Group and the Company's performance metrics are weak compared to the Corporate KPIs set, the adjustments will be made accordingly to the performance bonus pool. Staff is appraised against the KPIs set for them. Performance bonus is linked to the contribution of the department and the individual staff to the overall performance of the Group and the Company.

To safeguard the independence and authority of individuals engaged in control functions, the remuneration of such individuals is based principally on the achievement of control functions objectives, and determined in a manner that is independent from the business lines. KPIs of the Appointed Actuary, the Head of Internal Audit, the Head of Risk Management and the Head of Compliance are based on the functions' objectives.

The Group and the Company remunerate the staff in the form of cash where the components comprised of fixed salary and variable performance bonus. The variable performance bonus is not guaranteed and is subject to the performance of the Group and the Company, the department and the individual employee.

The Group and the Company continue to review its Remuneration Policy on an ongoing basis taking into consideration current market practices as well as the guidelines issued by the regulators and have introduced an additional remuneration component as follows:

Long Term Incentive ("LTI") Plan

The Long Term Incentive Plan ("LTI") is a multi-year remuneration framework developed as contingent bonus upon meeting the performance metrics set and such reward is paid 3 years after the assessment period. By aligning key executives' interest with the long term value creation within the risk appetite and the deferment of LTI payment, the LTI Plan would fulfil the regulatory requirement on the adoption of a multi-year remuneration framework for senior management and other material risk takers. In addition, LTI Plan is an effective way to reward, motivate and retain talents who have contributed to the long term value creation of the Group and the Company.

As of 31 December 2021, the Group and the Company have 14 (2020: 18) senior management members comprising of Chief Executive Officer and his direct reports. Other material risk takers identified by the Group and the Company comprise of the Head of Fixed Income and Head of Equity. The quantitative remuneration disclosure for the senior management members for the financial year ended 31 December 2021 is shown in the table below. All the senior management members received variable remuneration for the financial year; none of the members receive any guaranteed bonus, severance payments or sign-on award during the financial year.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE DISCLOSURE (CONTINUED)

C. REMUNERATION POLICY (CONTINUED)

Total value of remuneration awards for the financial year 2021 (RM)		
	Unrestricted	**Deferred**
Fixed remuneration		
Cash-based	10,426,084	-
Shares and share-linked instruments	-	-
Other	-	-
Variable remuneration		
Cash-based	5,590,581	-
Shares and share-linked instruments	-	-
Other	-	-

Total value of remuneration awards for the financial year 2020 (RM)		
	Unrestricted	**Deferred**
Fixed remuneration		
Cash-based	10,078,424	-
Shares and share-linked instruments	-	-
Other	-	-
Variable remuneration		
Cash-based	5,128,368	-
Shares and share-linked instruments	-	-
Other	-	-

The quantitative remuneration disclosure for the Chief Executive Officer is disclosed in Note 24(a) to the financial statements.

FINANCIAL REPORTING

The Board has the overall responsibilities to ensure that accounting records are properly kept and that the Group and the Company's financial statements are prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Group and the Company meet all prescriptive requirements under this section relating to proper records, annual reports, public disclosure and statutory reporting.

SUBSIDIARIES

The Group and the Company do not have any subsidiaries. But have investment in control structured entities as disclosed in Note 8 of the financial statements.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Group and the Company or its holding company or subsidiaries of the holding company during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Group and the Company are a party, with the object or objects of enabling Directors of the Group and the Company to acquire benefits by means of the acquisition of shares in or debentures of the Group and the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Group and the Company has received or become entitled to receive any benefit (other than Directors' remuneration disclosed in Note 24 to the financial statements) by reason of a contract made by the Group and the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' REMUNERATION

The Directors' remuneration is disclosed in Notes 24 and 30(c) to the financial statements.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group and the Company were RM10,000,000 and RM18,900 respectively.

IMMEDIATE AND ULTIMATE HOLDING CORPORATION

The Directors regard Tokio Marine Life Insurance Singapore Ltd., a company incorporated in Singapore, as the Group and the Company's immediate holding company and Tokio Marine Holdings, Inc., a company incorporated in Japan, as the ultimate holding company.

SUBSEQUENT EVENTS

There were no material events subsequent to or from the reporting date that require disclosures or adjustments to the financial statements.

Registration No.
199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

AUDITORS' REMUNERATION

Details of auditors' remuneration are disclosed in Note 24 to the financial statements. There is no indemnity given or insurance effected for any auditor of the Group and the Company.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 28 March 2022. Signed on behalf of the Board of Directors:

DATUK LEONG KAM WENG	CHUAH SUE YIN
DIRECTOR	DIRECTOR

Registration No.

199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Leong Kam Weng and Chuah Sue Yin, two of the Directors of Tokio Marine Life Insurance Malaysia Bhd., state that, in the opinion of the Directors, the financial statements set out on pages 31 to 160 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2021 and financial performance and the cash flow of the Group and the Company for the financial year ended 31 December 2021 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 March 2022.

DATUK LEONG KAM WENG
DIRECTOR

CHUAH SUE YIN
DIRECTOR

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Toi See Jong, the officer primarily responsible for the financial management of Tokio Marine Life Insurance Malaysia Bhd., do solemnly and sincerely declare that the financial statements set out on pages 31 to 160 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

TOI SEE JONG

Subscribed and solemnly declared by the abovenamed Toi See Jong at Kuala Lumpur in Malaysia on 28 March 2022.

Before me:

PESURUHJAYA SUMPAH
No. W540
Dr. T. YOKHESWAREM
PhD, MBA.
1-1-2022 - 31-12-2024
MALAYSIA

COMMISSIONER FOR OATHS

Unit A11-1 & 2, Megan Avenue 1,
No. 189, Jalan Tun Razak,
50400 Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)
Registration No. 199801001430 (457556-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Tokio Marine Life Insurance Malaysia Bhd. ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss, statements of total comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 31 to 160.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF TOKIO MARINE LIFE INSURANCE MALAYSIA BHD. (CONTINUED)
(Incorporated in Malaysia)
Registration No. 199801001430 (457556-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(CONTINUED)
(Incorporated in Malaysia)
Registration No. 199801001430 (457556-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF TOKIO MARINE LIFE INSURANCE MALAYSIA BHD. (CONTINUED)
(Incorporated in Malaysia)
Registration No. 199801001430 (457556-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

As stated in Note 38 to the financial statements, the Group and the Company have prepared consolidated financial statements including the comparative statements of consolidated financial position as at 31 December 2020 and 1 January 2020, and the consolidated statement of profit or loss, consolidated statement of total comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year ended 31 December 2020 and related disclosures. We were not engaged to report on the comparative consolidated information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 December 2021 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balance as at 1 January 2021 do not contain misstatements that materially affect the consolidated financial position as of 31 December 2021 and consolidated financial performance and cash flows for the financial year then ended.

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT	SOO HOO KHOON YEAN
LLP0014401-LCA & AF 1146	02682/10/2023 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur
28 March 2022

Registration No.
199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

				Group
	Note	31.12.2021	31.12.2020	1.1.2020
		RM'000	RM'000	RM'000
			restated	restated
ASSETS				
Property, plant and equipment	3	163,170	165,187	166,013
Right-of-use assets	4	10,883	9,609	9,975
Investment properties	5	174,345	174,735	168,104
Intangible assets	6	65,952	82,296	11,855
Financial investments				
Available-for-sale ("AFS") financial assets	7a	5,920,191	5,990,575	5,751,960
Fair value through profit or loss ("FVTPL") financial assets	7b	1,860,259	1,551,132	1,095,583
Held-to-maturity ("HTM") financial assets	7c	931,288	952,551	963,724
Loans and receivables ("LAR")	7d	384,094	427,129	461,177
Reinsurance assets	9	22,198	19,089	11,378
Tax recoverable		10,282	10,282	-
Insurance receivables	10	21,394	23,622	29,590
Other receivables	11	10,286	20,374	35,415
Cash and cash equivalents		469,479	315,733	362,944
TOTAL ASSETS		10,043,821	9,742,314	9,067,718
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES				
Share capital	12	226,000	226,000	226,000
Retained earnings	13	912,656	687,290	652,134
Available-for-sale reserve		40,416	111,459	67,453
Asset revaluation reserve		3,526	3,334	3,208
TOTAL EQUITY		1,182,598	1,028,083	948,795
Insurance contract liabilities	14	7,872,214	7,791,313	7,269,293
Insurance payables	15	614,502	557,539	522,603
Lease liabilities		1,337	458	543
Other payables	16	74,708	67,556	64,389
Other financial liabilities		934	1,189	613
Provision for agency long association benefits	17	36,719	34,014	31,378
Current tax liabilities		2,653	4,048	14,017
Deferred tax liabilities	18	258,156	258,114	216,087
TOTAL POLICYHOLDERS' FUNDS AND LIABILITIES		8,861,223	8,714,231	8,118,923
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		10,043,821	9,742,314	9,067,718

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

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Company 2021 RM'000	Company 2020 RM'000
ASSETS			
Property, plant and equipment	3	163,170	165,187
Right-of-use assets	4	10,883	9,609
Investment properties	5	174,345	174,735
Intangible assets	6	65,952	82,296
Financial investments			
Available-for-sale ("AFS") financial assets	7a	5,925,683	5,992,772
Fair value through profit or loss ("FVTPL") financial assets	7b	1,860,981	1,550,959
Held-to-maturity ("HTM") financial assets	7c	931,288	952,551
Loans and receivables ("LAR")	7d	384,094	427,129
Reinsurance assets	9	22,198	19,089
Tax recoverable		10,282	10,282
Insurance receivables	10	21,394	23,622
Other receivables	11	9,647	20,196
Cash and cash equivalents		462,721	312,896
TOTAL ASSETS		10,042,638	9,741,323
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES			
Share capital	12	226,000	226,000
Retained earnings	13	913,170	687,709
Available-for-sale reserve		39,902	111,040
Asset revaluation reserve		3,526	3,334
TOTAL EQUITY		1,182,598	1,028,083
Insurance contract liabilities	14	7,872,027	7,791,803
Insurance payables	15	614,502	557,539
Lease liabilities		1,337	458
Other payables	16	74,646	67,264
Provision for agency long association benefits	17	36,719	34,014
Current tax liabilities		2,653	4,048
Deferred tax liabilities	18	258,156	258,114
TOTAL POLICYHOLDERS' FUNDS AND LIABILITIES		8,860,040	8,713,240
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		10,042,638	9,741,323

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

Registration No.
199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

GROUP STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000 restated
Gross earned premium revenue		1,561,133	1,345,975
Premiums ceded to reinsurers		(46,800)	(45,561)
Net earned revenue		1,514,333	1,300,414
Investment income	19	363,348	348,377
Net realised gains	20	66,392	23,933
Net fair value (losses)/gains	21	(36,016)	180,808
Commission income	22	2,274	6,171
Other income		395,998	559,289
Gross benefits and claims paid		(1,147,024)	(1,168,435)
Claims ceded to reinsurers		30,760	40,237
Gross change to insurance contract liabilities		(149,024)	(324,979)
Net insurance benefits and claims		(1,265,288)	(1,453,177)
Commission and agency expenses		(155,901)	(145,988)
Management expenses	24	(170,772)	(166,872)
Other operating expenses	23	(916)	(806)
Other expenses		(327,589)	(313,666)
Profit before taxation		317,454	92,860
Taxation	25	(87,088)	(52,704)
Net profit for the financial year		230,366	40,156
Basic earnings per share (sen)	26	101.93	17.77

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

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

GROUP STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000 restated
Net profit for the financial year		230,366	40,156
Other comprehensive (loss)/income:			
Items that will be reclassified subsequently to profit or loss			
Fair value change on available-for-sale financial assets:			
Net (losses)/gains arising during the financial year		(183,434)	216,307
Realised gains transferred to profit or loss	20	(117,072)	(233,390)
Impairment losses transferred to profit or loss	20	50,680	209,457
Tax effects thereon		37,548	(26,404)
Fair value (losses)/gains, net of tax		(212,278)	165,970
Change in insurance contract liabilities arising from net fair value losses/(gains)	14	141,235	(121,964)
Net fair value change		(71,043)	44,006
Items that will not be reclassified subsequently to profit or loss			
Asset revaluation reserve:			
Gross asset revaluation surplus	3,4	3,175	2,408
Tax effects thereon		(302)	(224)
Asset revaluation surplus, net of tax		2,873	2,184
Change in insurance contract liabilities arising from net asset revaluation surplus	14	(2,681)	(2,058)
Net asset revaluation surplus		192	126
Total other comprehensive (loss)/income		(70,851)	44,132
Total comprehensive income for the financial year		159,515	84,288

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

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Company 2021 RM'000	Company 2020 RM'000
Gross earned premium revenue		1,561,133	1,345,975
Premiums ceded to reinsurers		(46,800)	(45,561)
Net earned revenue		1,514,333	1,300,414
Investment income	19	363,332	349,201
Net realised gains	20	66,258	23,572
Net fair value (losses)/gains	21	(37,031)	180,145
Commission income	22	2,274	6,171
Other income		394,833	559,089
Gross benefits and claims paid		(1,147,024)	(1,168,435)
Claims ceded to reinsurers		30,760	40,237
Gross change to insurance contract liabilities		(148,347)	(325,349)
Net insurance benefits and claims		(1,264,611)	(1,453,547)
Commission and agency expenses		(155,901)	(145,988)
Management expenses	24	(170,240)	(166,458)
Other operating expenses – net	23	(865)	(576)
Other expenses		(327,006)	(313,022)
Profit before taxation		317,549	92,934
Taxation	25	(87,088)	(52,704)
Net profit for the financial year		230,461	40,230
Basic earnings per share (sen)	26	101.97	17.80

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

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199801001430 (457556-X)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Company 2021 RM'000	Company 2020 RM'000
Net profit for the financial year		230,461	40,230
Other comprehensive (loss)/income:			
Items that will be reclassified subsequently to profit or loss			
Fair value change on available-for-sale financial assets:			
Net (losses)/gains arising during the financial year		(183,663)	215,872
Realised gains transferred to profit or loss	20	(116,938)	(233,029)
Impairment losses transferred to profit or loss	20	50,680	209,457
Tax effects thereon		37,548	(26,404)
Fair value (losses)/gains, net of tax		(212,373)	165,896
Change in insurance contract liabilities arising from net fair value losses/(gains)	14	141,235	(121,964)
Net fair value change		(71,138)	43,932
Items that will not be reclassified subsequently to profit or loss			
Asset revaluation reserve:			
Gross asset revaluation surplus	3,4	3,175	2,408
Tax effects thereon		(302)	(224)
Asset revaluation surplus, net of tax		2,873	2,184
Change in insurance contract liabilities arising from net asset revaluation surplus	14	(2,681)	(2,058)
Net asset revaluation surplus		192	126
Total other comprehensive (loss)/income		(70,946)	44,058
Total comprehensive income for the financial year		159,515	84,288

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

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

			Non-Distributable		Distributable	
Group	Note	Share capital	Available -for-sale reserve	Asset revaluation reserve	Retained earnings*	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020		-	-	-	-	-
Effects of consolidation		226,000	67,453	3,208	652,134	948,795
At 1 January 2020 (restated)		226,000	67,453	3,208	652,134	948,795
Issued and fully paid ordinary shares:						
At 1 January 2020 (restated)		226,000	67,453	3,208	652,134	948,795
Total comprehensive income for the financial year		-	44,006	126	40,156	84,288
Dividend paid	27	-	-	-	(5,000)	(5,000)
At 31 December 2020 (restated)		226,000	111,459	3,334	687,290	1,028,083
Issued and fully paid ordinary shares:						
At 1 January 2021 (restated)		226,000	111,459	3,334	687,290	1,028,083
Total comprehensive (loss)/income for the financial year			(71,043)	192	230,366	159,515
Dividend paid	27	-	-	-	(5,000)	(5,000)
At 31 December 2021		226,000	40,416	3,526	912,656	1,182,598

* Included in the retained earnings as at 31 December 2021 is unallocated surplus in the non-discretionary participation features ("non-DPF") fund (net of deferred tax) of RM829,428,000 (2020: RM675,428,000). These amounts are only distributable upon the actual recommended transfer from non-DPF fund to the Shareholders' Fund by the Appointed Actuary.

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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

			Non-Distributable		Distributable	
Company	Note	Share capital	Available -for-sale reserve	Asset revaluation reserve	Retained earnings*	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Issued and fully paid ordinary shares:						
At 1 January 2020		226,000	67,108	3,208	652,479	948,795
Total comprehensive income for the financial year		-	43,932	126	40,230	84,288
Dividend paid	27	-	-	-	(5,000)	(5,000)
At 31 December 2020		226,000	111,040	3,334	687,709	1,028,083
Issued and fully paid ordinary shares:						
At 1 January 2021		226,000	111,040	3,334	687,709	1,028,083
Total comprehensive (loss)/income for the financial year		-	(71,138)	192	230,461	159,515
Dividend paid	27	-	-	-	(5,000)	(5,000)
At 31 December 2021		226,000	39,902	3,526	913,170	1,182,598

* Included in the retained earnings as at 31 December 2021 is unallocated surplus in the non-discretionary participation features ("non-DPF") fund (net of deferred tax) of RM829,428,000 (2020: RM675,428,000). These amounts are only distributable upon the actual recommended transfer from non-DPF fund to the Shareholders' Fund by the Appointed Actuary.

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

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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

GROUP STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group	
	Note	2021 RM'000	2020 RM'000 restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the financial year		230,366	40,156
Adjustments for non-cash items:			
Investment income	19	(363,348)	(348,377)
Interest expense for lease liabilities	24	63	39
Realised gains of AFS financial assets	20	(117,072)	(233,390)
Fair value losses/(gains) of FVTPL financial assets	21	35,744	(174,196)
Fair value losses/(gains) of investment properties	21	256	(6,631)
Loss on early redemption of HTM financial assets	21	16	19
Depreciation of property, plant and equipment	24	6,334	6,110
Depreciation of right-of-use assets	24	676	676
Write-offs of property, plant and equipment	23	7	9
Amortisation of intangible assets	24	21,597	22,183
Impairment of AFS financial assets	20	50,680	209,457
(Write back of impairment)/impairment loss of insurance receivables	23	(171)	115
Impairment loss of loan receivables	23	10	161
Impairment loss of other receivables	23	1,205	380
Impairment loss of rent receivables (included in investment expenses)		-	9
Recovery of write-offs of insurance receivables	23	(1)	(4)
Provision for agency long association benefits	17	6,065	6,012
Taxation	25	87,088	52,704

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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
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GROUP STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

	Note	Group 2021 RM'000	Group 2020 RM'000 restated
Changes in working capital:			
Purchases of financial assets		(1,698,191)	(2,360,747)
Proceeds from maturity and disposal of financial assets		1,267,576	2,062,790
Decrease in loans		43,025	44,027
Increase in reinsurance assets		(3,109)	(7,711)
Decrease in insurance receivables		2,399	5,857
Decrease in other receivables		4,620	23,382
Increase in insurance contract liabilities		219,455	397,999
Increase in insurance payables		56,963	34,936
Decrease in other payables		443	19,880
		(147,304)	(204,155)
Dividend income received		83,449	54,794
Interest income received		284,255	289,709
Rental income received		4,818	3,826
Agency long association benefits paid	17	(3,360)	(3,376)
Income tax paid		(51,194)	(57,556)
Fee paid		(542)	(442)
Net cash inflows from operating activities		170,122	82,800
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(1,534)	(2,684)
Purchase of intangible assets	6	(5,253)	(92,624)
Net cash outflows from investing activities		(6,787)	(95,308)

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

GROUP STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

	Note	Group 2021 RM'000	Group 2020 RM'000 restated
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	27	(5,000)	(5,000)
Payment to lease liabilities		(615)	(635)
Cash proceed from unit created		3,429	3,201
Cash paid for unit cancelled		(7,403)	(32,269)
Net cash outflows from financing activities		(9,589)	(34,703)
Net increase/(decrease) in cash and cash equivalents		153,746	(47,211)
Cash and cash equivalents at 1 January		315,733	362,944
Cash and cash equivalents at 31 December		469,479	315,733
Cash and cash equivalents comprise:			
Cash and bank balances		44,359	45,423
Fixed and call deposits with maturity of less than three months		425,120	270,310
		469,479	315,733

(i) An analysis of changes in liabilities arising from financing activities is as follows:

	2021 RM'000	2020 RM'000 restated
Lease liabilities		
As at 1 January	458	543
Lease additions (Note 4)	1,431	511
Interest expense for lease liabilities	63	39
Payment to lease liabilities	(615)	(635)
As at 31 December	1,337	458

