GENERAL ANNOUNCEMENT::GEH AND GEL ESTABLISH S$2,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

Issuer & Securities

Issuer/ Manager

GREAT EASTERN HOLDINGS LIMITED

Securities

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Assistant Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please refer to the attachment for further details.

Attachments

EMTN Programme.pdf

Offering Circular.pdf

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This announcement is not an offer of securities for sale in the United States or elsewhere. No Notes are being registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and no such Notes may be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from such registration. No public offering of any Notes is being or will be made in the United States.

Great Eastern Holdings Limited and The Great Eastern Life Assurance Company Limited establish S$2,000,000,000 Euro Medium Term Note Programme

15 March 2024 - Great Eastern Holdings Limited ("**GEH**") and The Great Eastern Life Assurance Company Limited ("**GEL**") are pleased to announce that they are establishing a S$2,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), pursuant to which each of GEH and GEL may issue senior notes, subordinated notes and perpetual capital securities from time to time (the "**Notes**"). Oversea-Chinese Banking Corporation Limited has been appointed as arranger and dealer for the Programme.

Under the Programme, each of GEH and GEL may issue the Notes from time to time in Singapore dollars or in other currencies, in various amounts and tenors. The Notes may bear fixed or floating rates or may not bear any interest. GEH or, as the case may be, GEL may also issue (i) perpetual capital securities that constitute Additional Tier 1 capital securities or (ii) subordinated Notes that constitute Tier 2 capital, in each case, pursuant to the requirements of the Monetary Authority of Singapore.

The Notes will be offered by GEH or, as the case may be, GEL under the Programme in Singapore to institutional investors (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA and accredited investors (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, and such other jurisdiction as may be determined by the relevant dealers and agreed upon by GEH or, as the case may be, GEL.

The net proceeds from the issue of each tranche of Notes will be applied by GEH or, as the case may be, GEL for general corporate purposes, funding working capital and future growth plans. If, in respect of any particular tranche of Notes, there is a particular identified use of proceeds, this will be stated in the applicable pricing supplement for such tranche of Notes.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of the Programme. Application will be made to the SGX-ST for the listing of, permission to deal in, and for quotation of, any Notes to be issued which are agreed at the time of issue to be listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed herein. Admission to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Programme, the Notes, GEH, GEL, their respective subsidiaries and/or associated companies.

A copy of the offering circular dated 15 March 2024 (the "**Offering Circular**") relating to the Programme is enclosed with this announcement. The Offering Circular also contains, *inter alia*, (a) the Independent Auditor's Report dated 23 February 2024 issued by PricewaterhouseCoopers LLP together with the audited consolidated financial statements of

GEH and its subsidiaries for the financial year ended 31 December 2023 and (b) the Independent Auditor's Report dated 23 February 2024 issued by PricewaterhouseCoopers LLP together with the audited consolidated financial statements of GEL and its subsidiaries for the financial year ended 31 December 2023.

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S (AS DEFINED BELOW).

IMPORTANT: You must read the following before continuing. If you are not the intended recipient of this message, please do not distribute or copy the information contained in this e-mail, but instead, delete and destroy all copies of this e-mail, including all attachments. The following applies to the offering circular (the "**Offering Circular**") following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY UNITED STATES ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE PRICING SUPPLEMENT AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR (AS AMENDED AND RESTATED FROM TIME TO TIME) THAT WILL BE DISTRIBUTED TO YOU PRIOR TO THE PRICING DATE AND NOT ON THE BASIS OF THE ATTACHED DOCUMENTS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR.

Confirmation of your Representation: The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and that you consent to the delivery of such Offering Circular by electronic transmission. The Offering Circular is being furnished in connection with an offshore transaction as defined in the Securities Act in compliance with Regulation S under the Securities Act ("**Regulation S**").

By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA or an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, and (B) agree to be bound by the limitations and restrictions described herein.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of the Offering Circular, electronically or otherwise, to any other person.

The materials relating to any offering of securities described in the Offering Circular do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Dealer (as described in the Offering Circular) or any affiliate of a Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or such affiliate on behalf of the relevant Issuer in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently none of the Issuers (as described in the Offering Circular), the Arranger (as described in the Offering Circular), the Dealers (as described in the Offering Circular) nor any person who controls any of them nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any discrepancies between the Offering Circular distributed to you in electronic format and the hard-copy version available to you on request from the Arranger or any Dealer.