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

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TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Company 2021 RM'000	Company 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the financial year		230,461	40,230
Adjustments for non-cash item:			
Investment income	19	(363,332)	(349,201)
Interest expense for lease liabilities	24	63	39
Realised gains of AFS financial assets	20	(116,938)	(233,029)
Fair value losses/(gains) of FVTPL financial assets	21	36,759	(173,533)
Fair value losses/(gains) of investment properties	21	256	(6,631)
Loss on early redemption of HTM financial assets	21	16	19
Depreciation of property, plant and equipment	24	6,334	6,110
Depreciation of right-of-use assets	24	676	676
Write-offs of property, plant and equipment	23	7	9
Amortisation of intangible assets	24	21,597	22,183
Impairment of AFS financial assets	20	50,680	209,457
(Write back of impairment)/impairment loss of insurance receivables	23	(171)	115
Impairment loss of loan receivables	23	10	161
Impairment loss of other receivables	23	1,205	380
Impairment loss of rent receivables (included in investment expenses)		-	9
Recovery of write-offs of insurance receivables	23	(1)	(4)
Provision for agency long association benefits	17	6,065	6,012
Taxation	25	87,088	52,704
Changes in working capital:			
Purchases of financial assets		(1,683,898)	(2,328,195)
Proceeds from maturity and disposal of financial assets		1,247,849	2,035,098
Decrease in loans		43,025	44,027
Increase in reinsurance assets		(3,109)	(7,711)
Decrease in insurance receivables		2,399	5,857
Decrease in other receivables		4,620	23,382
Increase in insurance contract liabilities		218,778	398,369
Increase in insurance payables		56,963	34,936
Decrease in other payables		(1,120)	(7,411)
		(153,718)	(225,942)
Dividend income received		83,358	54,700
Interest income received		282,323	287,724
Rental income received		4,818	3,826
Agency long association benefits paid	17	(3,360)	(3,376)
Income tax paid		(51,194)	(57,556)
Net cash inflows from operating activities		162,227	59,376

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

	Note	2021 RM'000	2020 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(1,534)	(2,684)
Purchase of intangible assets	6	(5,253)	(92,624)
Net cash outflows from investing activities		(6,787)	(95,308)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	27	(5,000)	(5,000)
Payment to lease liabilities		(615)	(635)
Net cash outflows from financing activities		(5,615)	(5,635)
Net increase/(decrease) in cash and cash equivalents		149,825	(41,567)
Cash and cash equivalents at 1 January		312,896	354,463
Cash and cash equivalents at 31 December		462,721	312,896
Cash and cash equivalents comprise:			
Cash and bank balances		43,690	45,273
Fixed and call deposits with maturity of less than three months		419,031	267,623
		462,721	312,896

(i) An analysis of changes in liabilities arising from financing activities is as follows:

	2021 RM'000	2020 RM'000
Lease liabilities		
As at 1 January	458	543
Lease additions (Note 4)	1,431	511
Interest expense for lease liabilities	63	39
Payment to lease liabilities	(615)	(635)
As at 31 December	1,337	458

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

1 PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Group and the Company are principally engaged in the underwriting of all classes of life insurance business, including investment-linked business. There were no significant changes in the nature of this activity during the financial years relevant to these financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 23, Menara Tokio Marine Life, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia. The principal place of business of the Company is located at Ground Floor, Menara Tokio Marine Life, 189 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

The Directors regard Tokio Marine Life Insurance Singapore Ltd., a company incorporated in Singapore, as the Company's immediate holding company and Tokio Marine Holdings, Inc., a company incorporated in Japan, as the ultimate holding company.

2 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

2.1 (a) Basis of Preparation

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

Insurance liabilities have been computed in accordance with the valuation methods specified in the RBC Framework issued by BNM. The Company has met the minimum capital requirements as prescribed by the RBC Framework as at the date of the statement of financial position.

The preparation of financial statements in conformity with MFRS requires the Directors to exercise their judgement in the process of applying the Group and the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results could differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 2.3 to the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. The Company has determined that the investment in structured securities, such as unit trust investments that the Company has interests in are structured entities.

(ii) Change in ownership interest in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. The difference between fair value of any consideration paid and relevant shares equivalent of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost with change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

(b) Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries (including structured entities) are carried at fair value in accordance with MFRS 139 "Financial Instruments: Recognition and Measurement". On disposal of investment in subsidiaries, the difference between the disposal proceeds and the carrying amounts of the investment is recognised in the profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(c) Business combination

The purchase method of accounting is used to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than fair value of the acquired net assets, the difference is recognized directly in the profit or loss.

(d) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Land and buildings are subsequently shown at fair value less accumulated depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the assets, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(d) Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to profit or loss.

Freehold land is not depreciated as it has an infinite life. Depreciation is provided so as to write off the cost of other property, plant and equipment on a straight line basis to their residual values over the expected useful lives of the assets. The expected useful lives of the assets are summarised as follows:

Motor vehicles	5 years
Office equipment, furniture and fittings	10 years
Computer equipment	4 years
Renovation	10 years
Leasehold land	Lease period ranging from 63 to 914 years
Leasehold buildings	Lease period subject to a maximum of 50 years
Freehold buildings	50 years

At each date of the statement of financial position, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.2(g) on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are credited or charged to profit or loss. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(e) Investment properties

Investment properties, comprising principally land and buildings, are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group and the Company.

Investment properties are initially stated at cost including related and incidental expenditure incurred, and are subsequently carried at fair value, representing open market value determined by independent professional valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair values of investment properties are reviewed annually by an independent professional valuer. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. Changes in fair values are recognised in profit or loss.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statement of financial position). The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the financial year of the retirement or disposal.

Right-of-use assets that meet the definition of investment property in accordance with MFRS 140 is presented in the statement of financial position as investment property. Subsequent measurement of the right-of-use asset is consistent with those investment properties owned by the Group and the Company.

(f) Intangible assets

All intangible assets are stated at cost less accumulated amortisation and impairment losses.

(i) Computer software

Where computer software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset. Capitalised internal-use software costs include external direct costs of materials and services consumed in developing or obtaining the software, payroll and payroll-related costs for employees who are directly associated with and who devote substantial time to the project. Capitalisation of these costs ceases no later than the point at which the project is substantially completed and ready for its intended purpose. These costs are amortised over their expected useful life of 4 years on a straight-line basis, with the useful lives being reviewed annually.

Depreciation on assets under construction commences when the assets are ready for their intended use.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(f) Intangible assets (continued)

(i) Computer software (continued)

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group and the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

The assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. See accounting policy Note 2.2(g) on impairment of non-financial assets.

(ii) Exclusive bancassurance agreement

The exclusive bancassurance agreement provides the Group and the Company with an exclusive right to the use of the bancassurance network of a bank. The fee for this right is amortised over its useful life of 5 years using the straight line method. The asset is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. See accounting policy Note 2.2(g) on impairment of non-financial assets.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(g) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment losses, whenever events or changes in circumstances indicate that the carrying amount may be impaired. An impairment loss is recognised for the amount by which the carrying value of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the value in use. Recoverable amount is estimated for an individual asset, or, if it is not possible, for the cash-generating unit. Assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is charged to profit or loss immediately.

A subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(h) Financial investments

The Group and the Company classify their investments into financial assets at Fair value through profit or loss ("FVTPL"), Held-to-maturity ("HTM"), Loans and receivables ("LAR") and Available for sale ("AFS") financial assets.

The classification depends on the purpose for which the investments were acquired or originated. Management determines the classification of its investments at initial recognition.

All regular way purchases and sales of financial assets are recognised on the trade date which is the date that the Group and the Company commit to purchase or sell the asset. Regular way purchases or sales of financial assets require delivery of assets within the period generally established by regulation or convention in the market place.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(h) Financial investments (continued)

(i) Financial assets at FVTPL

Financial assets at FVTPL include held-for-trading ("HFT") financial assets and those designated at FVTPL at inception. Investments typically bought with the intention to sell in the near future are classified as HFT. For investments designated at FVTPL, the following criteria must be met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis, or
- the assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are remeasured at fair value. Fair value adjustments and realised gains and losses are recognised in profit or loss.

(ii) HTM financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as HTM when the Group and the Company have the positive intention and ability to hold until maturity. These investments are initially recognised at fair value. After initial measurement, HTM financial assets are measured at amortised cost, using the effective yield method, less impairment losses. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) LAR

LAR are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at fair value. After initial measurement, LAR are measured at amortised cost, using the effective yield method, less impairment losses. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(h) Financial investments (continued)

(iv) AFS financial assets

AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. These investments are initially recorded at fair value. After initial measurement, AFS financial assets are remeasured at fair value.

Fair value gains and losses of monetary and non-monetary securities are reported as a separate component of equity until the investment is derecognised or investment is determined to be impaired. Fair value gains and losses of monetary securities denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are reported as a separate component of equity until the investment is derecognised.

On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity is transferred to profit or loss.

(i) Fair value of financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the date of the statement of financial position.

For investments in unit and real estate investment trusts, fair value is determined by reference to published bid values.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(i) Fair value of financial instruments (continued)

For financial instruments where there is not an active market, the fair value is determined by using valuation techniques. Such techniques include using recent arm's length transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis and/or option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

Certain financial instruments are valued using pricing models that consider, among other factors, contractual and market prices, co-relation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and over-night deposits with financial institutions is their carrying value. The carrying value is the cost of the deposit/placement and accrued interest/profit. The fair value of fixed interest/yield-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the date of the statement of financial position.

If investments in equity instruments do not have quoted market price in an active market and whose fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the instrument or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition of financial assets are also included in the cost of the financial assets except for FVTPL financial assets, where the transaction cost are expensed in profit or loss as they are incurred.

The carrying values of financial assets and financial liabilities with maturity period of less than one year are assumed to approximate their fair values.

(j) Offsetting of financial assets and financial liabilities

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

As at 31 December 2021, the Group and the Company do not offset its financial assets with financial liabilities.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(k) Impairment of financial instruments

The Group and the Company assess at each date of the statement of financial position whether there is objective evidence that a security is impaired. A security is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the security that can be reliably estimated.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate/yield. The carrying amount of the asset is reduced and the loss is recorded in profit or loss.

The Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. The impairment assessment is performed at each date of the statement of the financial position.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at fair value

If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income to profit or loss. Reversals in respect of equity instruments classified as AFS are not recognised in profit or loss. Reversals of impairment losses on debt instruments classified as AFS are reversed through profit or loss if the increase in the fair value of the instruments can be objectively related to an event occurring after the impairment losses were recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(l) Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Group and the Company have also transferred substantially all risks and rewards of ownership.

(m) Insurance contracts

The Group and the Company issue contracts that transfer mainly insurance risk.

Insurance risk is the risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rate, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Insurance contracts are those contracts that transfer significant insurance risk. An insurance contract is a contract under which the Group and the Company (the insurer) have accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Such contracts may also transfer financial risk. As a general guideline, the Group and the Company determine whether they have significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

Investment contracts are those contracts that do not transfer significant insurance risk. Currently, the Group and the Company do not issue any investment contracts.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its life-time, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

Insurance contracts are further classified as being either with or without discretionary participation features ("DPF"). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

(i) likely to be a significant portion of the total contractual benefits;

(ii) whose amount or timing is contractually at the discretion of the issuer; and

(iii) that are contractually based on the:

- performance of a specified pool of contracts or a specified type of contract;
- realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or
- the profit or loss of the Group and the Company, fund or other entity that issues the contract.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(m) Insurance contracts (continued)

Local statutory regulations and the terms and conditions of these contracts set out the bases for the determination of the amounts on which the additional discretionary benefits are based (the DPF surplus) and within which the Group and the Company may exercise its discretion as to the quantum and timing of their payment to contract holders. At least 90% of the surplus must be attributed to the contract holders as a group (which can include future contract holders), while the amount and timing of the distribution to individual contract holders is at the discretion of the Group and the Company, approved by the Board of Directors based on the advice of the Appointed Actuary.

The recognition and measurement of the insurance contracts are set out in Note 2.2(o) and Note 2.2(q).

(n) Reinsurance

Contracts entered into by the Group and the Company with reinsurers under which the Group and the Company are compensated for losses on one or more contracts issued by the Group and the Company and that meet the classification requirements for insurance contracts in Note 2.2(m) to the financial statements are classified as ceded reinsurance contracts.

Premium ceded and claims reimbursed are recognised in the same accounting period as the original policies to which the reinsurance relates.

The benefits to which the Group and the Company are entitled under its reinsurance contracts are recognised as reinsurance assets. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contracts.

Ceded reinsurance arrangements do not relieve the Group and the Company from their obligations to policyholders. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting period. An allowance for impairment loss is established using the same method used for all financial assets carried at amortised cost. These processes are described in Note 2.2(k) to the financial statements.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(o) Life insurance contracts

Premiums

Premium income is recognised as soon as the amount of the premium can be reliably measured. First premium is recognised from inception date and subsequent premium is recognised when it is due.

At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured.

Premium income of the investment-linked funds is in respect of the net creation of units which represents premiums paid by policyholders as payment for a new contract or subsequent payments to increase the amount of that contract. Net creation of units is recognised on a receipt basis.

Reinsurance premiums

Gross reinsurance premiums are recognised as an expense when payable or on the date which the policy is effective.

Commission and agency expenses

Gross commission and agency expenses, which are costs directly incurred in securing premium on insurance policies are charged to the income statement in the financial year in which they are incurred.

Benefits, claims and expenses

Benefits and claims that are incurred during the financial year are recognised when a claimable event occurs and/or the insurer is notified.

Benefits and claims arising on life insurance policies including settlement costs, less reinsurance recoveries, are accounted for using the case basis method and for this purpose, the benefits payable under a life insurance policy are recognised as follows:

(i) maturity or other policy benefit payments due on specified dates are treated as claims payable on the due dates;

(ii) death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of contingency covered;

(iii) benefits payable under investment-linked contract include net cancellation of units and are recognised as surrender; and

(iv) bonus on DPF policy upon its declaration.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(o) Life insurance contracts (continued)

Insurance fund

The surplus transferable from the life fund to the shareholders' fund is based on the surplus determined by an annual actuarial valuation of the long term liabilities to policyholders. In the event the actuarial valuation indicates that a transfer is required from the shareholders' fund, the transfer from the shareholders' fund to the life insurance fund is made in the financial year of the actuarial valuation.

(p) Insurance receivables

Insurance receivables are recognised when due and measured on initial recognition at fair value. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective yield method.

If there is objective evidence that the insurance receivable is impaired, the Group and the Company reduce the carrying amount of the insurance receivable accordingly and recognise that impairment loss in profit or loss. The Group and the Company gather the objective evidence that an insurance receivable is impaired using the same process adopted for financial assets carried at amortised cost. The impairment loss is calculated under the same method used for these financial assets. These processes are described in Note 2.2(k) to the financial statements.

Insurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 2.2(l) to the financial statements, have been met.

(q) Life insurance contract liabilities

Life insurance contract liabilities are recognised when contracts are entered into and premiums are charged.

Life insurance contract liabilities comprise (i) provision for outstanding claims, (ii) actuarial liabilities, (iii) unallocated surplus, (iv) AFS fair value adjustment, (v) asset revaluation surplus adjustment and (vi) net asset value attributable to unitholders.

(i) Provision for outstanding claims

Provision for outstanding claims represent the amounts payable under a life insurance policy in respect of claims including settlement costs, are accounted for using the case-by-case method as set out above under benefits, claims and expenses.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(q) Life insurance contract liabilities (continued)

(ii) Actuarial liabilities

These liabilities are measured by using a prospective actuarial valuation method. The liability is determined as the sum of the present value of future guaranteed and, in the case of a participating life policy, appropriate level of non-guaranteed benefits, and the expected future management and distribution expenses, less the present value of future gross considerations arising from the policy discounted at the appropriate risk discount rate. The liability is based on best estimate assumptions and with due regard to significant recent experience. An appropriate allowance for provision of risk margin for adverse deviation from expected experience is made in the valuation of non-participating life policies, the guaranteed benefits liabilities of participating life policies, and non-unit liabilities of investment-linked policies. The valuation basis, including the determination of the appropriate risk discount rate, is in accordance with Appendix VII: Valuation Basis for Life Insurance Liabilities of the RBC Framework, and any related circulars and guidelines issued by BNM.

The reinsurance recoverable of the liabilities is insignificant and hence is not accounted for in the measurement of the liabilities.

The liability in respect of policies of a participating insurance fund shall be taken as the higher of the guaranteed benefits liabilities or the total benefits liabilities at the fund level (derived in the method as stated in the above paragraph) as stipulated under paragraph 3.2, Appendix VII of the RBC Framework.

In the case of a life policy where a part of, or the whole of the premiums are accumulated in a fund, the accumulated amount, as declared to the policy owners, are set as the liabilities if the accumulated amount is higher than the figure as calculated using the prospective actuarial valuation method.

Where policies or extensions of a policy are collectively treated as an asset at the fund level under the valuation method adopted, the value of such asset is eliminated through zerorisation.

In the case of a 1-year life policy or a 1-year extension to a life policy covering contingencies other than death or survival, the liability for such life insurance contracts comprises the provision for unearned premiums and unexpired risks, as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet been reported to the Group and the Company.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(q) Life insurance contract liabilities (continued)

(ii) Actuarial liabilities (continued)

Adjustments to the liabilities at each reporting date are recorded in profit or loss. Profits originated from margins of adverse deviations on run-off contracts, are recognised in profit or loss over the life of the contract, whereas losses are fully recognised in profit or loss during the first year of run-off.

The liability is derecognised when the contract expires, is discharged or is cancelled.

At each reporting date, an assessment is made of whether the recognised actuarial liabilities are adequate, by using an existing liability adequacy test based on the RBC Framework.

(iii) Unallocated surplus

Surpluses in the DPF are distributable to policyholders and shareholders in accordance with the relevant terms under the insurance contracts. The Group and the Company, however, have the discretion over the amount and timing of the distribution of these surpluses to policyholders and shareholders. Unallocated surpluses of the DPF where the amount of surplus allocation to either policyholders or shareholders has yet to be determined by the end of the financial year is held within insurance contract liabilities.

(iv) AFS fair value adjustment

Where unrealised fair value gains and losses arise on AFS financial assets of the DPF fund, the adjustment to the life insurance contract liabilities equal to the effect that the realisation of those gains or losses at the end of the reporting period would have on those liabilities is recognised directly in other comprehensive income.

(v) Asset revaluation surplus adjustment

Where asset revaluation surplus arises on the self-occupied properties of the DPF fund, the adjustment to the life insurance contract liabilities equal to the effect that the realisation of those surpluses at the end of the reporting period would have on those liabilities is recognised directly in other comprehensive income.

The surpluses arising from the revaluation of the DPF's assets may be distributed by way of bonuses to life policyholders, subject to the limit that the amount distributed should not be more than 30% of the addition to revaluation surplus of 10% of the market value of the revalued property, whichever is lower.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(q) Life insurance contract liabilities (continued)

(vi) Net asset value attributable to unitholders

The unit liability of investment-link contract is equal to the net asset value of the investment-linked funds, which represents net premium received and investment returns credited to the policy less deduction for mortality and morbidity costs and expense charges.

(r) Other revenue recognition

Interest income for all interest-bearing financial instruments including financial instruments measured at FVTPL, are recognised within investment income in profit or loss using the effective interest rate method. When a receivable is impaired, the Group and the Company reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income.

Rental income from investment properties is recognised on an accrual basis.

Dividend income is recognised when the right to receive payment is established.

Gains or losses arising on disposal of investments are credited or charged to profit or loss.

Commission income comprises of reinsurance commission income are credited to profit or loss over the period in which they are earned.

Insurance contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services to be provided in future periods, they are deferred and recognised over those future periods.

(s) Leases

Leases are recognised as right-of-use (‘ROU’) asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are lessees, they have elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(s) Leases (continued)

(i) Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on lease liabilities.

(ii) ROU assets

ROU assets are initially measured at cost comprising the following:
- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

The Group and the Company apply the fair value model to ROU assets that meet the definition of investment property of MFRS140 consistent with those investment properties owned by the Group and the Company. Refer to accounting policy Note 2.2 (e) on investment property.

The Group and the Company present ROU assets that meet the definition of investment property in the statement of financial position as investment property. ROU assets that are not investment property are presented as a separate line in the statement of financial position.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(s) Leases (continued)

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:
- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- The exercise price of a purchase and extension options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the management expenses in profit or loss.

(iv) Reassessment of lease liabilities

A change in lease payments (including rent concession), other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease. The lease modification is accounted for as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(s) Leases (continued)

(v) Short term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment and IT equipment. Payments associated with short-term leases and low-value assets are recognised on a straight-line basis as an expense in profit or loss.

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfer substantially all the risks and rewards incidental to ownership of the underlying asset to lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the assets.

a) Operating leases

The Group and the Company classify a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset to lessee.

The Group and the Company recognise lease payment received under operating lease as lease income on a straight-line basis over the lease term.

b) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocate the consideration in the contract to the lease and to non-lease component based on the standalone selling prices in accordance with the principles in MFRS 15 “Revenue from Contracts with Customers”.

(t) Income taxes

Current tax expense is determined according to the tax laws of the jurisdiction in which the Group and the Company operate and include all taxes based upon the taxable profits. The tax expense on the Life Fund is based on the method prescribed under the Income Tax Act, 1967 for life insurance business. Current tax is recognised in profit or loss.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purpose and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(t) Income taxes (continued)

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred tax assets is realised or the deferred tax liability is settled.

Deferred tax is recognised in profit or loss except when it arises from a transaction which is recognised in other comprehensive income, in which case, the deferred tax is also charged or credited to other comprehensive income.

The Group and the Company presumed investment property measured at fair value will be recovered entirely through sale. Accordingly, deferred tax assets or liabilities arising on such investment property are measured at the tax rate of 8% when the Group and the Company sell the property.

(u) Foreign currencies

Items included in the financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in RM, which is the Group and the Company’s functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(v) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and bonuses are accrued in the financial year in which the associated services are rendered by employees of the Group and the Company.

(ii) Post-employment benefits

Defined contribution plan

The Group and the Company’s contributions to the Employees’ Provident Fund (“EPF”), the national defined contribution plan, are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(w) Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but discloses their existence where inflows of economic benefits are probable, but not virtually certain.

(x) Dividends

Dividends are recognised as liabilities when the obligation to pay is established in which the dividends are declared and approved by the Group and the Company's shareholder and the regulator. No provision is made for a proposed dividend.

(y) Provisions for agency long association benefits

Provisions for agency long association benefits is recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

(z) Insurance payables and other payables

Insurance payables and other payables are recognised when due and measured on initial recognition at the fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

(aa) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, and fixed and call deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. It excludes deposits which are held for investment purpose.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(ab) Statement of cash flows

The Group and the Company classify the cash flows for the purchase and disposal of financial investments 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 respectively treated under operating activities.

(ac) Share capital

Ordinary shares are classified as equity. Incremental costs that are directly attributable to the issuance of new shares are recognised as equity, net of tax.

(ad) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions.

2.3 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group and the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors could include:

(a) Critical judgements in applying the Group and the Company’s accounting policies

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy could materially affect the reported results and financial position of the Group and the Company. However, the Directors are of the opinion that there are currently no accounting policies which require significant judgement to be exercised.

(b) Key sources of estimation, uncertainty and assumptions

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Judgements, Estimates and Assumptions (continued)

(b) Key sources of estimation, uncertainty and assumptions (continued)

Actuarial liabilities of life policyholders' fund

The principles on which the valuation of the actuarial liabilities of life insurance contracts was determined by the Appointed Actuary having regard to the statutory requirements determined by BNM.

The actuarial valuation was carried out using a prospective cash flow method, known as gross premium valuation method. The policy liabilities are determined first by projecting future cash flows using realistic assumptions and then discounting these cash flow streams at appropriate interest rates. For participating policies, the policy liability includes provision for future payments arising for both guaranteed and non-guaranteed benefits. Additional provision may be required in the valuation assumptions to allow for any adverse deviation from the best estimate experience and to reflect the inherent uncertainty of the best estimate of the actuarial liabilities held.

The Group and the Company conducted a sensitivity analysis on the gross actuarial liabilities as at 31 December 2021, based on the change in one specific assumption while holding all other assumptions constant as disclosed in Note 33 to the financial statements.

Consolidation of investment in collective investment schemes

The Company assesses the requirements under MFRS 10 – Consolidated Financial Statements and accounting policies in Note 2.1(b) on its investments in collective investment schemes as at 31 December 2021. The considerations on which the Company assesses control over its investment in collective investment schemes (covering both wholesale or retail funds) include but not limited to the following:

- whether the Company, being the unit holder, has the practical ability to summon for a unitholders' meeting or any other alternative mechanism to remove the Trustee or the Manager of the collective investment schemes;
- whether the Company has the ability to change the investment objectives / mandates of the collective investment schemes to affect the collective investment schemes' investment strategies and returns;
- any rights arising from other contractual arrangements; and
- whether the Company is exposed to, or has rights to variable returns from its investment in collective investment schemes.

The Company's assessment and conclusion on whether the Company has control over collective investment schemes are included in Note 8 to the financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company

(a) The standards applicable for the first time for the financial year beginning on 1 January 2021:

(i) Amendments to MFRS 16, COVID-19 Related Rent Concessions

(ii) Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 “Interest Rate Benchmark Reform — Phase 2”

The adoption of the amendments has no impact on the opening retained earnings as at 1 January 2021 because there were no Interbank offered rates ("IBOR") based contracts. The application of the new standards, amendments to standards or framework effective for the financial year beginning or after 1 January 2021 is not expected to have any material impact to the current or future periods.

(b) The Group and the Company will apply the new standards, amendments to published standards and interpretations that are issued but not yet effective in the following financial years:

<u>Financial year beginning after 1 January 2022</u>

(i) Amendments to MFRS 3 “Reference to the Conceptual Framework”

Amendments to MFRS 3 “Reference to the Conceptual Framework” replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combination on acquisition date.

The amendments provide an exception for the recognition of liabilities and contingent liabilities should be in accordance with the principles of MFRS 137 “Provisions, contingent liabilities and contingent assets” and IC Interpretation 21 “Levies” when falls within their scope. It also clarifies that contingent assets should not be recognized at the acquisition date.

The amendments shall be applied prospectively.

(ii) Amendments to MFRS 116 “Proceeds before Intended Use”

Amendments to MFRS 116 “Proceeds before Intended Use” prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognized in profit or loss.

The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the property, plant and equipment.

The amendments shall be applied retrospectively.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(b) The Group and the Company will apply the new standards, amendments to published standards and interpretations that are issued but not yet effective in the following financial years: (continued)

Financial year beginning after 1 January 2022 (continued)

(iii) Amendments to MFRS 137 “Onerous Contracts – Cost of Fulfilling a Contract”

Amendments to MFRS 137 “Onerous Contracts – Cost of Fulfilling a Contract” clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.

The amendments shall be applied retrospectively.

Financial year beginning after 1 January 2023

(i) MFRS 17 ‘Insurance Contracts’

MFRS 17 applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features if an entity also issues insurance contracts. For fixed-fee service contracts whose primary purpose is the provision of services, an entity has an accounting policy choice to account for them in accordance with either MFRS 17 or MFRS 15 ‘Revenue’. An entity is allowed to account financial guarantee contracts in accordance with MFRS 17 if the entity has asserted explicitly that it regarded them as insurance contracts.

Insurance contracts, (other than reinsurance) where the entity is the policyholder are not within the scope of MFRS 17.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(b) The Group and the Company will apply the new standards, amendments to published standards and interpretations that are issued but not yet effective in the following financial years: (continued)

Financial year beginning after 1 January 2023 (continued)

(ii) MFRS 17 'Insurance Contracts'

Embedded derivatives and distinct investment and service components should be 'unbundled' and accounted for separately in accordance with the related MFRSs. Voluntary unbundling of other components is prohibited.

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

Alternative measurement models are provided for the different insurance coverages:

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

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

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

(iii) Amendments to MFRS 17 "Insurance Contracts"

Amendments to MFRS 17 Insurance Contracts defers the effective date of MFRS 17 Insurance Contracts. An entity shall apply MFRS 17 and Amendments to MFRS 17 for annual reporting periods beginning on or after 1 January 2023. If an entity applies MFRS 17 earlier, it shall disclose that fact. Early application is permitted for entities that apply MFRS 9 Financial Instruments on or before the date of initial application of MFRS 17.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Group and the Company (continued)

(b) The Group and the Company will apply the new standards, amendments to published standards and interpretations that are issued but not yet effective in the following financial years: (continued)

Financial year beginning after 1 January 2023 (continued)

(iv) Amendments to MFRS 101 “Classification of Liabilities as Current or Non-Current”

Amendments to MFRS 101 of “Classification of Liabilities as Current or Non-Current” clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

The amendments shall be applied retrospectively.

(v) Amendments to MFRS 101 and MFRS Practice Statement 2 "Disclosure of Accounting Policies"

(vi) Amendments to MFRS 108 "Definition of Accounting Estimates"

(vii) Amendments to MFRS 112 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

Other than MFRS 9 and MFRS 17, the above standards, amendments to published standards and interpretations to existing standards are not anticipated to have any significant impact on the financial statements of the Group and the Company in the year of initial application.

The Group and the Company have yet to assess the full impact of MFRS 9 and MFRS 17 onto the Group and the Company’s accounting policies and will complete the process prior to the reporting requirement deadline.

3 PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles RM'000	Office equipment furniture and fittings RM'000	Computer equipment RM'000	Renovation RM'000	Freehold land RM'000	Freehold buildings RM'000	Total RM'000
Group/Company							
Cost/Valuation							
At 1 January 2021	918	7,511	12,030	22,928	79,445	72,004	194,836
Additions	-	151	1,244	139	-	-	1,534
Write-offs	-	(23)	(722)	-	-	-	(745)
Transferred to investment properties (Note 5)	-	-	-	-	(90)	(135)	(225)
Revaluation surplus for the financial year	-	-	-	-	23	2,992	3,015
Elimination of accumulated depreciation arising from revaluation	-	-	-	-	-	(2,992)	(2,992)
At 31 December 2021	918	7,639	12,552	23,067	79,378	71,869	195,423
Cost	918	7,639	12,552	23,067	-	-	44,176
Valuation	-	-	-	-	79,378	71,869	151,247
At 31 December 2021	918	7,639	12,552	23,067	79,378	71,869	195,423

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles RM'000	Office equipment furniture and fittings RM'000	Computer equipment RM'000	Renovation RM'000	Freehold land RM'000	Freehold buildings RM'000	Total RM'000
Group/Company							
Accumulated depreciation							
At 1 January 2021	781	4,664	8,049	16,155	-	-	29,649
Charge for the financial year (Note 24)	71	505	1,689	1,077	-	2,992	6,334
Write-offs	-	(17)	(721)	-	-	-	(738)
Elimination of accumulated depreciation arising from revaluation	-	-	-	-	-	(2,992)	(2,992)
At 31 December 2021	852	5,152	9,017	17,232	-	-	32,253
Net book value							
At 31 December 2021	66	2,487	3,535	5,835	79,378	71,869	163,170

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles RM'000	Office equipment furniture and fittings RM'000	Computer equipment RM'000	Renovation RM'000	Freehold land RM'000	Freehold buildings RM'000	Total RM'000
Group/Company							
Cost/Valuation							
At 1 January 2020	918	7,433	9,594	22,880	79,441	72,007	192,273
Additions	-	100	2,536	48	-	-	2,684
Write-offs	-	(22)	(100)	-	-	-	(122)
Revaluation surplus for the financial year	-	-	-	-	4	2,605	2,609
Elimination of accumulated depreciation arising from revaluation	-	-	-	-	-	(2,608)	(2,608)
At 31 December 2020	918	7,511	12,030	22,928	79,445	72,004	194,836
Cost	918	7,511	12,030	22,928	-	-	43,387
Valuation	-	-	-	-	79,445	72,004	151,449
At 31 December 2020	918	7,511	12,030	22,928	79,445	72,004	194,836

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles RM'000	Office equipment furniture and fittings RM'000	Computer equipment RM'000	Renovation RM'000	Freehold land RM'000	Freehold buildings RM'000	Total RM'000
Group/Company							
Accumulated depreciation							
At 1 January 2020	686	4,161	6,415	14,998	-	-	26,260
Charge for the financial year (Note 24)	95	518	1,732	1,157	-	2,608	6,110
Write-offs	-	(15)	(98)	-	-	-	(113)
Elimination of accumulated depreciation arising from revaluation		-	-	-	-	(2,608)	(2,608)
At 31 December 2020	781	4,664	8,049	16,155	-	-	29,649
Net book value							
At 31 December 2020	137	2,847	3,981	6,773	79,445	72,004	165,187

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The net book value of revalued land and buildings, had these assets been carried at cost less accumulated depreciation is as follows:

Group/Company

	Freehold land RM'000	Freehold buildings RM'000	Total RM'000
At 31 December 2021	15,728	49,703	65,431
At 31 December 2020	15,732	51,444	67,176

The fair value hierarchy of the self-occupied properties is as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2021				
Recurring fair value measurements				
- Freehold land	-	-	79,378	79,378
- Buildings	-	-	71,869	71,869
	-	-	151,247	151,247
31 December 2020				
Recurring fair value measurements				
- Freehold land	-	-	79,445	79,445
- Buildings	-	-	72,004	72,004
	-	-	151,449	151,449

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group and the Company engaged external, independent and qualified valuer to determine the fair value of the Group and the Company's land and buildings annually. As at 31 December 2021, the fair values of the self-occupied properties have been determined by Raine & Horne International Zaki + Partners Sdn. Bhd.

The main level 3 inputs used by the Group and the Company is term yield, reversionary yield and average price per square feet derived and evaluated by Raine & Horne International Zaki + Partners Sdn. Bhd. based on comparable transactions and industry data.

The self-occupied properties of the Group and the Company were valued by an independent professional valuer based on the following parameters:

Description	Fair value (RM'000)	Valuation technique	Unobservable Inputs	Input	Sensitivity in term yield and reversionary yield +/- 25 basis point (RM'000)	Sensitivity in average price per square fee +/- 5% (RM'000)
31 December 2021						
Self-occupied properties	151,247	Investment method and comparison method	Term yield	6.00%	+378	-
			Reversionary yield	6.50%	-378	-
			Average price per square feet	RM250 to RM916		+7,562 -7,562
31 December 2020						
Self-occupied properties	151,449	Investment method and comparison method	Term yield	6.00%	+379	-
			Reversionary yield	6.50%	-379	-
			Average price per square feet	RM250 to RM891	- -	+7,572 -7,572

4 RIGHT-OF-USE ASSETS

Group/Company

	Office equipment RM'000	Building RM'000	Leasehold land and building RM'000	Total RM'000
Net book value				
At 1 January 2021	180	274	9,155	9,609
Addition	503	928	-	1,431
Charge for the financial year (Note 24)	(152)	(407)	(117)	(676)
Transferred from investment properties (Note 5)	-	-	359	359
Revaluation surplus for the financial year	-	-	160	160
At 31 December 2021	531	795	9,557	10,883
Net book value				
At 1 January 2020	92	416	9,467	9,975
Addition	223	288	-	511
Charge for the financial year (Note 24)	(135)	(430)	(111)	(676)
Revaluation deficit for the financial year	-	-	(201)	(201)
At 31 December 2020	180	274	9,155	9,609

5 INVESTMENT PROPERTIES

	Group/Company RM'000
At 1 January 2021	174,735
Transferred to right of use assets (Note 4)	(359)
Transferred from property, plant and equipment (Note 3)	225
Fair value changes for the financial year (Note 21)	(256)
At 31 December 2021	174,345
At 1 January 2020	168,104
Fair value changes for the financial year (Note 21)	6,631
At 31 December 2020	174,735

The fair value hierarchy of the investment properties is as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2021				
Recurring fair value measurements				
- Freehold land	-	-	120,191	120,191
- Leasehold land	-	-	5,821	5,821
- Buildings	-	-	48,333	48,333
	-	-	174,345	174,345
31 December 2020				
Recurring fair value measurements				
- Freehold land	-	-	120,024	120,024
- Leasehold land	-	-	5,880	5,880
- Buildings	-	-	48,831	48,831
	-	-	174,735	174,735

5 INVESTMENT PROPERTIES (CONTINUED)

The Group and the Company engaged external, independent and qualified valuers to determine the fair value of the Group and the Company's land and buildings annually. As at 31 December 2021, the fair values of the investment properties have been determined by Raine & Horne International Zaki + Partners Sdn. Bhd.

The main level 3 input used by the Group and the Company are average price per square feet derived and evaluated by Raine & Horne International Zaki + Partners Sdn. Bhd. based on comparable transactions and industry data.

The investment properties of the Group and the Company were valued by an independent professional valuer based on the following parameters:

Description	Fair value (RM'000)	Valuation technique	Unobservable Inputs	Input	Sensitivity in average price per square feet +/- 5% (RM'000)
31 December 2021					
Investment properties	174,345	Comparison method	Average price per square feet	RM12 to RM1,167	+8,717 -8,717
31 December 2020					
Investment properties	174,735	Comparison method	Average price per square feet	RM12 to RM1,167	+8,737 -8,737

The rental income and direct operating expenses arising from investment properties that have been recognised in profit or loss during the financial year are as follows:

	Group/Company	
	2021	2020
	RM'000	RM'000
Rental income	8,546	9,442
Direct operating expenses	(4,154)	(5,032)
Net rental income from investment properties (Note 19)	4,392	4,410

6 INTANGIBLE ASSETS

	Bancassurance fee RM'000	Computer software RM'000	Total RM'000
Group/Company			
Net book value			
2021			
At 1 January 2021	67,200	15,096	82,296
Additions	-	5,253	5,253
Amortisation charged to profit or loss (Note 24)	(16,800)	(4,797)	(21,597)
At 31 December 2021	50,400	15,552	65,952
Cost	270,646	54,674	325,320
Accumulated amortisation	(220,246)	(39,122)	(259,368)
At 31 December 2021	50,400	15,552	65,952
2020			
At 1 January 2020	-	11,855	11,855
Additions	84,000	8,624	92,624
Amortisation charged to profit or loss (Note 24)	(16,800)	(5,383)	(22,183)
At 31 December 2020	67,200	15,096	82,296
Cost	270,646	49,426	320,072
Accumulated amortisation	(203,446)	(34,330)	(237,776)
At 31 December 2020	67,200	15,096	82,296

Included in the net book value of computer software, there are software under development phase amounting to RM874,000 as at 31 December 2021 (2020: RM6,497,000).

6 INTANGIBLE ASSETS (CONTINUED)

Included in the intangible assets is the bancassurance fee in relation to the exclusive Bancassurance Agreement which is effective from 1 January 2015 for the distribution of the Company's insurance products.

The Company conducts impairment assessment during the year in accordance with its accounting policies in Note 2.2(g). In the impairment assessment conducted by the Company, the future economic benefits that are attributable to the Bancassurance Agreement was valued at the present value of Value of New Business ("VONB") to be derived from the remaining tenure of the agreement of 3 years, using the discounted cash flow model.

The key assumptions used in the present value of VONB in respect of Bancassurance Agreement are as follows:

Key assumptions:	2021	2020
Projected sales growth rate in annualised premium equivalent ("APE")		
• Year 2022	(7%)	15%
• Year 2023	3%	10%
• Year 2024	4%	10%
Risk discount rate	8.9%	10%

As at 31 December 2021, the recoverable amount exceeds the carrying value of the bancassurance fee.

Sensitivity to changes in key assumptions

Management considers that it is not reasonably possible for the abovementioned key assumptions to change so significantly that would result in impairment.

7 FINANCIAL INVESTMENTS

	Group		Company	
	2021 RM'000	2020 RM'000 restated	2021 RM'000	2020 RM'000
Malaysian government securities	606,251	594,227	581,139	564,744
Malaysian government guaranteed bonds	1,681,051	1,658,607	1,681,051	1,658,607
Government investment issues	453,110	471,483	436,149	449,463
Corporate debt securities	2,929,141	3,103,202	2,929,141	3,103,202
Equity securities	2,210,043	1,975,436	2,195,021	1,962,357
Collective investment schemes	832,142	691,303	830,767	689,688
Controlled structured entities (Note 8)	-	-	64,684	68,221
Loans	384,094	416,989	384,094	416,989
Fixed and call deposits with licensed financial institutions	-	10,140	-	10,140
	9,095,832	8,921,387	9,102,046	8,923,411

7 FINANCIAL INVESTMENTS (CONTINUED)

The Group and the Company's financial investments are summarised by the following categories:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000
AFS financial assets	5,920,191	5,990,575	5,925,683	5,992,772
FVTPL financial assets	1,860,259	1,551,132	1,860,981	1,550,959
HTM financial assets	931,288	952,551	931,288	952,551
Loans and receivables	384,094	427,129	384,094	427,129
	9,095,832	8,921,387	9,102,046	8,923,411

7a AFS FINANCIAL ASSETS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000
At fair value:				
Malaysian government securities	332,379	328,012	307,267	298,529
Malaysian government guaranteed bonds	1,210,556	1,211,710	1,210,556	1,211,710
Government investment issues	277,399	292,545	260,438	270,525
Corporate debt securities	2,389,154	2,545,137	2,389,154	2,545,137
Equity securities	1,560,891	1,514,353	1,560,891	1,514,353
Collective investment schemes	149,812	98,818	149,812	98,818
Controlled structured entities (Note 8)	-	-	47,565	53,700
	5,920,191	5,990,575	5,925,683	5,992,772
Current	2,101,548	1,791,383	2,138,969	1,824,752
Non-current	3,818,643	4,199,192	3,786,714	4,168,020
	5,920,191	5,990,575	5,925,683	5,992,772

7 FINANCIAL INVESTMENTS (CONTINUED)

7a AFS FINANCIAL ASSETS (continued)

Movement in impairment allowance accounts:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000
Allowance for impairment loss:				
At 1 January	141,641	62,889	141,641	62,889
Transferred to realised gain upon disposal	(75,098)	(130,705)	(75,098)	(130,705)
Impairment loss during the financial year (Note 20)	50,680	209,457	50,680	209,457
At 31 December	117,223	141,641	117,223	141,641

The impairment losses arose on equity securities for which there have been significant or prolonged decline in fair value.