Actions that you may not take: If you receive this document by e-mail, you should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Offering Circular dated 15 March 2024

Great Eastern Holdings Limited

(incorporated with limited liability in Singapore)
(UEN: 199903008M)

The Great Eastern Life Assurance Company Limited

(incorporated with limited liability in Singapore)
(UEN: 190800011G)

S$2,000,000,000 Euro Medium Term Note Programme

Under the S$2,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this Offering Circular, Great Eastern Holdings Limited ("**GEH**" or an "**Issuer**") and The Great Eastern Life Assurance Company Limited ("**GEL**" or an "**Issuer**" and, together with GEH, the "**Issuers**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities (the "**Notes**"). The Notes may include Subordinated Notes and Perpetual Capital Securities (as defined herein) issued by the Issuers, which may qualify as regulatory capital of the Issuers. The aggregate nominal amount of Notes outstanding will not at any time exceed S$2,000,000,000 (or the equivalent in other currencies and subject to increase as provided herein). Where used in this Offering Circular unless otherwise stated, "**Notes**" includes Perpetual Capital Securities that may be issued from time to time under the Programme. Defined terms used in this Offering Circular shall have the meanings given to such terms in "*Terms and Conditions of the Notes other than the Perpetual Capital Securities*", "*Terms and Conditions of the Perpetual Capital Securities*", "*Form of Pricing Supplement relating to Notes other than Perpetual Capital Securities*", "*Form of Pricing Supplement relating to Perpetual Capital Securities*" and "*Summary of the Programme*", as applicable.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of the Programme. Application will be made to the SGX-ST for the listing of, permission to deal in, and for quotation of, any Notes to be issued which are agreed at the time of issue to be listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed herein. Admission to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Programme, the Notes, the Issuers, their respective subsidiaries and/or associated companies.

The Notes are complex and high-risk financial instruments and are not a suitable or appropriate investment for all investors. Investors should not purchase the Notes in the primary or secondary markets unless they are professional investors and understand the risks involved. The Notes are not suitable for retail investors. There are risks inherent in the holding of any Notes, including for example in respect of Subordinated Notes and Perpetual Capital Securities including certain risks in relation to their subordination and the circumstances in which Noteholders or Securityholders may suffer loss as a result of holding any Notes. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Offering Circular for a discussion of certain considerations to be taken into account in connection with an investment in the Notes.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS AND RESTRICTIONS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD OR, IN THE CASE OF BEARER NOTES, DELIVERED WITHIN THE UNITED STATES. REGISTERED NOTES ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, SEE "*SUBSCRIPTION AND SALE*".

Each Tranche (as defined in "*Summary of the Programme*") of Notes in bearer form ("**Bearer Notes**") will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**" and, together with the Temporary Global Notes, the "**Global Notes**"), as specified in the applicable Pricing Supplement. Interests in Temporary Global Notes generally will be exchangeable for interests in Permanent Global Notes, or, if so stated in the applicable pricing supplement to this Offering Circular (each a "**Pricing Supplement**"), definitive Notes ("**Definitive Notes**"). Interests in Permanent Global Notes will be exchangeable for Definitive Notes in whole but not in part. See "*Summary of Provisions Relating to the Notes while in Global Form*".

Each Series of Notes (as defined in "*Summary of the Programme*") in registered form ("**Registered Notes**") will be represented by registered certificates (each a "**Certificate**"), without interest coupons. Registered Notes will initially be represented by a registered global certificate (each a "**Global Certificate**") without interest coupons. Global Notes and Global Certificates may be deposited on the relevant issue date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") (the "**Common Depositary**") or with The Central Depository (Pte) Limited ("**CDP**"). Beneficial interests in Global Notes or Certificates held in book-entry form through Euroclear or Clearstream will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear or Clearstream, as the case may be. Beneficial interests in Global Notes or Global Certificates held in book-entry form through CDP will be shown on, and transfers thereof will be effected only through, records maintained by CDP. The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

In relation to any Tranche (as defined in "*Summary of the Programme*"), the aggregate nominal amount of the Notes of such Tranche, the interest or distribution (if any) payable in respect of the Notes of such Tranche, the issue price and any other terms and conditions not contained herein which are applicable to such Tranche will be set out in a Pricing Supplement which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Tranche.

Notes issued under the Programme may be rated or unrated. When an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is a statement of opinion and not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, downgrade or withdrawal at any time by the assigning rating agency.

Arranger and Dealer

OCBC Bank

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IMPORTANT

If you are in any doubt about this Offering Circular, you should consult your broker, dealer, bank manager, solicitor, certified public accountant or other professional adviser.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*").

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes in the United Kingdom ("**UK**") and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**UK distributor**") should take into consideration the target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

PRIIPS REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPS REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

OTHER REGULATORY RESTRICTIONS – This Offering Circular is being distributed only to and directed only at:

(i) persons who are outside the UK;

(ii) persons in the UK who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**");

(iii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or

(iv) those persons in the UK to whom it may otherwise lawfully be distributed

(all such persons together being referred to as "**relevant persons**").