7b FVTPL FINANCIAL ASSETS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000
At fair value:				
Malaysian government securities	41,524	34,023	41,524	34,023
Malaysian government guaranteed bonds	30,541	5,869	30,541	5,869
Government investment issues	58,878	62,016	58,878	62,016
Corporate debt securities	397,834	395,656	397,834	395,656
Equity securities	649,152	461,083	634,130	448,004
Collective investment schemes	682,330	592,485	680,955	590,870
Controlled structured entities (Note 8)	-	-	17,119	14,521
	1,860,259	1,551,132	1,860,981	1,550,959
Current	1,377,453	1,063,775	1,378,175	1,063,602
Non-current	482,806	487,357	482,806	487,357
	1,860,259	1,551,132	1,860,981	1,550,959

7 FINANCIAL INVESTMENTS (CONTINUED)

7c HTM FINANCIAL ASSETS

	Group/Company	
	2021	2020
	RM'000	RM'000
At amortised cost:		
Malaysian government securities	232,348	232,192
Malaysian government guaranteed bonds	439,954	441,028
Government investment issues	116,833	116,922
Corporate debt securities	142,153	162,409
	931,288	952,551
Current	-	20,241
Non-current	931,288	932,310
	931,288	952,551
At fair value:		
Malaysian government securities	245,699	262,624
Malaysian government guaranteed bonds	473,637	506,955
Government investment issues	124,976	133,132
Corporate debt securities	151,320	181,044
	995,632	1,083,755

7 FINANCIAL INVESTMENTS (CONTINUED)

7d LOANS AND RECEIVABLES

	Group/Company	
	2021	2020
	RM'000	RM'000
At amortised cost:		
Secured:		
Policy loans	383,167	415,670
Mortgage loans	726	923
Other loans	201	396
Fixed and call deposits with licensed financial institutions	-	10,140
	384,094	427,129

The carrying values of loans and receivables approximate the fair values at the date of the statement of financial position.

	Group/Company	
	2021	2020
	RM'000	RM'000
Current	287	10,647
Non-current	383,807	416,482
	384,094	427,129

7 FINANCIAL INVESTMENTS (CONTINUED)

7e MOVEMENTS IN THE CARRYING VALUES OF FINANCIAL INSTRUMENTS

Group	AFS RM'000	FVTPL RM'000	HTM RM'000	LAR RM'000	Total RM'000
At 1 January 2020	5,751,960	1,095,583	963,724	461,177	8,272,444
Purchases/placement	1,862,624	490,814	-	10,140	2,363,578
Maturities	(621,029)	(41,926)	(10,000)	-	(672,955)
Disposals	(1,224,593)	(167,926)	(1,000)	-	(1,393,519)
Decrease in loans	-	-	-	(44,188)	(44,188)
Movement of investment income accrued	1,207	391	(97)	-	1,501
Fair value gains/(losses) recorded in:					
- Profit or loss	23,933	174,196	(19)	-	198,110
- Other comprehensive income	192,374	-	-	-	192,374
Accretion/(amortisation) adjustment (Note 19)	4,099	-	(57)	-	4,042
At 31 December 2020	5,990,575	1,551,132	952,551	427,129	8,921,387
Purchases	1,154,987	544,427	-	-	1,699,414
Maturities	(249,550)	(10,000)	(20,000)	-	(279,550)
Disposals	(796,751)	(190,279)	(1,000)	-	(988,030)
Decrease in loans	-	-	-	(43,035)	(43,035)
Movement of investment income accrued	1,264	723	(198)	-	1,789
Fair value gains/(losses) recorded in:					
- Profit or loss	66,392	(35,744)	(16)	-	30,632
- Other comprehensive loss	(249,826)	-	-	-	(249,826)
Accretion/(amortisation) adjustment (Note 19)	3,100	-	(49)	-	3,051
At 31 December 2021	5,920,191	1,860,259	931,288	384,094	9,095,832

7 FINANCIAL INVESTMENTS (CONTINUED)

7e MOVEMENTS IN THE CARRYING VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

	AFS RM'000	FVTPL RM'000	HTM RM'000	LAR RM'000	Total RM'000
Company					
At 1 January 2020	5,759,386	1,096,138	963,724	461,177	8,280,425
Purchases/placement	1,833,484	487,403	-	10,140	2,331,027
Maturities	(621,029)	(41,926)	(10,000)	-	(672,955)
Disposals	(1,200,247)	(164,580)	(1,000)	-	(1,365,827)
Decrease in loans	-	-	-	(44,188)	(44,188)
Movement of investment income accrued	1,207	391	(97)	-	1,501
Fair value gains/(losses) recorded in:					
- Profit or loss	23,572	173,533	(19)	-	197,086
- Other comprehensive income	192,300	-	-	-	192,300
Accretion/(amortisation) adjustment (Note 19)	4,099	-	(57)	-	4,042
At 31 December 2020	5,992,772	1,550,959	952,551	427,129	8,923,411
Purchases	1,145,639	539,482	-	-	1,685,121
Maturities	(249,550)	(10,000)	(20,000)	-	(279,550)
Disposals	(783,879)	(183,424)	(1,000)	-	(968,303)
Decrease in loans	-	-	-	(43,035)	(43,035)
Movement of investment income accrued	1,264	723	(198)	-	1,789
Fair value gains/(losses) recorded in:					
- Profit or loss	66,258	(36,759)	(16)	-	29,483
- Other comprehensive loss	(249,921)	-	-	-	(249,921)
Accretion/(amortisation) adjustment (Note 19)	3,100	-	(49)	-	3,051
At 31 December 2021	5,925,683	1,860,981	931,288	384,094	9,102,046

7 FINANCIAL INVESTMENTS (CONTINUED)

7f FAIR VALUES OF FINANCIAL INSTRUMENTS

The following tables show financial investments recorded at fair value analysed by the different basis of fair values as follows:

	AFS RM'000	FVTPL RM'000	HTM RM'000	Total RM'000
Group				
31 December 2021				
Level 1	1,419,768	606,869	-	2,026,637
Level 2	4,482,024	1,253,390	995,632	6,731,046
Level 3	18,399	-	-	18,399
	5,920,191	1,860,259	995,632	8,776,082
31 December 2020				
Level 1	1,541,756	465,782	-	2,007,538
Level 2	4,432,921	1,085,350	1,083,755	6,602,026
Level 3	15,898	-	-	15,898
	5,990,575	1,551,132	1,083,755	8,625,462
Company				
31 December 2021				
Level 1	1,419,768	590,472	-	2,010,240
Level 2	4,487,516	1,270,509	995,632	6,753,657
Level 3	18,399	-	-	18,399
	5,925,683	1,860,981	995,632	8,782,296
31 December 2020				
Level 1	1,541,756	451,088	-	1,992,844
Level 2	4,435,118	1,099,871	1,083,755	6,618,744
Level 3	15,898	-	-	15,898
	5,992,772	1,550,959	1,083,755	8,627,486

7 FINANCIAL INVESTMENTS (CONTINUED)

7f FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Level 1 financial instruments are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, secondary market via dealer and broker, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 financial instruments are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions that are instruments for which pricing is obtained via pricing services but where prices have not been determined in an active market, instruments with fair values based on broker quotes, investment in unit and property trusts with fair values obtained via fund managers and instruments that are valued using the Group and the Company's own models whereby the majority of assumptions are market observable.

Level 3 financial instruments are determined in whole or in part using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset class in this category are unquoted equity securities. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the instrument at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group and the Company. Therefore, unobservable inputs reflect the Group and the Company's own assumptions about the assumptions that market participants would use in pricing the instrument (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group and the Company's own data.

The following table presents the changes in Level 3 instruments:

	AFS	
	2021	2020
	RM'000	RM'000
Group/Company		
At the beginning of the financial year	15,898	14,187
Fair value gains recognized in other comprehensive income	2,501	1,711
At the end of the financial year	18,399	15,898

8 CONTROLLED STRUCTURED ENTITIES

The Company has determined that its investment in a wholesale unit trust fund and a retail fund amounting to RM47.6 million (2020: RM53.7 million) and RM17.1 million (2020: RM14.5 million) respectively as disclosed in Note 7 to the financial statements as investment in structured entities (“investee funds”). The Company invests in the investee funds whose objectives range from achieving medium to long-term capital growth and whose investment strategy does not include the use of leverage. The investee funds are managed by RHB Asset Management Sdn Bhd and apply various investment strategies to accomplish their respective investment objectives. The investee funds finance their operations through the creation of investee fund units which entitles the holder to variable returns and fair values in the respective investee fund’s net assets.

The Company holds 100% of RHB Income Plus Fund 8 and 95% of RHB Leisure, Lifestyle and Luxury Fund respectively (2020: 100% of RHB Income Plus Fund 8 and 91% of RHB Leisure, Lifestyle and Luxury Fund). All funds were established in Malaysia and the Company has control over these investee funds. The Company is exposed to, or has rights to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

As the Company has control over these investee funds which are considered controlled structured entities, these structured entities are consolidated at Group level.

All investee funds are audited by PricewaterhouseCoopers PLT.

RHB Income Plus Fund 8, a wholesale unit trust fund, is classified as available-for-sale investment and the change in fair value of the investee fund is included in the statement of total comprehensive income in the Company's separate financial statements. RHB Leisure, Lifestyle and Luxury Fund, a retail unit trust fund, is classified as fair value through profit or loss investment and the change in fair value of the investee fund is recognised in the statement of profit or loss in the Company’s separate financial statements.

8 CONTROLLED STRUCTURED ENTITIES (CONTINUED)

The Company's exposure to the investments in the investee funds is disclosed below.

	2021	2020
	RM'000	RM'000
Fair value of underlying net assets:		
Cash equivalents	669	149
Deposits with licensed financial institutions	6,089	2,688
Investments - Unquoted fixed income securities	42,073	51,503
Investments - Quoted investments - foreign	15,022	13,079
Investments - Collective investment schemes - foreign	1,375	1,615
Other payables	(62)	(292)
	65,166	68,742

The Company's maximum exposure to loss from its interests in the investee funds is equal to the fair value of its investment in the investee funds.

9 REINSURANCE ASSETS

	Group/Company	
	2021	2020
	RM'000	RM'000
Reinsurance of insurance contracts	22,198	19,089

10 INSURANCE RECEIVABLES

	Group/Company	
	2021	2020
	RM'000	RM'000
Due premiums including agents/brokers balances	19,797	21,604
Due from reinsurers and cedants	1,734	2,326
	21,531	23,930
Accumulated impairment loss (Note 34)	(137)	(308)
	21,394	23,622

The carrying values disclosed above approximate the fair values at the date of the statement of financial position, and are receivable within one year.

11 OTHER RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000 restated	2021 RM'000	2020 RM'000
Amount due from related parties (Note 30)	30	47	30	47
Investment income receivable	3,459	8,186	3,446	8,172
Outstanding proceeds from sale of investments	4	3,684	4	3,684
Prepayment of expenses	1,097	1,124	1,097	1,124
Deposits	534	540	534	540
Others	8,849	9,295	8,223	9,131
	13,973	22,876	13,334	22,698
Accumulated impairment loss (Note 34)	(3,687)	(2,502)	(3,687)	(2,502)
	10,286	20,374	9,647	20,196

The carrying values of financial receivables disclosed above approximate the fair values at the date of the statement of financial position, and are receivable within one year.

12 SHARE CAPITAL

	Number of shares '000	RM'000
Group/Company		
Ordinary shares issued and fully paid up:		
At the beginning and end of the financial year	226,000	226,000

The holder of ordinary shares is entitled to receive dividends or declared from time-to-time and is entitled to one vote per share at general meetings of the Group and the Company.

13 RETAINED EARNINGS

Under the single-tier system which came into effect from the year of assessment 2008 onwards, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system will be tax exempt in the hands of shareholders.

The Company may distribute single tier exempt dividend to its shareholder out of its retained earnings. Pursuant to Section 51(1) of the Financial Services Act, 2013, the Company is required to obtain BNM's written approval prior to declaring or paying any dividend. Pursuant to the RBC Framework for Insurers, the Company shall not pay dividends if its Capital Adequacy Ratio position is less than its internal target capital level or if the payment of dividend would impair its Capital Adequacy Ratio position to below its internal target.

14 INSURANCE CONTRACT LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	Gross	Gross	Gross	Gross
	RM'000	RM'000 restated	RM'000	RM'000
Life insurance contract liabilities	7,872,214	7,791,313	7,872,027	7,791,803

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

	Group		Company	
	2021	2020	2021	2020
	Gross	Gross	Gross	Gross
	RM'000	RM'000 restated	RM'000	RM'000
Actuarial liabilities	5,676,135	5,748,803	5,676,135	5,748,803
Unallocated surplus	373,595	383,206	373,595	383,206
Provision for outstanding claims	339,835	269,404	339,835	269,404
Available-for-sale fair value adjustment	364,960	506,195	364,960	506,195
Asset revaluation surplus adjustment	49,387	46,706	49,387	46,706
Net asset value attributable to unitholders (Note 36)	1,068,302	836,999	1,068,115	837,489
	7,872,214	7,791,313	7,872,027	7,791,803

14 INSURANCE CONTRACT LIABILITIES (CONTINUED)

			Gross
	With DPF RM'000	Without DPF RM'000	Total RM'000
Group			
At 1 January 2021	5,466,715	2,324,598	7,791,313
Premiums received	281,517	1,280,759	1,562,276
Liabilities paid for death, maturities, surrenders, benefits and claims	(667,101)	(476,833)	(1,143,934)
Benefits and claims experience variation	(5,514)	(275,317)	(280,831)
Policy movements	212,296	(181,339)	30,957
Adjustments due to changes in assumptions:			
Mortality/morbidity	-	(22,959)	(22,959)
Lapse and surrender rates			
Expenses	(512)	5,831	5,319
Unit fund growth rate	-	(3)	(3)
Others	-	(51)	(51)
Movement in unallocated deficit	(9,611)	-	(9,611)
Available-for-sale fair value adjustment	(141,235)	-	(141,235)
Net asset value attributable to unitholders	-	7,861	7,861
Movement in provision for outstanding claims	29,300	41,131	70,431
Asset revaluation surplus adjustment	2,681	-	2,681
At 31 December 2021	5,168,536	2,703,678	7,872,214
At 1 January 2020	5,501,570	1,767,723	7,269,293
Premiums received	291,657	1,059,696	1,351,353
Liabilities paid for death, maturities, surrenders, benefits and claims	(737,162)	(424,437)	(1,161,599)
Benefits and claims experience variation	(53)	(83,494)	(83,547)
Policy movements	264,857	(151,948)	112,909
Adjustments due to changes in assumptions:			
Mortality/morbidity	(8,332)	13,670	5,338
Lapse and surrender rates	-	(6,018)	(6,018)
Expenses	(3,338)	25,649	22,311
Unit fund growth rate	-	103	103
Others	35	(124)	(89)
Movement in unallocated deficit	(4,647)	-	(4,647)
Available-for-sale fair value adjustment	121,964	-	121,964
Net asset value attributable to unitholders	-	88,865	88,865
Movement in provision for outstanding claims	38,106	34,913	73,019
Asset revaluation surplus adjustment	2,058	-	2,058
At 31 December 2020	5,466,715	2,324,598	7,791,313

14 INSURANCE CONTRACT LIABILITIES (CONTINUED)

			Gross
	With DPF RM'000	Without DPF RM'000	Total RM'000
Company			
At 1 January 2021	5,466,715	2,325,088	7,791,803
Premiums received	281,517	1,280,759	1,562,276
Liabilities paid for death, maturities, surrenders, benefits and claims	(667,101)	(476,833)	(1,143,934)
Benefits and claims experience variation	(5,514)	(275,317)	(280,831)
Policy movements	212,296	(181,339)	30,957
Adjustments due to changes in assumptions:			
Mortality/morbidity	-	(22,959)	(22,959)
Lapse and surrender rates			
Expenses	(512)	5,831	5,319
Unit fund growth rate	-	(3)	(3)
Others	-	(51)	(51)
Movement in unallocated deficit	(9,611)	-	(9,611)
Available-for-sale fair value adjustment	(141,235)	-	(141,235)
Net asset value attributable to unitholders	-	7,184	7,184
Movement in provision for outstanding claims	29,300	41,131	70,431
Asset revaluation surplus adjustment	2,681	-	2,681
At 31 December 2021	5,168,536	2,703,491	7,872,027
At 1 January 2020	5,501,570	1,767,843	7,269,413
Premiums received	291,657	1,059,696	1,351,353
Liabilities paid for death, maturities, surrenders, benefits and claims	(737,162)	(424,437)	(1,161,599)
Benefits and claims experience variation	(53)	(83,494)	(83,547)
Policy movements	264,857	(151,948)	112,909
Adjustments due to changes in assumptions:			
Mortality/morbidity	(8,332)	13,670	5,338
Lapse and surrender rates	-	(6,018)	(6,018)
Expenses	(3,338)	25,649	22,311
Unit fund growth rate	-	103	103
Others	35	(124)	(89)
Movement in unallocated deficit	(4,647)	-	(4,647)
Available-for-sale fair value adjustment	121,964	-	121,964
Net asset value attributable to unitholders	-	89,235	89,235
Movement in provision for outstanding claims	38,106	34,913	73,019
Asset revaluation surplus adjustment	2,058	-	2,058
At 31 December 2020	5,466,715	2,325,088	7,791,803

15 INSURANCE PAYABLES

	Group/Company	
	2021	2020
	RM'000	RM'000
Due to agents, brokers and insureds	158,666	137,904
Due to reinsurers and cedants	18,314	8,704
Cash bonus and interest outstanding	437,522	410,931
	614,502	557,539

The carrying values disclosed above approximate the fair values at the date of the statement of financial position, and are payable within one year.

16 OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000
Amount due to related parties (Note 30)	926	1,274	926	1,274
Outstanding payable on purchases of investment securities	1,223	2,831	1,223	2,831
Tenant deposits	2,683	2,678	2,683	2,678
Staff related accrued expenses	25,650	24,477	25,650	24,477
Other accrued expenses	32,530	27,111	32,530	27,111
Other payables	11,696	9,185	11,634	8,893
	74,708	67,556	74,646	67,264

The carrying values disclosed above approximate the fair values at the date of the statement of financial position, and are payable within one year.

17 PROVISION FOR AGENCY LONG ASSOCIATION BENEFITS

	Group/Company	
	2021	2020
	RM'000	RM'000
At 1 January	34,014	31,378
Charged to profit or loss	6,065	6,012
Paid during the financial year	(3,360)	(3,376)
At 31 December	36,719	34,014
Payable within 12 months	13,401	14,092
Payable after 12 months	23,318	19,922
	36,719	34,014

18 DEFERRED TAX LIABILITIES

	Group/Company	
	2021	2020
	RM'000	RM'000
At 1 January	258,114	216,087
Recognised in:		
Profit or loss (Note 25)	37,288	15,399
Other comprehensive (income)/loss	(37,246)	26,628
At 31 December	258,156	258,114

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

18 DEFERRED TAX LIABILITIES (CONTINUED)

	Unallocated surplus arising from non-DPF RM'000	Property, plant and equipment RM'000	Self-occupied properties RM'000	Investment properties RM'000	Financial investments RM'000	Total RM'000
Group/Company						
At 1 January 2020	139,939	465	5,033	12,798	57,852	216,087
Recognised in:						
Profit or loss (Note 25)	10,043	(110)	-	530	4,936	15,399
Other comprehensive loss	-	-	224	-	26,404	26,628
At 31 December 2020	149,982	355	5,257	13,328	89,192	258,114
Recognised in:						
Profit or loss (Note 25)	38,499	224	-	(20)	(1,415)	37,288
Other comprehensive loss/(income)	-	-	302	-	(37,548)	(37,246)
At 31 December 2021	188,481	579	5,559	13,308	50,229	258,156

19 INVESTMENT INCOME

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000
Net rental income from investment properties (Note 5)	4,392	4,410	4,392	4,410
FVTPL financial assets				
Interest	23,195	19,882	23,180	19,870
Dividend	21,517	12,456	21,403	12,339
AFS financial assets				
Interest	183,726	181,739	182,144	180,038
Dividend	56,003	44,081	57,698	46,735
Accretion of discounts – net (Note 7e)	3,100	4,099	3,100	4,099
HTM financial assets				
Interest	44,883	45,865	44,883	45,865
Amortisation on premiums – net (Note 7e)	(49)	(57)	(49)	(57)
Interest from loans	28,134	33,424	28,134	33,424
Interest from fixed and call deposits	5,728	10,072	5,728	10,072
	370,629	355,971	370,613	356,795
Less: Investment expenses	(7,281)	(7,594)	(7,281)	(7,594)
	363,348	348,377	363,332	349,201

20 NET REALISED GAINS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000
Realised gains:				
AFS financial assets				
- Equity securities	108,261	231,283	108,127	230,922
- Debt securities	8,811	2,107	8,811	2,107
	117,072	233,390	116,938	233,029
Impairment loss of AFS financial assets (Note 7a)	(50,680)	(209,457)	(50,680)	(209,457)
Net gains on disposal of AFS financial assets	66,392	23,933	66,258	23,572

21 NET FAIR VALUE (LOSSES)/GAINS

	Group		Company	
	2021 RM'000	2020 RM'000 restated	2021 RM'000	2020 RM'000
Investment properties – fair value (Note 5)	(256)	6,631	(256)	6,631
FVTPL financial assets (Note 7e)	(35,744)	174,196	(36,759)	173,533
Early redemption of HTM financial assets by issuers (Note 7e)	(16)	(19)	(16)	(19)
	(36,016)	180,808	(37,031)	180,145

22 COMMISSION INCOME

	Group/Company	
	2021 RM'000	2020 RM'000
Reinsurance commission income	2,274	6,171

23 OTHER OPERATING EXPENSES – NET

	Group		Company	
	2021 RM'000	2020 RM'000 restated	2021 RM'000	2020 RM'000
Impairment loss of impairment of loan receivables	(10)	(161)	(10)	(161)
Write-back of impairment /(Impairment loss) of insurance receivables (Note 34)	171	(115)	171	(115)
Impairment loss of other receivables	(1,205)	(380)	(1,205)	(380)
Recovery of write-offs of insurance receivables	1	4	1	4
Write-offs of property, plant and equipment	(7)	(9)	(7)	(9)
Realised net foreign exchange loss	-	(2)	-	(2)
Others	134	(143)	185	87
	(916)	(806)	(865)	(576)

24 MANAGEMENT EXPENSES

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000
Staff salaries and bonuses	69,210	68,017	69,210	68,017
Contribution to Employees' Provident Fund	9,796	9,616	9,796	9,616
Others	2,349	2,143	2,349	2,143
Staff costs	81,355	79,776	81,355	79,776
Directors' remuneration (Note 30(c))	543	517	543	517
Depreciation of property, plant and equipment (Note 3)	6,334	6,110	6,334	6,110
Depreciation for right-of-use assets (Note 4)	676	676	676	676
Amortisation of intangible assets (Note 6)	21,597	22,183	21,597	22,183
Auditors' remuneration				
- statutory audit	519	499	519	499
- other audit services	533	368	533	368
- non-audit services	37	38	37	38
Printing and stationery	591	1,203	591	1,203
Postage, telephone and telex	786	1,699	786	1,699
Information technology expenses	8,850	6,243	8,850	6,243
Advertising and marketing expenses	804	561	804	561
Rental of properties	-	23	-	23
Management fees	1,420	3,321	1,420	3,321
Training related expenses	1,428	1,388	1,428	1,388
Interest expense for lease liabilities	63	39	63	39
Medical administration fee	3,944	3,457	3,944	3,457
Collection charges	4,990	4,939	4,990	4,939
Repairs and maintenance	2,630	2,621	2,630	2,621
Property related expenses	1,511	1,630	1,511	1,630
Distribution related expenses	25,799	23,265	25,799	23,265
Others	6,362	6,316	5,830	5,902
	88,874	86,579	88,342	86,165
Total	170,772	166,872	170,240	166,458

Included in staff costs are the remuneration, including benefits-in-kind, attributable to the Chief Executive Officer of the Group and the Company during the financial year which amounted to RM5.15 million (2020: RM5.03 million).

A Director also received remuneration from related entities as full time employee.

24 MANAGEMENT EXPENSES (CONTINUED)

(a) The total remuneration of the Chief Executive Officer during the financial year is as follows:

	Group/Company	
	2021	2020
	RM'000	RM'000
Salaries and other remuneration	2,640	2,594
Benefits-in-kind	34	34
Bonus	2,473	2,398
	5,147	5,026

(b) The details of remuneration of the Directors during the financial year are as follows:

	Fees	Other emoluments	Total
	RM'000	RM'000	RM'000
Group/Company			
31 December 2021			
Non-executive Directors:			
- Tan Sri Dato' Dr Yahya Bin Awang	170	5	175
- Datuk Leong Kam Weng	130	6	136
- Chuah Sue Yin	120	6	126
- U Chen Hock	100	6	106
	520	23	543
31 December 2020			
Non-executive Directors:			
- Tan Sri Dato' Dr Yahya Bin Awang	170	6	176
- Datuk Leong Kam Weng	130	6	136
- Chuah Sue Yin	120	6	126
- U Chen Hock	75	4	79
	495	22	517

25 TAXATION

	Group/Company 2021 RM'000	Group/Company 2020 RM'000
Current tax	49,800	37,305
Deferred tax (Note 18)	37,288	15,399
Taxation	87,088	52,704
Current tax		
Current financial year	48,716	37,584
Under/(over)-provision in prior financial years	1,084	(279)
	49,800	37,305
Deferred tax		
Origination and reversal of temporary differences (Note 18)	37,288	15,399
Taxation	87,088	52,704

The explanation of the relationship between taxation, and profit before taxation and change in insurance contract liabilities is as follows:

	Group 2021 RM'000	Group 2020 RM'000 restated	Company 2021 RM'000	Company 2020 RM'000
Profit before taxation	317,454	92,883	317,549	92,934
Tax calculated at the Malaysian tax rate of 24% (2020: 24%)	76,189	22,292	76,212	22,304
Tax on investment income of policyholders' and unitholder funds	25,338	39,297	25,315	39,285
Tax rate differential in respect of unallocated surplus	(8,072)	(2,331)	(8,072)	(2,331)
Expenses not deductible for tax purposes	5,437	4,969	5,437	4,969
Section 110B tax credit	(5,251)	(1,307)	(5,251)	(1,307)
Income not subject to tax	(7,637)	(9,937)	(7,637)	(9,937)
Under/(over)-provision of tax in prior financial years	1,084	(279)	1,084	(279)
Tax expense for the financial year	87,088	52,704	87,088	52,704

25 TAXATION (CONTINUED)

The tax expense of the Life Fund is based on the method prescribed under the Income Tax Act, 1967 for the life business, where the income tax in the Life Fund is calculated at 8% on investment income. The income tax for the Shareholders' Fund is calculated based on the tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

In 2008, the Ministry of Finance has gazetted an order on the allowance of income tax set-off/credit for the tax charged on the surplus transferred from the Life Fund to the Shareholders' Fund with effect from year of assessment 2008 under Section 110B of the Income Tax Act, 1967.

The Group and the Company adopted IC Interpretation 23 'Uncertainty over Income Tax Treatments' for financial year beginning on or after 1 January 2019. The IFRS Interpretations Committee developed IFRIC 23 to clarify the accounting for uncertainties in income taxes. This interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under MFRS 112.

On 25 February 2022, the Ministry of Finance ("MOF") has confirmed that reinsurance discount and experience refund under reinsurance contracts are amounts received by life insurers in connection with the life insurance policies reinsured, hence these should not be regarded as incidental income in nature under Section 60(8) and Section 60AA (13) of the Income Tax Act 1967 and are not subject to income tax.

As this case is now resolved, there is no unfavorable impact towards the Group and the Company's books.

26 BASIC EARNINGS PER SHARE (SEN)

The earnings per share has been calculated based on the net profit for the financial year and the weighted average number of ordinary shares of the Group and the Company in issue during the financial year.

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000
Profit attributable to ordinary equity holders	230,366	40,156	230,461	40,230
Weighted average number of shares in issue	226,000	226,000	226,000	226,000
Basic earnings per share (sen)	101.93	17.77	101.97	17.80

There have been no other transactions involving ordinary shares between the reporting date and the date of completion of these financial statements.

No diluted earnings per share is disclosed in these financial statements as there are no dilutive potential ordinary shares.

27 DIVIDENDS PAID

Group/Company

	2021 RM'000
In respect of the financial year ended 31 December 2020:	
Final single tier dividend of 2.21 sen per ordinary shares, paid on 28 June 2021	5,000

	2020 RM'000
In respect of the financial year ended 31 December 2019:	
Final single tier dividend of 2.21 sen per ordinary shares, paid on 3 July 2020	5,000

28 CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:

	Group/Company	
	2021 RM'000	2020 RM'000
Authorised and contracted but not provided for:		
- Computer hardware and software	1487	3,318
- Renovation	333	-
	1,820	3,318
Approved and not contracted for:		
- Computer hardware and software	-	3,113
- Renovation	-	99
	-	3,212

29 OPERATING LEASE COMMITMENTS

	Group/Company	
	2021	2020
	RM'000	RM'000
Commitments under non-cancellable operating leases where the Group and the Company is a lessee:		
Payable within one year	709	541
Payable after one year	984	571
	1,693	1,112
Commitments under non-cancellable operating leases where the Group and the Company is a lessor:		
Receivable within one year	7,387	7,919
Receivable after one year	3,314	7,429
	10,701	15,348

30 RELATED PARTY DISCLOSURES

The related parties of, and their relationship with the Group and the Company, are as follows:

	Country of incorporation	Relationship
Tokio Marine Holdings, Inc. ("TMH")	Japan	Ultimate holding corporation
Tokio Marine & Nichido Life Insurance Co., Ltd. ("TMNL")	Japan	Subsidiary of ultimate holding corporation
Tokio Marine & Nichido Fire Insurance Co., Ltd. ("TMNF")	Japan	Subsidiary of ultimate holding corporation
Tokio Marine Life Insurance Singapore Ltd. ("TMLIS")	Singapore	Holding corporation
Tokio Marine Asia Pte. Ltd. ("TMAP")	Singapore	Subsidiary of ultimate holding corporation
Tokio Marine Asset Management International Pte. Ltd. ("TMAMI")	Singapore	Subsidiary of ultimate holding corporation
Tokio Marine Insurans (Malaysia) Berhad ("TMIM")	Malaysia	Subsidiary of ultimate holding corporation
Key management personnel	-	Key management personnel includes the Directors, Chief Executive Officer ("CEO") and senior management who report directly to the CEO

In the normal course of business, the Group and the Company undertake at agreed terms and prices, various transactions with its holding and ultimate holding corporations and other corporations deemed related parties by virtue of them being members of Tokio Marine Holdings, Inc. group of corporations.

30 RELATED PARTY DISCLOSURES (CONTINUED)

The related party balances as at the date of the statement of financial position and significant related party transactions arising from normal business transactions during the financial year are set out below.

	Group/Company	
	2021	2020
	RM'000	RM'000
(a) Related party balances		
Other receivables (Note 11)		
Amount due from TMIM	30	47
Other payables (Note 16)		
Amount due to TMAP	751	1,099
Amount due to TMIM	175	175
Due from reinsurers and cedants		
Amount due from TMLIS	-	5
(b) Significant related party transactions		
Income/(expense):		
Transactions with TMIM:		
Management fee	105	51
Premiums paid/payable – Non-life insurance	(544)	(521)
Premiums received/receivable – Group insurance	345	242
Office rental	477	528
Transactions with TMAP:		
Management fee	(723)	(822)
Reimbursement of system subscription and licence fees paid/payable	(1,204)	-

30 RELATED PARTY DISCLOSURES (CONTINUED)

	Group/Company 2021 RM'000	Group/Company 2020 RM'000
(b) Significant related party transactions (continued)		
Income/(expense): (continued)		
Transactions with TMNL:		
Reinsurance arrangements	-	(120)
Transactions with TMLIS:		
Reinsurance arrangements	5	5
(c) Key management compensation		
Salaries and bonuses	13,392	12,850
Directors' remuneration (Note 24)	543	517
Contribution to Employees' Provident Fund	2,001	1,882
Other allowances	560	412
Benefits-in-kind	64	63
	16,560	15,724

31 RISK MANAGEMENT FRAMEWORK

The Group and the Company being a member of the Tokio Marine Holdings, Inc. Group of Companies take into consideration the risk management philosophy and business strategy of Tokio Marine Group when managing the risk of the Group and the Company. The Group and the Company aim to assume risks that are consistent with maintaining their solvency and supporting their business objectives. The Group and the Company are selective in their approach to risk taking, striking a balance between risk accepted and the reward they can derive from accepting that risk.

The Board of Directors is responsible for the overall establishment, supervision and review of all risk management processes in the Group and the Company. The Board is assisted by the Group and the Company's Risk Management and Compliance Committee in the identification, evaluation and assessment of risks in the Group and the Company.

The compositions, functions and the responsibilities of Risk Management and Compliance Committee are explained in the Directors' Report.

The Group and the Company's risk management strategy includes maintaining sound, robust and effective risk management processes which are appropriate to the nature, scale and complexity of the Group and the Company's life insurance business to safeguard the interests of Company's shareholders as well as to protect the Group and the Company's policyholders' interests. The risks are classified into broad categories to streamline the risk management processes and are not meant to be restrictive as to the risk identification and evaluation process.

31 RISK MANAGEMENT FRAMEWORK (CONTINUED)

The following are the four broad categories of risks faced by the Group and the Company:

A. Business Risks

Business risks arise from the Group and the Company's business strategy, the environment in which the Group and the Company operate, and their ability to provide suitable products and services to customers. The Group and the Company provide insurance protection against risks such as mortality and morbidity risks.

Within the business risks, insurance risk has significant impact on business results. Insurance risks arise with respect to the adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of a number of insurance risk drivers. This includes adverse mortality, longevity, morbidity, persistency and expense experience. The definition and management of insurance risks are explained in Note 33 to the financial statements.

The Group and the Company have in place various risk management techniques to control and optimise the Group and the Company's exposure to business risks in pursuit of the Group and the Company's business objectives. New risks are assessed before they are considered for acceptance.

B. Financial Risks

Financial risks pertain to credit risks, liquidity risks and market risks. Credit risks is the risk of loss for the Group and the Company's business, or of adverse change in the financial situation resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors in the form of default or other significant credit event.

Liquidity risk refers to the possibility of the Group and the Company having insufficient cash resources to meet their financial obligations as they fall due under business as usual and stress scenarios.

The Group and the Company are exposed to market risk arising from their investment in debt securities, equities and properties. Changes in interest rates, foreign exchange rates, and equity prices will impact the financial position of the Group and the Company as any reaction to market changes will affect the present and future earnings of the Group and the Company for the life insurance operations and shareholders' equity. The definition and management of financial risks are explained in Note 34 to the financial statements.

C. Operational Risks

Operational risks may arise from inadequate or failed internal processes and controls, from personnel and systems, or from external events such as sudden disasters crippling the operations of the Group and the Company. Such risks, although difficult to quantify, have the potential to impose significant costs and disruption to the financial soundness and ongoing business of the Group and the Company. Business continuity risks are the risks of not being able to resume normal business operations in view of disruption which include civil, economic, natural disasters, etc. Such risks may cause the Group and the Company to be unable to continue business as a going concern due to significant financial losses or the destruction of lives and infrastructures arising from natural catastrophes. The Group and the Company have put in place measures to control and minimize the Group and the Company's exposure to operational risks.

31 RISK MANAGEMENT FRAMEWORK (CONTINUED)

The following are the four broad categories of risks faced by the Group and the Company: (continued)

D. Technology Risks

Technology risks emanating from the use of IT and the Internet. These risks arise from failures or breaches of IT systems, applications, platforms or infrastructure, which could result in financial loss, disruptions in, our services or operations, or reputational harm. The Group and the Company are committed to minimize the exposure and impact of technology risk by putting in measures and controls to ensure confidentiality, availability of information and information processing facilities including critical systems and infrastructure to be protected against cyberattacks, fraudulent activities, information loss and other security risks and threats arising internally and externally.

32 CAPITAL MANAGEMENT

The Group and the Company's capital management objective is to maintain a strong capital position with optimum buffer to meet obligations towards policyholders and to comply with the required capital requirements.

A. Investment Management

The investment portfolio of the Group and the Company which forms the largest asset pool is managed by an investment team through setting of investment policy and strategic asset allocation. The investment limits are set and monitored at various levels to ensure that all investment activities are within the guidelines set by the local statutory requirements governed by BNM.

B. Regulatory Capital Framework

Regulatory capital is the minimum amount of assets that must be held throughout the financial year to meet statutory solvency requirements governed under the RBC Framework. As part of the statutory requirements, the Company is required to provide its capital position on a quarterly basis to BNM.

The capital structure of the Company, consisting of all funds, as at the date of statements of financial position, as prescribed under the RBC Framework is provided below:

		Group/Company	
	Note	2021	2020
		RM'000	RM'000
Eligible Tier 1 Capital			
Share capital (paid-up)	12	226,000	226,000
Reserves, including retained earnings		2,262,182	1,915,960
Tier 2 Capital		469,577	695,354
Amount deducted from capital		(65,952)	(82,295)
Total capital available		2,891,807	2,755,019

The Company has met both the minimum and internal capital requirements specified in the RBC Framework for the financial years ended 31 December 2020 and 31 December 2021.

33 INSURANCE RISKS

The risk under any one life insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group and the Company face under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits will vary from year to year from the estimate. A more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. Stress testing on the financial condition is conducted regularly to assess its ability to withstand adverse deviations in various assumptions. A dynamic solvency testing is performed annually to monitor its solvency position.

Concentration of life insurance contract liabilities

The table below shows the concentration of life insurance contract liabilities (comprise actuarial liabilities, unallocated surplus, provision for outstanding claims and net asset value attributable to unitholders) by types of contract:

			Gross
	With DPF	Without DPF	Total
	RM'000	RM'000	RM'000
Group			
31 December 2021			
Whole of life	2,452,064	679,540	3,131,604
Endowment	2,052,085	721,894	2,773,979
Term-mortgage	-	353,530	353,530
Term-others	-	325,687	325,687
Medical and health	-	10,487	10,487
Riders	23,032	316,990	340,022
Other plans	227,009	295,549	522,558
Total	4,754,190	2,703,677	7,457,867
31 December 2020			
Whole of life	2,386,498	594,105	2,980,603
Endowment	2,310,769	564,878	2,875,647
Term-mortgage	-	364,736	364,736
Term-others	-	321,352	321,352
Medical and health	-	10,419	10,419
Riders	21,910	232,617	254,527
Other plans	194,637	236,491	431,128
Total	4,913,814	2,324,598	7,238,412

There is no annuity business in force as at 31 December 2021 and 31 December 2020.

33 INSURANCE RISKS (CONTINUED)

Concentration of life insurance contract liabilities

The table below shows the concentration of life insurance contract liabilities (comprise actuarial liabilities, unallocated surplus, provision for outstanding claims and net asset value attributable to unitholders) by types of contract:

			Gross
	With DPF	Without DPF	Total
	RM'000	RM'000	RM'000
Company			
31 December 2021			
Whole of life	2,452,064	679,540	3,131,604
Endowment	2,052,085	721,894	2,773,979
Term-mortgage	-	353,530	353,530
Term-others	-	325,687	325,687
Medical and health	-	10,487	10,487
Riders	23,032	316,990	340,022
Other plans	227,009	295,362	522,371
Total	4,754,190	2,703,490	7,457,680
31 December 2020			
Whole of life	2,386,498	594,105	2,980,603
Endowment	2,310,769	564,878	2,875,647
Term-mortgage	-	364,736	364,736
Term-others	-	321,352	321,352
Medical and health	-	10,419	10,419
Riders	21,910	232,617	254,527
Other plans	194,637	236,981	431,618
Total	4,913,814	2,325,088	7,238,902

There is no annuity business in force as at 31 December 2021 and 31 December 2020.

33 INSURANCE RISKS (CONTINUED)

Key assumptions

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. All assumptions are reviewed and updated, if necessary, each financial year in order to value insurance contract liabilities that reflect the Group and the Company's experience. The assumptions are required to be on best estimate basis, where actual experience has equal chance of being better or worse than estimated.

(a) Mortality and morbidity

Mortality assumptions used are based on annual investigation into their respective mortality experience over the recent financial years, and are expressed as a percentage of a standard mortality table.

The morbidity assumptions for dread disease benefits are based on a percentage of the reinsurer's risk premium rates.

(b) Lapse and surrender rates

Lapse and surrender assumptions are based on an annual investigation into their respective withdrawal experience over the recent financial years, and are expressed as rates of withdrawal, split by duration in-force.

(c) Discount rate

For the participating business, discount rates used to value insurance contract liabilities is determined based on the best estimate investment returns.

To determine the best estimate investment returns, the Group and the Company have broken down the assets in the fund as at the reporting date into various asset classes, and have applied long term expected returns to each class. A weighted average rate of investment return is then derived by combining different proportions of the various asset classes.

Contract liabilities for non-participating business and guaranteed liabilities of the participating business are computed by discounting policy cash flows using risk-free interest rates. The risk-free rates used are derived from the gross yields to redemption of benchmark government securities as at the date of valuation.

33 INSURANCE RISKS (CONTINUED)

Sensitivities

The Group and the Company conducted a sensitivity analysis on the actuarial liabilities as at the date of the statements of financial position, based on the change in one specific assumption while holding all other assumptions constant. Sensitivity information will also vary according to the current economic assumptions.

Assumption	Change in assumption	Impact on gross actuarial liabilities	Impact on profit after tax	Impact on equity
		RM’000	RM’000	RM’000
31 December 2021				
Worsening of mortality/morbidity	+25%	164,416	(109,154)	(109,154)
Improvement in mortality/morbidity	−25%	(158,867)	102,702	102,702
Worsening of lapse and surrender rates	+25%	(96,227)	12,365	12,365
Improvement in lapse and surrender rates	−25%	117,726	(15,174)	(15,174)
Increase in discount rate	100 basis points upward shift	(429,332)	107,090	107,090
Decrease in discount rate	100 basis points downward shift	548,438	(126,473)	(126,473)
Worsening of expense	+25%	82,292	(37,056)	(37,056)
Improvement in expense	−25%	(79,529)	35,320	35,320
31 December 2020				
Worsening of mortality/morbidity	+25%	164,264	(108,483)	(108,483)
Improvement in mortality/morbidity	−25%	(159,312)	102,473	102,473
Worsening of lapse and surrender rates	+25%	(101,222)	17,046	17,046
Improvement in lapse and surrender rates	−25%	124,161	(20,860)	(20,860)
Increase in discount rate	100 basis points upward shift	(423,841)	105,421	105,421
Decrease in discount rate	100 basis points downward shift	548,739	(124,552)	(124,552)
Worsening of expense	+25%	84,528	(37,200)	(37,200)
Improvement in expense	−25%	(81,105)	35,096	35,096

The method used and significant assumptions made for deriving sensitivity information did not change from the previous financial year.

34 FINANCIAL RISKS

The Group and the Company are exposed to a range of financial risks, including credit risk, liquidity risk and market risk.

Financial risks of investment-linked investment is not further provided and analysed as the financial risks in respect of investment-linked investments are generally wholly borne by the policyholders, and do not directly affect the profit before tax of the Group and the Company. Furthermore, investment-linked policyholders are responsible for allocation of the policy values amongst investment options offered by the Group and the Company. Although profit before tax is not affected by investment-linked investments, the investment return from such financial investments is included in the Group and the Company's profit or loss, as the Group and the Company has selected the fair value option for all investment-linked investments with corresponding change in insurance contract liabilities for investment-linked contracts.

Credit Risk

The Group and the Company are exposed to credit risk through investments in cash, money market and debt instruments, lending activities and exposure to counterparty's credit in reinsurance contracts.

For all three types of exposures, financial loss may materialise as a result of default by the borrower or counterparty. For investments in cash, money market and debt instruments, financial loss may also materialise as a result of a default by the issuer on coupon payment or principal amount. The Group and the Company have internal limits by issuer or counterparty and by investment grades. These limits are actively monitored to manage the credit and concentration risk. These limits are reviewed on a regular basis by the management.

The creditworthiness of reinsurers is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available financial information.

The Group and the Company manage its lending activities by extending loans against collateral pledged to the Group and the Company. Regular monitoring and review of the payments of loans are performed by the Group and the Company to identify any non-performing loans. Any non-performing loan identified is communicated to the management. Appropriate actions will be taken for the possible course of recovery and provision of these loans.

There were no significant changes to the credit risk management of the Group and the Company.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

34 FINANCIAL RISKS (CONTINUED)

Credit Risk (continued)

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Group and the Company by classifying financial assets in accordance with the Group and the Company's credit ratings of counterparties:

	Neither past due nor impaired		Impaired	
	Investment grade (AAA to A-)	Not rated	Not rated	Total
	RM'000	RM'000	RM'000	RM'000
Group				
31 December 2021				
AFS financial assets				
Debt securities	2,332,359	1,877,129	-	4,209,488
FVTPL financial assets				
Debt securities	397,834	130,943	-	528,777
HTM financial assets				
Debt securities	142,153	789,135	-	931,288
Loans and receivables				
Loans	-	384,094	-	384,094
Reinsurance assets	21,210	988	-	22,198
Insurance receivables	-	21,394	-	21,394
Other receivables*	-	9,189	-	9,189
Cash and cash equivalents	469,396	83	-	469,479
	3,362,952	3,212,955	-	6,575,907
31 December 2020				
AFS financial assets				
Debt securities	2,486,005	1,891,399	-	4,377,404
FVTPL financial assets				
Debt securities	395,656	101,908	-	497,564
HTM financial assets				
Debt securities	162,409	790,142	-	952,551
Loans and receivables				
Loans	-	416,989	-	416,989
Fixed and call deposits	10,140	-	-	10,140
Reinsurance assets	18,298	791	-	19,089
Insurance receivables	-	23,622	-	23,622
Other receivables*	-	19,250	-	19,250
Cash and cash equivalents	315,345	388	-	315,733
	3,387,853	3,244,489	-	6,632,342

* Exclude prepayments of RM1,097,000 as at 31 December 2021 (2020: RM1,124,000).

34 FINANCIAL RISKS (CONTINUED)

Credit Risk (continued)

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Group and the Company by classifying financial assets in accordance with the Group and the Company's credit ratings of counterparties:

	Neither past due nor impaired		Impaired	
	Investment grade (AAA to A-)	Not rated	Not rated	Total
	RM'000	RM'000	RM'000	RM'000
Company				
31 December 2021				
AFS financial assets				
Debt securities	2,332,359	1,835,056	-	4,167,415
FVTPL financial assets				
Debt securities	397,834	130,943	-	528,777
HTM financial assets				
Debt securities	142,153	789,135	-	931,288
Loans and receivables				
Loans	-	384,094	-	384,094
Reinsurance assets	21,210	988	-	22,198
Insurance receivables	-	21,394	-	21,394
Other receivables*	-	8,550	-	8,550
Cash and cash equivalents	462,638	83	-	462,721
	3,356,194	3,170,243	-	6,526,437
31 December 2020				
AFS financial assets				
Debt securities	2,486,005	1,839,896	-	4,325,901
FVTPL financial assets				
Debt securities	395,656	101,908	-	497,564
HTM financial assets				
Debt securities	162,409	790,142	-	952,551
Loans and receivables				
Loans	-	416,989	-	416,989
Fixed and call deposits	10,140	-	-	10,140
Reinsurance assets	18,298	791	-	19,089
Insurance receivables	-	23,622	-	23,622
Other receivables*	-	19,072	-	19,072
Cash and cash equivalents	312,508	388	-	312,896
	3,385,016	3,192,808	-	6,577,824

* Exclude prepayments of RM1,097,000 as at 31 December 2021 (2020: RM1,124,000).

34 FINANCIAL RISKS (CONTINUED)

Credit Risk (continued)

The financial assets are classified according to the credit rating by rating agencies approved by BNM. The creditworthiness of the debt securities is assessed by way of credit reviews performed on the issuers on an annual basis.

The financial assets which are not rated mainly comprise Malaysian government securities, corporate debt securities guaranteed by the Federal Government of Malaysia and loans. The corporate debt securities, although not rated are issued or guaranteed by the Federal Government of Malaysia which carry minimal credit risk.

The Group and the Company's loans receivable include policy loans, mortgage loans and other secured loans to staff and policyholders. Policy loans and mortgage loans are generally secured by collateral. The amount of loan is based on the valuation of collateral as well as an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of the types of collateral and the valuation parameters. The type of collaterals, held by the Group and the Company as lender, for which it is entitled to in the event of default is as follows:

Group/Company

	Type of collaterals	Carrying value 2021 RM'000	Carrying value 2020 RM'000
Policy loans	Cash surrender value	383,167	415,670
Mortgage loans	Properties	726	923
		383,893	416,593

Impairment of insurance receivables and other receivables are performed based on a collective assessment. No collateral is held as security for any impaired assets. The Group and the Company record impairment loss for insurance receivables and other receivables in separate allowance accounts. A reconciliation of the allowance for impairment losses for insurance receivables and other receivables are as follows:

Group/Company

	Insurance receivables	
	2021 RM'000	2020 RM'000
At 1 January	308	193
(Decrease)/Increase during the financial year	(171)	115
At 31 December	137	308

	Other receivables	
	2021 RM'000	2020 RM'000
At 1 January	2,502	2,113
Increase during the financial year	1,185	389
At 31 December	3,687	2,502

34 FINANCIAL RISKS (CONTINUED)

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The liquidity demands of the Group and the Company are met through ongoing operations which include continuous premium income and investment income. The expected liquidity needs are often met through projection of outflows from the in-force insurance policy contract liabilities; the liabilities include renewal commissions, claims and other benefits (maturity and surrender). Whilst the nature of these outflows is deemed to be largely stable and can be assumed at outset, the Group and the Company remains susceptible to exceptional experiences (surrender or catastrophic events) for its insurance portfolio. Also, the Group and the Company may be subject to unexpected liquidity tightening due to adverse implications from the wider economic factors (domestic or global) or undue volatilities and unexpected losses experienced within investments.

Liquidity risk is reduced by having insurance contract liabilities that are well diversified by product and policyholder. The Group and the Company design insurance products to encourage policyholders to maintain their policies-in-force, thereby generating a diversified and stable flow of recurring premium income.

The Group and the Company adopt prudent liquidity risk management by monitoring daily liquidity and cash movements to ensure liquidity is available and cash is employed optimally.

Demand for funds can usually be met through ongoing normal operations, premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by negative publicity, deterioration of the economy, reports of problems in other companies in the same or similar lines of business, unanticipated policy claims, or other unexpected cash demands from policyholders. Expected liquidity demands are managed through a combination of treasury, investment and capital management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are monitored and a reasonable amount of assets are kept in liquid instruments at all times. The projected cash flows from the in-force insurance policy contract liabilities consist of renewal premiums, commissions, claims, maturities and surrenders. Renewal premiums, commissions, claims and maturities are generally stable and predictable. Surrenders can be more uncertain although it has been quite stable over the past several years. Unexpected liquidity demands are managed through a combination of product design, diversification limits, investment strategies and systematic monitoring. The existence of surrender penalty in insurance contracts also protects the Group and the Company from losses due to unexpected surrender trends as well as reduces the sensitivity of surrenders to changes in interest rates.

34 FINANCIAL RISKS (CONTINUED)

Liquidity Risk (continued)

Maturity profiles of financial assets

The table below summarises the maturity profile of the financial assets of the Group and the Company:

	Up to 1 year RM'000	1 – 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Group					
31 December 2021					
AFS financial assets	390,845	1,204,727	2,613,916	1,710,703	5,920,191
FVTPL financial assets	45,971	191,023	291,783	1,331,482	1,860,259
HTM financial assets	-	70,200	861,088	-	931,288
Loans and receivables	287	327	313	383,167	384,094
Reinsurance assets	22,198	-	-	-	22,198
Insurance receivables	21,394	-	-	-	21,394
Other receivables*	9,189	-	-	-	9,189
Cash and cash equivalents	469,479	-	-	-	469,479
Total financial assets	959,363	1,466,277	3,767,100	3,425,352	9,618,092
31 December 2020					
AFS financial assets	178,211	1,313,763	2,885,430	1,613,171	5,990,575
FVTPL financial assets	10,207	184,261	303,096	1,053,568	1,551,132
HTM financial assets	20,241	30,630	901,680	-	952,551
Loans and receivables	10,647	403	409	415,670	427,129
Reinsurance assets	19,089	-	-	-	19,089
Insurance receivables	23,622	-	-	-	23,622
Other receivables*	19,250	-	-	-	19,250
Cash and cash equivalents	315,733	-	-	-	315,733
Total financial assets	596,493	1,528,654	4,090,206	3,083,728	9,299,081

* Exclude prepayments of RM1,097,000 at 31 December 2021 (2020: RM1,124,000).

34 FINANCIAL RISKS (CONTINUED)

Liquidity Risk (continued)

Maturity profiles of financial assets

The table below summarises the maturity profile of the financial assets of the Group and the Company:

	Up to 1 year RM'000	1 – 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Company					
31 December 2021					
AFS financial assets	380,701	1,197,539	2,589,175	1,758,268	5,925,683
FVTPL financial assets	45,971	191,023	291,783	1,332,204	1,860,981
HTM financial assets	-	70,200	861,088	-	931,288
Loans and receivables	287	327	313	383,167	384,094
Reinsurance assets	22,198	-	-	-	22,198
Insurance receivables	21,394	-	-	-	21,394
Other receivables*	8,550	-	-	-	8,550
Cash and cash equivalents	462,721	-	-	-	462,721
Total financial assets	941,822	1,459,089	3,742,359	3,473,639	9,616,909
31 December 2020					
AFS financial assets	157,880	1,303,232	2,864,789	1,666,871	5,992,772
FVTPL financial assets	10,207	184,261	303,096	1,053,395	1,550,959
HTM financial assets	20,241	30,630	901,680	-	952,551
Loans and receivables	10,647	403	409	415,670	427,129
Reinsurance assets	19,089	-	-	-	19,089
Insurance receivables	23,622	-	-	-	23,622
Other receivables*	19,072	-	-	-	19,072
Cash and cash equivalents	312,896	-	-	-	312,896
Total financial assets	573,654	1,518,526	4,069,974	3,135,936	9,298,090

* Exclude prepayments of RM1,097,000 at 31 December 2021 (2020: RM1,124,000).

34 FINANCIAL RISKS (CONTINUED)

Liquidity Risk (continued)

Maturity profiles of financial liabilities

The table below summarises the maturity profile of the financial liabilities of the Group and the Company:

	Up to 1 year RM'000	1 – 5 years RM'000	Over 5 years RM'000	Total RM'000
Group				
31 December 2021				
Insurance contract liabilities*:				
With DPF	417,895	618,704	3,717,591	4,754,190
Without DPF	1,382,436	81,465	1,239,776	2,703,677
Insurance payables	614,502	-	-	614,502
Lease liabilities	1,337	-	-	1,337
Other payables	74,708	-	-	74,708
Other financial liabilities	934	-	-	934
Provision for agency long association benefits	13,401	5,830	17,488	36,719
Total financial liabilities	2,505,213	705,999	4,974,855	8,186,067
31 December 2020				
Insurance contract liabilities*:				
With DPF	587,201	610,872	3,715,741	4,913,814
Without DPF	1,094,948	73,995	1,155,655	2,324,598
Insurance payables	557,539	-	-	557,539
Lease liabilities	458	-	-	458
Other payables	67,556	-	-	67,556
Other financial liabilities	1,189	-	-	1,189
Provision for agency long association benefits	14,092	5,277	14,645	34,014
Total financial liabilities	2,322,983	690,144	4,886,041	7,899,168

* Excluding AFS fair value adjustment and asset revaluation surplus adjustment.

Investment-linked liabilities are repayable or transferable on demand and are included in the "up to 1 year" column. Repayments which are subject to notice are treated as if notice was to be given immediately.

34 FINANCIAL RISKS (CONTINUED)

Liquidity Risk (continued)

Maturity profiles of financial liabilities

The table below summarises the maturity profile of the financial liabilities of the Group and the Company:

	Up to 1 year RM'000	1 – 5 years RM'000	Over 5 years RM'000	Total RM'000
Company				
31 December 2021				
Insurance contract liabilities*:				
With DPF	417,895	618,704	3,717,591	4,754,190
Without DPF	1,382,249	81,465	1,239,776	2,703,490
Insurance payables	614,502	-	-	614,502
Lease liabilities	1,337	-	-	1,337
Other payables	74,646	-	-	74,646
Provision for agency long association benefits	13,401	5,830	17,488	36,719
Total financial liabilities	2,504,030	705,999	4,974,855	8,148,884
31 December 2020				
Insurance contract liabilities*:				
With DPF	587,201	610,872	3,715,741	4,913,814
Without DPF	1,095,438	73,995	1,155,655	2,325,088
Insurance payables	557,539	-	-	557,539
Lease liabilities	458	-	-	458
Other payables	67,264	-	-	67,264
Provision for agency long association benefits	14,092	5,277	14,645	34,014
Total financial liabilities	2,321,992	690,144	4,886,041	7,898,177

* Excluding AFS fair value adjustment and asset revaluation surplus adjustment.

Investment-linked liabilities are repayable or transferable on demand and are included in the "up to 1 year" column. Repayments which are subject to notice are treated as if notice was to be given immediately.

34 FINANCIAL RISKS (CONTINUED)

Market Risk

(a) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and the Company's primary transactions are carried out in Ringgit Malaysia ("RM"). The Group and the Company are exposed to foreign exchange risk primarily from transactions denominated in foreign currencies such as Australian Dollar ("AUD") and others pertaining to investment activities. The management manages foreign currency risk by setting limits and monitoring the exposure to foreign currency on a regular basis.

As the Group and the Company's business is conducted primarily in Malaysia, the Group and the Company's financial assets are also primarily maintained in Malaysia as required under the Financial Services Act, 2013, and hence, primarily denominated in the same currency (the local RM) as its insurance contract liabilities. Thus, the main foreign exchange risk from recognised assets and liabilities arises from transactions other than those in which insurance contract liabilities are expected to be settled. Currency risk arising from investments in foreign currency instruments is generally not hedged as the Group and the Company's exposure is minimal.

The analysis below summarises the currency exposure of the Group and the Company.

31 December 2021

				'000
Group	AUD	RM	Others	Total
Financial assets				
AFS financial assets	-	5,920,191	-	5,920,191
FVTPL financial assets	-	1,210,412	649,847	1,860,259
HTM financial assets	-	931,288	-	931,288
Loans and receivables	-	384,094	-	384,094
Reinsurance assets	-	22,198	-	22,198
Insurance receivables	-	21,394	-	21,394
Other receivables*	-	9,189	-	9,189
Cash and cash equivalents	16	469,463	-	469,479
	16	8,968,229	649,847	9,618,092
Financial liabilities				
Insurance contract liabilities**	-	7,457,867	-	7,457,867
Insurance payables	-	614,502	-	614,502
Lease liabilities	-	1,337	-	1,337
Other payables	-	74,708	-	74,708
Other financial liabilities	-	934	-	934
Provision for agency long association benefits	-	36,719	-	36,719
	-	8,186,067	-	8,186,067

34 FINANCIAL RISKS (CONTINUED)

Market Risk (continued)

(a) Currency Risk (continued)

31 December 2020

				'000
Group	AUD	RM	Others	Total
Financial assets				
AFS financial assets	-	5,990,575	-	5,990,575
FVTPL financial assets	-	995,355	555,777	1,551,132
HTM financial assets	-	952,551	-	952,551
Loans and receivables	-	427,129	-	427,129
Reinsurance assets	-	19,089	-	19,089
Insurance receivables	-	23,622	-	23,622
Other receivables*	-	19,250	-	19,250
Cash and cash equivalents	16	315,717	-	315,733
	16	8,743,288	555,777	9,299,081
Financial liabilities				
Insurance contract liabilities**	-	7,238,412	-	7,238,412
Insurance payables	-	557,539	-	557,539
Lease liabilities	-	458	-	458
Other payables	-	67,556	-	67,556
Other financial liabilities	-	1,189	-	1,189
Provision for agency long association benefits	-	34,014	-	34,014
	-	7,899,168	-	7,899,168

* Exclude prepayments of RM1,097,000 as at 31 December 2021 (2020: RM1,124,000).

** Excluding AFS fair value adjustment and asset revaluation surplus adjustment.

The potential impacts arising from currency risk are deemed insignificant. Accordingly, no sensitivity analysis is being disclosed.

34 FINANCIAL RISKS (CONTINUED)

Market Risk

(a) Currency Risk (continued)

The analysis below summarises the currency exposure of the Group and the Company.

31 December 2021

	AUD	RM	Others	'000 Total
Company				
Financial assets				
AFS financial assets	-	5,925,683	-	5,925,683
FVTPL financial assets	-	1,227,530	633,451	1,860,981
HTM financial assets	-	931,288	-	931,288
Loans and receivables	-	384,094	-	384,094
Reinsurance assets	-	22,198	-	22,198
Insurance receivables	-	21,394	-	21,394
Other receivables*	-	8,550	-	8,550
Cash and cash equivalents	16	462,705	-	462,721
	16	8,983,442	633,451	9,616,909
Financial liabilities				
Insurance contract liabilities**	-	7,457,680	-	7,457,680
Insurance payables	-	614,502	-	614,502
Lease liabilities	-	1,337	-	1,337
Other payables	-	74,646	-	74,646
Provision for agency long association benefits	-	36,719	-	36,719
	-	8,184,884	-	8,184,884

34 FINANCIAL RISKS (CONTINUED)

Market Risk (continued)

(a) Currency Risk (continued)

31 December 2020

				'000
	AUD	RM	Others	Total
Company				
Financial assets				
AFS financial assets	-	5,992,772	-	5,992,772
FVTPL financial assets	-	1,009,876	541,083	1,550,959
HTM financial assets	-	952,551	-	952,551
Loans and receivables	-	427,129	-	427,129
Reinsurance assets	-	19,089	-	19,089
Insurance receivables	-	23,622	-	23,622
Other receivables*	-	19,072	-	19,072
Cash and cash equivalents	16	312,880	-	312,896
	16	8,756,991	541,083	9,298,090
Financial liabilities				
Insurance contract liabilities**	-	7,238,902	-	7,238,902
Insurance payables	-	557,539	-	557,539
Lease liabilities	-	458	-	458
Other payables	-	67,264	-	67,264
Provision for agency long association benefits	-	34,014	-	34,014
	-	7,898,177	-	7,898,177

* Exclude prepayments of RM1,097,000 as at 31 December 2021 (2020: RM1,124,000).

** Excluding AFS fair value adjustment and asset revaluation surplus adjustment.

The potential impacts arising from currency risk are deemed insignificant. Accordingly, no sensitivity analysis is being disclosed.

34 FINANCIAL RISKS (CONTINUED)

Market Risk (continued)

(b) Interest Rate/Profit Yield Risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate/profit yield.

A study of movement in risk-free rate is undertaken for the market. A 60 (2020: 60) basis point movement in the interest rate market is considered to be reasonable basis for interest rate sensitivity analysis. Investments in debt securities held-to-maturity are excluded as these are accounted for at amortised cost, and their carrying amounts are not sensitive to changes in the level of interest rates.

For investment-linked funds, the risk exposure to the Group and the Company is limited only to the underwriting aspect as all investment risks are borne by the policyholders.

The analysis below summarises the Group and the Company's sensitivity analysis.

Change in variables	Impact on insurance contract liabilities RM'000	Impact on profit after tax RM'000	Impact on equity RM'000
31 December 2021			
+60 basis points	(70,553)	(4,964)	(71,061)
−60 basis points	75,590	5,281	76,898
31 December 2020			
+60 basis points	(87,208)	(4,516)	(63,406)
−60 basis points	93,885	4,827	68,667

34 FINANCIAL RISKS (CONTINUED)

Market Risk (continued)

(c) Price Risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate/profit yield risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting similar financial instruments traded in the market.

The Group and the Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment in securities not held for the account of investment-linked business.

The Group and the Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector, market and issuer, having regard also to such limits stipulated by BNM. The Group and the Company complies with BNM stipulated limits during the financial year, and has no significant concentration of price risk.

The analysis below summarises the Group and the Company's price risk analysis.

Market indices	Change in variables	Impact on insurance contract liabilities	Impact on profit after tax	Impact on equity
		RM'000	RM'000	RM'000
31 December 2021				
Bursa Malaysia	+10%	139,268	2,819	8,794
Bursa Malaysia	-10%	(139,268)	(3,005)	(8,794)
31 December 2020				
Bursa Malaysia	+10%	192,476	5,350	14,761
Bursa Malaysia	-10%	(192,476)	(5,666)	(14,761)

35 INSURANCE FUND

The Group and the Company's activities are organised by funds and segregated into the Life Fund and Shareholders' Fund ("SHF") in accordance with the Financial Services Act, 2013 and Insurance Regulations, 1996. The Group and the Company's statement of financial position and statement of comprehensive income have been further analysed by funds which includes Life Fund and the SHF. The Life insurance business offers a wide range of participating and non-participating Whole of Life, Term Assurance, Endowment and Investment-linked products.

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (Chief Operating decision maker). The Group and the Company have two operating segments comprises Life Fund and Shareholders' Fund in Malaysia.

35 INSURANCE FUNDS (CONTINUED)

Statement of Financial Position by Funds

Group	Shareholders' Fund 2021 RM'000	Shareholders' Fund 2020 RM'000 restated	Life Fund 2021 RM'000	Life Fund 2020 RM'000 restated	Inter-fund elimination 2021 RM'000	Inter-fund elimination 2020 RM'000 restated	Total 2021 RM'000	Total 2020 RM'000 restated
ASSETS								
Property, plant and equipment	-	-	163,170	165,187	-	-	163,170	165,187
Right-of-use assets	-	-	10,883	9,609	-	-	10,883	9,609
Investment properties	-	-	174,345	174,735	-	-	174,345	174,735
Intangible assets	50,400	67,200	15,552	15,096	-	-	65,952	82,296
Financial investments								
AFS financial assets	140,190	136,321	5,780,001	5,854,254	-	-	5,920,191	5,990,575
FVTPL financial assets	-	-	1,860,259	1,551,132	-	-	1,860,259	1,551,132
HTM financial assets	-	-	931,288	952,551	-	-	931,288	952,551
Loans and receivables	383	643	383,711	426,486	-	-	384,094	427,129
Reinsurance assets	-	-	22,198	19,089	-	-	22,198	19,089
Tax recoverable	-	-	10,282	10,282	-	-	10,282	10,282
Insurance receivables	-	-	21,394	23,622	-	-	21,394	23,622
Other receivables	122,444	25,713	5,517	15,349	(117,675)	(20,688)	10,286	20,374
Cash and bank balances	7,842	9,209	461,637	306,524	-	-	469,479	315,733
TOTAL ASSETS	321,259	239,086	9,840,237	9,523,916	(117,675)	(20,688)	10,043,821	9,742,314

TOKIO MARINE LIFE INSURANCE MALAYSIA BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

35 INSURANCE FUNDS (CONTINUED)

Statement of Financial Position by Funds (continued)

Group	Shareholders' Fund 2021 RM'000	Shareholders' Fund 2020 RM'000 restated	Life Fund 2021 RM'000	Life Fund 2020 RM'000 restated	Inter-fund elimination 2021 RM'000	Inter-fund elimination 2020 RM'000 restated	Total 2021 RM'000	Total 2020 RM'000 restated
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES								
Share capital	226,000	226,000	-	-	-	-	226,000	226,000
Retained earnings	83,228	11,862	829,428	675,428	-	-	912,656	687,290
Available-for-sale reserve	(3,266)	2,481	43,682	108,978	-	-	40,416	111,459
Asset revaluation reserve	-	-	3,526	3,334	-	-	3,526	3,334
TOTAL EQUITY	305,962	240,343	876,636	787,740	-	-	1,182,598	1,028,083
Insurance contract liabilities	-	-	7,872,214	7,791,313	-	-	7,872,214	7,791,313
Insurance payables	-	-	614,502	557,539	-	-	614,502	557,539
Lease liabilities	-	-	1,337	458	-	-	1,337	458
Other financial liabilities	1	1	933	1,188	-	-	934	1,189
Other payables	22	20	192,361	88,224	(117,675)	(20,688)	74,708	67,556
Provision for agency long association benefits	-	-	36,719	34,014	-	-	36,719	34,014
Current tax liabilities/(tax recoverable)	16,468	(1,860)	(13,815)	5,908	-	-	2,653	4,048
Deferred tax (assets)/liabilities	(1,194)	582	259,350	257,532	-	-	258,156	258,114
TOTAL POLICYHOLDERS' FUNDS AND LIABILITIES	15,297	(1,257)	8,963,601	8,736,176	(117,675)	(20,688)	8,861,223	8,714,231

35 INSURANCE FUNDS (CONTINUED)

Statement of Financial Position by Funds (continued)

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
Group	2021 RM'000	2020 RM'000 restated	2021 RM'000	2020 RM'000 restated	2021 RM'000	2020 RM'000 restated	2021 RM'000	2020 RM'000 restated
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	321,259	239,086	9,840,237	9,523,916	(117,675)	(20,688)	10,043,821	9,742,314
Additional information:								
Purchase of property, plant and equipment	-	-	1,534	2,684	-	-	1,534	2,684
Purchase of intangible assets	-	-	5,253	92,624	-	-	5,253	92,624

35 INSURANCE FUNDS (CONTINUED)

Statement of total Comprehensive Income by Funds

Group	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000 restated	RM'000	RM'000 restated	RM'000	RM'000 restated
Gross earned premium revenue	-	-	1,561,133	1,345,975	-	-	1,561,133	1,345,975
Premiums ceded to reinsurers	-	-	(46,800)	(45,561)	-	-	(46,800)	(45,561)
Net earned revenue	-	-	1,514,333	1,300,414	-	-	1,514,333	1,300,414
Investment income	5,045	5,684	358,303	342,693	-	-	363,348	348,377
Net realised gains	1,809	2,982	64,583	20,951	-	-	66,392	23,933
Net fair value gains/(losses)	-	40	(36,016)	180,768	-	-	(36,016)	180,808
Commission income	-	-	2,274	6,171	-	-	2,274	6,171
Other income	6,854	8,706	389,144	550,583	-	-	395,998	559,289
Gross benefits and claims paid	-	-	(1,147,024)	(1,168,435)	-	-	(1,147,024)	(1,168,435)
Claims ceded to reinsurers	-	-	30,760	40,237	-	-	30,760	40,237
Gross change to insurance contract liabilities	-	-	(149,024)	(324,979)	-	-	(149,024)	(324,979)
Net insurance benefits and claims	-	-	(1,265,288)	(1,453,177)	-	-	(1,265,288)	(1,453,177)

35 INSURANCE FUNDS (CONTINUED)

Statement of total Comprehensive Income by Funds (continued)

Group	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	2021 RM'000	2020 RM'000 restated	2021 RM'000	2020 RM'000 restated	2021 RM'000	2020 RM'000 restated	2021 RM'000	2020 RM'000 restated
Commission and agency expenses	(3,716)	(3,807)	(152,185)	(142,181)	-	-	(155,901)	(145,988)
Management expenses	(19,000)	(18,458)	(151,772)	(148,414)	-	-	(170,772)	(166,872)
Other operating (expenses)/income- net	(1,195)	240	279	(1,046)	-	-	(916)	(806)
Other expenses	(23,911)	(22,025)	(303,678)	(291,641)	-	-	(327,589)	(313,666)
Inter-fund transfer:								
From Life Fund to SHF	115,637	16,337	(115,637)	(16,337)	-	-	-	-
Profit before taxation	98,580	3,018	218,874	89,842	-	-	317,454	92,860
Taxation	(22,213)	(3,064)	(64,875)	(49,640)	-	-	(87,088)	(52,704)
Net profit/(loss) for the financial year	76,367	(46)	153,999	40,202	-	-	230,366	40,156

35 INSURANCE FUNDS (CONTINUED)

Statement of total Comprehensive Income by Funds (continued)

Group	Shareholders' Fund 2021 RM'000	Shareholders' Fund 2020 RM'000 restated	Life Fund 2021 RM'000	Life Fund 2020 RM'000 restated	Inter-fund elimination 2021 RM'000	Inter-fund elimination 2020 RM'000 restated	Total 2021 RM'000	Total 2020 RM'000 restated
Other comprehensive (loss)/income:								
Items that will be reclassified subsequently to profit or loss								
Fair value change on available-for-sale financial assets:								
Net (losses)/gains arising during financial year	(5,784)	1,784	(177,650)	214,523	-	-	(183,434)	216,307
Realised gains transferred to profit or loss	(1,809)	(2,982)	(115,263)	(230,408)	-	-	(117,072)	(233,390)
Impairment losses transferred to profit or loss	-	-	50,680	209,457	-	-	50,680	209,457
Tax effects thereon	1,845	305	35,703	(26,709)	-	-	37,548	(26,404)
Fair value (losses)/gains, net of tax	(5,748)	(893)	(206,530)	166,863	-	-	(212,278)	165,970
Change in insurance contract liabilities arising from net fair value losses/(gains)	-	-	141,235	(121,964)	-	-	141,235	(121,964)
Net fair value change	(5,748)	(893)	(65,295)	44,899	-	-	(71,043)	44,006

35 INSURANCE FUNDS (CONTINUED)

Statement of total Comprehensive Income by Funds (continued)

Group	Shareholders' Fund 2021 RM'000	Shareholders' Fund 2020 RM'000 restated	Life Fund 2021 RM'000	Life Fund 2020 RM'000 restated	Inter-fund elimination 2021 RM'000	Inter-fund elimination 2020 RM'000 restated	Total 2021 RM'000	Total 2020 RM'000 restated
Other comprehensive (loss)/income: (continued)								
Items that will not be reclassified subsequently to profit or loss								
Asset revaluation reserve:								
Gross asset revaluation surplus	-	-	3,175	2,408	-	-	3,175	2,408
Tax effects thereon	-	-	(302)	(224)	-	-	(302)	(224)
Asset revaluation surplus, net of tax	-	-	2,873	2,184	-	-	2,873	2,184
Change in insurance contract liabilities arising from net asset revaluation surplus	-	-	(2,681)	(2,058)	-	-	(2,681)	(2,058)
Net asset revaluation surplus	-	-	192	126	-	-	192	126
Total other comprehensive (loss)/income	(5,748)	(893)	(65,103)	45,025	-	-	(70,851)	44,132
Total comprehensive income/(loss) for the financial year	70,619	(939)	88,896	85,227	-	-	159,515	84,288

35 INSURANCE FUNDS (CONTINUED)

Statement of total Comprehensive Income by Funds (continued)

Group	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000 restated	RM'000	RM'000 restated	RM'000	RM'000 restated
Additional information:								
Interest income	1,903	5,785	283,763	285,197	-	-	285,666	290,982
Interest expenses	-	-	(815)	(1,029)	-	-	(815)	(1,029)
Depreciation	-	-	(7,010)	(6,786)	-	-	(7,010)	(6,786)
Amortisation	(16,800)	(16,800)	(4,797)	(5,383)	-	-	(21,597)	(22,183)

35 INSURANCE FUNDS (CONTINUED)

Statement of Financial Position by Funds (continued)

Company	Shareholders' Fund 2021 RM'000	Shareholders' Fund 2020 RM'000	Life Fund 2021 RM'000	Life Fund 2020 RM'000	Inter-fund elimination 2021 RM'000	Inter-fund elimination 2020 RM'000	Total 2021 RM'000	Total 2020 RM'000
ASSETS								
Property, plant and equipment	-	-	163,170	165,187	-	-	163,170	165,187
Right-of-use assets	-	-	10,883	9,609	-	-	10,883	9,609
Investment properties	-	-	174,345	174,735	-	-	174,345	174,735
Intangible assets	50,400	67,200	15,552	15,096	-	-	65,952	82,296
Financial investments								
AFS financial assets	145,682	138,518	5,780,001	5,854,254	-	-	5,925,683	5,992,772
FVTPL financial assets	-	-	1,860,981	1,550,959	-	-	1,860,981	1,550,959
HTM financial assets	-	-	931,288	952,551	-	-	931,288	952,551
Loans and receivables	383	643	383,711	426,486	-	-	384,094	427,129
Reinsurance assets	-	-	22,198	19,089	-	-	22,198	19,089
Tax recoverable	-	-	10,282	10,282	-	-	10,282	10,282
Insurance receivables	-	-	21,394	23,622	-	-	21,394	23,622
Other receivables	122,444	25,713	4,878	15,171	(117,675)	(20,688)	9,647	20,196
Cash and bank balances	2,326	6,991	460,395	305,905	-	-	462,721	312,896
TOTAL ASSETS	321,235	239,065	9,839,078	9,522,946	(117,675)	(20,688)	10,042,638	9,741,323
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES								
Share capital	226,000	226,000	-	-	-	-	226,000	226,000
Retained earnings	83,742	12,281	829,428	675,428	-	-	913,170	687,709
Available-for-sale reserve	(3,780)	2,062	43,682	108,978	-	-	39,902	111,040
Asset revaluation reserve	-	-	3,526	3,334	-	-	3,526	3,334
TOTAL EQUITY	305,962	240,343	876,636	787,740	-	-	1,182,598	1,028,083

35 INSURANCE FUNDS (CONTINUED)

Statement of Financial Position by Funds (continued)

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
Company	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contract liabilities	-	-	7,872,027	7,791,803	-	-	7,872,027	7,791,803
Insurance payables	-	-	614,502	557,539	-	-	614,502	557,539
Lease liabilities	-	-	1,337	458	-	-	1,337	458
Other payables	-	-	192,321	87,952	(117,675)	(20,688)	74,646	67,264
Provision for agency long association benefits	-	-	36,719	34,014	-	-	36,719	34,014
Current tax liabilities/(tax recoverable)	16,467	(1,860)	(13,814)	5,908	-	-	2,653	4,048
Deferred tax (assets)/liabilities	(1,194)	582	259,350	257,532	-	-	258,156	258,114
TOTAL POLICYHOLDERS' FUNDS AND LIABILITIES	15,273	(1,278)	8,962,442	8,735,206	(117,675)	(20,688)	8,860,040	8,713,240
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	321,235	239,065	9,839,078	9,522,946	(117,675)	(20,688)	10,042,638	9,741,323

Additional information:

Purchase of property, plant and equipment	-	-	1,534	2,684	-	-	1,534	2,684
Purchase of intangible assets	-	-	5,253	92,624	-	-	5,253	92,624

35 INSURANCE FUNDS (CONTINUED)

Statement of total Comprehensive Income by Funds

Company	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross earned premium revenue	-	-	1,561,133	1,345,975	-	-	1,561,133	1,345,975
Premiums ceded to reinsurers	-	-	(46,800)	(45,561)	-	-	(46,800)	(45,561)
Net earned revenue	-	-	1,514,333	1,300,414	-	-	1,514,333	1,300,414
Investment income	5,158	6,637	358,174	342,564	-	-	363,332	349,201
Net realised gains	1,675	2,621	64,583	20,951	-	-	66,258	23,572
Net fair value gains/(losses)	-	40	(37,031)	180,105	-	-	(37,031)	180,145
Commission income	-	-	2,274	6,171	-	-	2,274	6,171
Other income	6,833	9,298	388,000	549,791	-	-	394,833	559,089
Gross benefits and claims paid	-	-	(1,147,024)	(1,168,435)	-	-	(1,147,024)	(1,168,435)
Claims ceded to reinsurers	-	-	30,760	40,237	-	-	30,760	40,237
Gross change to insurance contract liabilities	-	-	(148,347)	(325,349)	-	-	(148,347)	(325,349)
Net insurance benefits and claims	-	-	(1,264,611)	(1,453,547)	-	-	(1,264,611)	(1,453,547)

35 INSURANCE FUNDS (CONTINUED)

Statement of total Comprehensive Income by Funds (continued)

Company	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Commission and agency expenses	(3,716)	(3,807)	(152,185)	(142,181)	-	-	(155,901)	(145,988)
Management expenses	(18,874)	(18,326)	(151,366)	(148,132)	-	-	(170,240)	(166,458)
Other operating (expenses)/income- net	(1,205)	(379)	340	(197)	-	-	(865)	(576)
Other expenses	(23,795)	(22,512)	(303,211)	(290,510)	-	-	(327,006)	(313,022)
Inter-fund transfer:								
From Life Fund to SHF	115,637	16,337	(115,637)	(16,337)	-	-	-	-
Profit before taxation	98,675	3,123	218,874	89,811	-	-	317,549	92,934
Taxation	(22,213)	(3,064)	(64,875)	(49,640)	-	-	(87,088)	(52,704)
Net profit for the financial year	76,462	59	153,999	40,171	-	-	230,461	40,230

35 INSURANCE FUNDS (CONTINUED)

Statement of total Comprehensive Income by Funds (continued)

Company	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other comprehensive (loss)/income:								
Items that will be reclassified subsequently to profit or loss								
Fair value change on available-for-sale financial assets:								
Net (losses)/gains arising during financial year	(6,013)	1,349	(177,650)	214,523	-	-	(183,663)	215,872
Realised gains transferred to profit or loss	(1,675)	(2,621)	(115,263)	(230,408)	-	-	(116,938)	(233,029)
Impairment losses transferred to profit or loss	-	-	50,680	209,457	-	-	50,680	209,457
Tax effects thereon	1,845	305	35,703	(26,709)	-	-	37,548	(26,404)
Fair value (losses)/gains, net of tax	(5,843)	(967)	(206,530)	166,863	-	-	(212,373)	165,896
Change in insurance contract liabilities arising from net fair value losses/(gains)	-	-	141,235	(121,964)	-	-	141,235	(121,964)
Net fair value change	(5,843)	(967)	(65,295)	44,899	-	-	(71,138)	43,932

35 INSURANCE FUNDS (CONTINUED)

Statement of total Comprehensive Income by Funds (continued)

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
Company	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other comprehensive (loss)/income: (continued)								
Items that will not be reclassified subsequently to profit or loss								
Asset revaluation reserve:								
Gross asset revaluation surplus	-	-	3,175	2,408	-	-	3,175	2,408
Tax effects thereon	-	-	(302)	(224)	-	-	(302)	(224)
Asset revaluation surplus, net of tax	-	-	2,873	2,184	-	-	2,873	2,184
Change in insurance contract liabilities arising from net asset revaluation surplus	-	-	(2,681)	(2,058)	-	-	(2,681)	(2,058)
Net asset revaluation surplus	-	-	192	126	-	-	192	126
Total other comprehensive (loss)/income	(5,843)	(967)	(65,103)	45,025	-	-	(70,946)	44,058
Total comprehensive income/(loss) for the financial year	70,619	(908)	88,896	85,196	-	-	159,515	84,288

35 INSURANCE FUNDS (CONTINUED)

Statement of total Comprehensive Income by Funds (continued)

	Shareholders' Fund		Life Fund		Inter-fund elimination		Total	
Company	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Additional information:								
Interest income	321	4,083	283,748	285,186	-	-	284,069	289,269
Interest expenses	-	-	(815)	(1,029)	-	-	(815)	(1,029)
Depreciation	-	-	(7,010)	(6,786)	-	-	(7,010)	(6,786)
Amortisation	(16,800)	(16,800)	(4,797)	(5,383)	-	-	(21,597)	(22,183)

36 INVESTMENT-LINKED FUND

The statement of financial position and statement of comprehensive income of investment-linked fund represent the assets, liabilities and net asset values of TokioMarine Orient Fund ("TMOF"), TokioMarine Enterprise Fund ("TMEF"), TokioMarine Bond Fund ("TMBF"), TokioMarine Dana Ikhtiar ("TMDI") and TokioMarine Luxury Fund ("TMLX").

The statement of financial position of the investment-linked fund is represented by:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 restated	RM'000	RM'000
ASSETS				
Fair value through profit and loss financial assets	985,384	784,202	986,107	784,029
Other receivables	996	2,733	356	2,555
Cash and cash equivalents	88,150	59,037	86,908	58,418
TOTAL ASSETS	1,074,530	845,972	1,073,371	845,002
LIABILITIES				
Other payables	960	1,015	921	743
Other financial liabilities	933	1,188	-	-
Current tax liabilities	972	1,740	972	1,740
Deferred tax liabilities	3,363	5,030	3,363	5,030
TOTAL LIABILITIES	6,228	8,973	5,256	7,513
Net asset value of funds (Note 14)	1,068,302	836,999	1,068,115	837,489

The statement of financial position has been adjusted for the following assets, liabilities and net asset value of TokioMarine Managed Fund ("TMMF") which have been eliminated as TMMF invested mainly in TMEF and TMBF during the financial year:

	Group/Company	
	2021	2020
	RM'000	RM'000
ASSETS		
Investments in other linked funds of insurer	490,080	369,416
Cash and cash equivalents	2	1
Net asset value of TMMF	490,082	369,417

36 INVESTMENT-LINKED FUND (CONTINUED)

The statement of comprehensive income of the investment-linked fund is represented by:

	Group		Company	
	2021 RM'000	2020 RM'000 restated	2021 RM'000	2020 RM'000
Investment income	28,035	17,264	27,906	17,135
Fair value (losses)/gains on investments	(8,629)	87,549	(9,643)	86,887
Other operating (losses)/gains - net	(9)	(819)	49	37
Other income	19,397	103,994	18,312	104,059
Management fees	(10,928)	(7,227)	(10,928)	(7,227)
Management expenses	(434)	(309)	(26)	(27)
Other expenses	(11,362)	(7,536)	(10,954)	(7,254)
Profit before tax	8,035	96,458	7,358	96,805
Taxation	(174)	(7,593)	(174)	(7,570)
Net profit for the financial year	7,861	88,865	7,184	89,235

The statement of comprehensive income have been adjusted for TokioMarine Managed Fund ("TMMF") which have been eliminated as TMMF invested mainly in TMEF and TMBF during the financial year:

	Group/Company	
	2021 RM'000	2020 RM'000
Fair value gains on investments	8,166	36,735
Management expenses	(6)	(6)
Net profit for the financial year	8,160	36,729

37 ADDITIONAL DISCLOSURE UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT LIABILITIES

The following additional disclosures, required by Amendments to MFRS 4 for entity qualified and elected the temporary exemption from applying MFRS 9, present the Group and the Company's financial assets by their contractual cash flows characteristics, which indicate if they are solely payments of principal and interest on the principal outstanding ("SPPI"):

31 December 2021

Group/Company	**Financial assets with SPPI cash flows (RM'000)**	**All other financial assets (RM'000)**
Fair value at end of reporting date	5,955,663	3,299,930
Fair value changes during the financial year	(237,062)	(127,071)
Gross carrying amount under MFRS 139 by credit risk rating grades as defined in MFRS 7	5,891,317	3,299,930
Financial assets defined in MFRS 9 B5.5.22, to separately disclose the following financial assets that do not have low credit risk:		
- Fair value	-	-
- Gross carrying amount	-	-

31 December 2020

Group/Company	**Financial assets with SPPI cash flows (RM'000)**	**All other financial assets (RM'000)**
Fair value at end of reporting date	5,927,719	2,913,114
Fair value changes during the financial year	103,181	217,462
Gross carrying amount under MFRS 139 by credit risk rating grades as defined in MFRS 7	5,927,719	2,913,114
Financial assets defined in MFRS 9 B5.5.22, to separately disclose the following financial assets that do not have low credit risk:		
- Fair value	-	-
- Gross carrying amount	-	-

* Insurance receivables, reinsurance assets and policy loans have been excluded from the above assessment as they are under the scope of MFRS 4 'Insurance Contracts'.

* Other than the financial assets included in the table above and assets that are within the scope of MFRS 4 'Insurance Contracts', all other assets in the statement of financial position are non-financial asset.

37 ADDITIONAL DISCLOSURE UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT LIABILITIES (CONTINUED)

Financial assets with SPPI cash flows

Group/Company

	AAA RM'000	AA RM'000	A RM'000	Government Guaranteed RM'000	Unrated RM'000	Total RM'000
31 December 2021						
Investments						
Malaysian Government Securities	-	-	-	-	578,159	578,159
Malaysian Government Guaranteed Bond	-	-	-	1,664,664	-	1,664,664
Government Investment Issues	-	-	-	-	425,445	425,445
Corporate debt securities	1,037,002	1,431,374	224,832	-	56,546	2,749,754
Loans and receivables	-	-	-	-	927	927
Other receivables	-	-	-	-	9,647	9,647
Cash and cash equivalents	332,866	129,772	-	-	83	462,721
	1,369,868	1,561,146	224,832	1,664,664	1,070,807	5,891,317
31 December 2020						
Investments						
Malaysian Government Securities	-	-	-	-	561,568	561,568
Malaysian Government Guaranteed Bond	-	-	-	1,656,259	-	1,656,259
Government Investment Issues	-	-	-	-	438,191	438,191
Corporate debt securities	993,229	1,607,502	267,287	-	59,132	2,927,150
Loans and receivables	-	10,140	-	-	1,319	11,459
Other receivables	-	-	-	-	20,196	20,196
Cash and cash equivalents	152,598	159,910	-	-	388	312,896
	1,145,827	1,777,552	267,287	1,656,259	1,080,794	5,927,719

All financial assets with SPPI cash flows of the Group and the Company as at 31 December 2021 have low credit risk.

38 EFFECTS ON RESTATEMENT OF COMPARATIVES

The Company has determined that its investment in a wholesale unit trust fund and a retail fund amounting to RM47.6 million (2020: RM53.7 million; 2019: RM80.9 million) and RM17.1 million (2020: RM14.5 million; 2019: RM11.0 million) respectively, as disclosed in Notes 7 and 8 to the financial statements as investment in structured entities.

The Company invests in the investee funds whose objectives range from achieving medium to long-term capital growth and whose investment strategy does not include the use of leverage.

The investee funds are managed by RHB Asset Management Sdn Bhd and apply various investment strategies to accomplish their respective investment objectives.

The Company holds 100% (2020: 100%; 2019: 100%) of RHB Income Plus Fund 8 and 95% (2020: 91%; 2019: 94%) of RHB Leisure, Lifestyle and Luxury Fund. Both funds were established in Malaysia and the Company has control over these investee funds. The Company is exposed to, or has rights to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. As such, consolidation of these investee funds is prepared for the financial year ended 31 December 2021 with the preparation of the Group’s financial statements for the earliest prior period presented (i.e. 1 January 2020). The investments at Company level are classified as controlled structured entities for the financial years ended 31 December 2020 and 31 December 2021, as disclosed in Note 8 to the financial statements.

38 EFFECTS ON RESTATEMENT OF COMPARATIVES (CONTINUED)

The consolidation of the two investee funds has been prepared for retrospectively. The effects of consolidation of the investee funds are as follows:

	31 December 2020			1 January 2020		
	Group (as previously reported	Effects of consolidation	Group (restated)	Group (as previously reported)	Effect of consolidation	Group (restated)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Statement of financial position						
ASSETS						
Property, plant and equipment	-	165,187	165,187	-	166,013	166,013
Right-of-use assets	-	9,609	9,609	-	9,975	9,975
Investment properties	-	174,735	174,735	-	168,104	168,104
Intangible assets	-	82,296	82,296	-	11,855	11,855
Financial investments						
Available-for-sale financial assets	-	5,990,575	5,990,575	-	5,751,960	5,751,960
Fair value through profit or loss financial assets	-	1,551,132	1,551,132	-	1,095,583	1,095,583
Held-to-maturity financial assets	-	952,551	952,551	-	963,724	963,724
Loans and receivables	-	427,129	427,129	-	461,177	461,177
Reinsurance assets	-	19,089	19,089	-	11,378	11,378
Tax recoverable	-	10,282	10,282	-	-	-
Insurance receivables	-	23,622	23,622	-	29,590	29,590
Other receivables	-	20,374	20,374	-	35,415	35,415
Cash and cash equivalents	-	315,733	315,733	-	362,944	362,944
TOTAL ASSETS	-	9,742,314	9,742,314	-	9,067,718	9,067,718

38 EFFECTS ON RESTATEMENT OF COMPARATIVES (CONTINUED)

The consolidation of the two investee funds has been prepared for retrospectively. The effects of consolidation of the investee funds are as follows: (continued)

	31 December 2020			1 January 2020		
	Group (as previously reported	Effects of consolidation	Group (restated)	Group (as previously reported)	Effect of consolidation	Group (restated)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Statement of financial position (continued)						
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES						
Share capital	-	226,000	226,000	-	226,000	226,000
Retained earnings	-	687,290	687,290	-	652,134	652,134
Available-for-sale reserve	-	111,459	111,459	-	67,453	67,453
Asset revaluation reserve	-	3,334	3,334	-	3,208	3,208
TOTAL EQUITY	-	1,028,083	1,028,083	-	948,795	948,795

38 EFFECTS ON RESTATEMENT OF COMPARATIVES (CONTINUED)

The consolidation of the two investee funds has been prepared for retrospectively. The effects of consolidation of the investee funds are as follows: (continued)

	31 December 2020			1 January 2020		
	Group (as previously reported	Effects of consolidation	Group (restated)	Group (as previously reported)	Effect of consolidation	Group (restated)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Statement of financial position (continued)						
Insurance contract liabilities	-	7,791,313	7,791,313	-	7,269,293	7,269,293
Insurance payables	-	557,539	557,539	-	522,603	522,603
Lease liabilities	-	458	458	-	543	543
Other payables	-	67,556	67,556	-	64,389	64,389
Other financial liabilities	-	1,189	1,189	-	613	613
Provision for agency long association benefits	-	34,014	34,014	-	31,378	31,378
Current tax liabilities	-	4,048	4,048	-	14,017	14,017
Deferred tax liabilities	-	258,114	258,114	-	216,087	216,087
TOTAL POLICYHOLDERS' FUNDS AND LIABILITIES	-	8,714,231	8,714,231	-	8,118,923	8,118,923
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	-	9,742,314	9,742,314	-	9,067,718	9,067,718

38 EFFECTS ON RESTATEMENT OF COMPARATIVES (CONTINUED)

	Effect to the financial year ended 31 December 2020		
	Group (as previously reported RM'000	Effects of consolidation RM'000	Group (restated) RM'000
Statement of profit or loss			
Gross earned premium revenue	-	1,345,975	1,345,975
Premiums ceded to reinsurers	-	(45,561)	(45,561)
Net earned revenue	-	1,300,414	1,300,414
Investment income	-	348,377	348,377
Net realised gains	-	23,933	23,933
Net fair value gains	-	180,808	180,808
Commission income	-	6,171	6,171
Other income	-	559,289	559,289
Gross benefits and claims paid	-	(1,168,435)	(1,168,435)
Claims ceded to reinsurers	-	40,237	40,237
Gross change to insurance contract liabilities	-	(324,979)	(324,979)
Net insurance benefits and claims	-	(1,453,177)	(1,453,177)
Commission and agency expenses	-	(145,988)	(145,988)
Management expenses	-	(166,872)	(166,872)
Other operating income	-	(806)	(806)
Other expenses	-	(313,666)	(313,666)
Profit before taxation	-	92,860	92,860
Taxation	-	(52,704)	(52,704)
Net profit for the financial year	-	40,156	40,156
Basic earnings per share (sen)	-	17.77	17.77

38 EFFECTS ON RESTATEMENT OF COMPARATIVES (CONTINUED)

	Effect to the financial year ended 31 December 2020		
	Group (as previously reported	Effects of consolidation	Group (restated)
	RM'000	RM'000	RM'000
Statement of total comprehensive income			
Net profit for the financial year	-	40,156	40,156
Other comprehensive (loss)/income:			
Items that will be reclassified subsequently to profit or loss			
Fair value change on available-for-sale financial assets:			
Net gains arising during the financial year	-	216,307	216,307
Realised losses transferred to profit or loss	-	(233,390)	(233,390)
Impairment losses transferred to profit or loss	-	209,457	209,457
Tax effects thereon	-	(26,404)	(26,404)
Fair value gains, net of tax	-	165,970	165,970
Change in insurance contract liabilities arising from net fair value gains	-	(121,964)	(121,964)
Net fair value change	-	44,006	44,006
Items that will not be reclassified subsequently to profit or loss			
Asset revaluation reserve:			
Gross asset revaluation surplus	-	2,408	2,408
Tax effects thereon	-	(224)	(224)
Asset revaluation surplus, net of tax	-	2,184	2,184
Change in insurance contract liabilities arising from net asset revaluation surplus	-	(2,058)	(2,058)
Net asset revaluation surplus	-	126	126
Total other comprehensive income	-	44,132	44,132
Total comprehensive income for the financial year	-	84,288	84,288

38 EFFECTS ON RESTATEMENT OF COMPARATIVES (CONTINUED)

Statement of changes in equities

Group

	Note	Share capital RM'000	Non-Distributable: Available-for-sale reserve RM'000	Non-Distributable: Asset revaluation reserve RM'000	Distributable: Retained earnings RM'000	Total RM'000
At 1 January 2020		-	-	-	-	-
Effects of consolidation		226,000	67,453	3,208	652,134	948,795
At 1 January 2020 (restated)		226,000	67,453	3,208	652,134	948,795
Issued and fully paid ordinary shares:						
At 1 January 2020 (restated)		226,000	67,453	3,208	652,134	948,795
Total comprehensive income for the financial year		-	44,006	126	40,156	84,288
Dividend paid	27	-	-	-	(5,000)	(5,000)
At 31 December 2020 (restated)		226,000	111,459	3,334	687,290	1,028,083

38 EFFECTS ON RESTATEMENT OF COMPARATIVES (CONTINUED)

	Effect to the financial year ended 31 December 2020		
	Group (as previously reported	Effects of consolidation	Group (restated)
	RM'000	RM'000	RM'000
Statement of cash flows			
Cash flows from operating activities			
Net profit for the financial year	-	40,156	40,156
Adjustments:			
Investment income	-	(348,377)	(348,377)
Interest expense for lease liabilities	-	39	39
Realised gains of AFS financial assets	-	(233,390)	(233,390)
Fair value gains of FVTPL financial assets	-	(174,196)	(174,196)
Fair value gains of investment Properties	-	(6,631)	(6,631)
Loss on early redemption of HTM financial assets	-	19	19
Depreciation of property, plant and equipment	-	6,110	6,110
Depreciation of right-of-use assets	-	676	676
Write-offs of property, plant and equipment	-	9	9
Amortisation of intangible assets	-	22,183	22,183
Impairment of AFS financial assets	-	209,457	209,457
Impairment loss of insurance receivables	-	115	115
Impairment loss of loan receivables	-	161	161
Impairment loss of other receivables	-	380	380
Impairment loss of rent receivables (included in investment expenses)	-	9	9
Recovery of write-offs of insurance receivables	-	(4)	(4)
Provision for agency long association benefits	-	6,012	6,012
Taxation	-	52,704	52,704

38 EFFECTS ON RESTATEMENT OF COMPARATIVES (CONTINUED)

	Effect to the financial year ended 31 December 2020		
	Group (as previously reported	Effects of consolidation	Group (restated)
	RM'000	RM'000	RM'000
Statement of cash flows (continued)			
Cash flows from operating activities (continued)			
Changes in working capital:			
Purchases of financial assets	-	(2,360,747)	(2,360,747)
Proceeds from maturity and disposal of financial assets	-	2,062,790	2,062,790
Decrease in loans	-	44,027	44,027
Increase in reinsurance assets	-	(7,711)	(7,711)
Decrease in insurance receivables	-	5,857	5,857
Decrease in other receivables	-	23,382	23,382
Increase in insurance contract liabilities	-	397,999	397,999
Increase in insurance payables	-	34,936	34,936
Increase in other payables	-	19,880	19,880
	-	(204,155)	(204,155)
Dividend income received	-	54,794	54,794
Interest income received	-	289,709	289,709
Rental income received	-	3,826	3,826
Agency long association benefits paid	-	(3,376)	(3,376)
Income tax paid	-	(57,556)	(57,556)
Fee paid	-	(442)	(442)
Net cash inflows from operating activities	-	82,800	82,800
Cash flows from investing activities			
Purchase of property, plant and equipment	-	(2,684)	(2,684)
Purchase of intangible assets	-	(92,624)	(92,624)
Net cash outflows from investing activities	-	(95,308)	(95,308)

38 EFFECTS ON RESTATEMENT OF COMPARATIVES (CONTINUED)

	Effect to the financial year ended 31 December 2020		
	Group (as previously reported)	Effects of consolidation	Group (restated)
	RM'000	RM'000	RM'000
Statement of cash flows (continued)			
Cash flows from financing activities			
Dividends paid	-	(5,000)	(5,000)
Payment to lease liabilities	-	(635)	(635)
Cash proceed from unit created	-	3,201	3,201
Cash paid for unit cancelled	-	(32,269)	(32,269)
Net cash outflows from financing activities	-	(34,703)	(34,703)
Net decrease in cash and cash equivalents	-	(47,211)	(47,211)
Cash and cash equivalents at 1 January	-	362,944	362,944
Cash and cash equivalents at 31 December	-	315,733	315,733
Cash and cash equivalents comprise:			
Cash and bank balances	-	45,423	45,423
Fixed and call deposits with maturity of less than three months	-	270,310	270,310
	-	315,733	315,733