In the UK, this Offering Circular is directed only at relevant persons and must not be acted on or relied upon by persons who are not relevant persons. In the UK, any investment or investment activity to which the Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

SINGAPORE SFA PRODUCT CLASSIFICATION - In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"), unless otherwise specified before an offer of Notes, the Issuers have determined, and hereby notify all persons, including relevant persons (as defined in Section 309A(1) of the SFA), that all Notes issued or to be issued under the Programme are "**prescribed capital markets products**" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and "**Excluded Investment Products**" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT – Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to the Programme, each such offering, a "**CMI Offering**", including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the relevant Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with such Issuer, the CMI or the relevant group company. Prospective investors associated with the relevant Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the relevant Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby they are deploying their own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has a more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the relevant Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

The Issuers accept responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuers (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts as at the date of this Offering Circular and does not omit any material information likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than as contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Arranger, the Dealers, the Trustee (as defined in "*Terms and Conditions of the Notes other than the Perpetual Capital Securities*" and "*Terms and Conditions of the Perpetual Capital Securities*") or the Agents (as defined in the Trust Deed referred to in "*Terms and Conditions of the Notes other than the Perpetual Capital Securities*" and "*Terms and Conditions of the Perpetual Capital Securities*") or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuers, their subsidiaries and/or associated companies since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuers since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as at any time after the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuers, the Arranger, the Dealers, the Trustee and the Agents and each of their respective directors, officers, employees, agents, representatives, advisers and affiliates and each person who controls any of them to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Notes and distribution of this Offering Circular, see "*Subscription and Sale*" and the applicable Pricing Supplement. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Dealer (as described in this Offering Circular) or any affiliate of a Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or such affiliate on behalf of the relevant Issuer in such jurisdiction.

Neither this Offering Circular nor any information supplied in connection with the Programme constitutes an offer of, or an invitation by or on behalf of, the Issuers, the Arranger or the Dealers to subscribe for or purchase, any Notes.

To the fullest extent permitted by law, none of the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them in connection with the Issuers or the issue and offering of the Notes. The Arranger, each Dealer, the Trustee and each Agent and each of their respective directors, officers, employees, agents, representatives, advisers and affiliates and each person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any other financial statements or documents incorporated by reference are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuers, the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based on such investigation as it deems necessary. None of the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them undertakes to review the financial condition or affairs of the Issuers during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

By receiving this Offering Circular, investors acknowledge that: (i) they have been afforded an opportunity to request and to review, and have received, all information that investors consider necessary to verify the accuracy of, or to supplement, the information contained in this Offering Circular; (ii) they have not relied on the Arranger, any Dealer, the Trustee or any Agent or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them in connection with their investigation of the accuracy of any information in this Offering Circular or their investment decision; and (iii) no person has been authorised to give any information or to make any representation concerning the issue or sale of the Notes or the Issuers other than as contained in this

Offering Circular and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuers, the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Arranger, the Dealers, the Trustee and the Agents and each of their respective directors, officers, employees, agents, representatives, advisers and affiliates and each person who controls any of them do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the EEA, the UK, Hong Kong, Japan and Singapore, see "*Subscription and Sale*".

CERTAIN DEFINED TERMS AND CONDITIONS AND PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "**Singapore dollars**", "**S$**" and "**SGD**" are to the lawful currency of Singapore, all references to "**U.S. dollars**" and "**U.S.$**" are to the lawful currency of the United States of America, all references to "**Euro**", "**euro**", "**EUR**" and "**€**" are to the lawful currency of the member states of the European Union that have adopted or may adopt the single currency in accordance with the treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the treaty on European Union, all references to "**Hong Kong dollars**" and "**HKD**" are to the lawful currency of Hong Kong, all references to "**IDR**" are to the lawful currency of Indonesia, all references to "**MYR**" are to the lawful currency of Malaysia, all references to "**RMB**", "**Renminbi**" and "**CNY**" are to the lawful currency of the People's Republic of China ("**PRC**") and all references to "**Sterling**" and "**GBP**" are to the lawful currency of the UK.

As used in this Offering Circular, an "**Issuer**" refers to each of Great Eastern Holdings Limited and The Great Eastern Life Assurance Company Limited (together, the "**Issuers**"), the "**GEH Group**" refers to Great Eastern Holdings Limited and its subsidiaries and the "**GEL Group**" refers to The Great Eastern Life Assurance Company Limited and its subsidiaries (each of GEH Group and GEL Group, a "**Group**" and together the "**Groups**"). References in this Offering Circular to "**2021**", "**2022**" and "**2023**" refer to each of the Groups' fiscal years ended 31 December 2021, 31 December 2022 and 31 December 2023, respectively. As used in this Offering Circular, "**Note Conditions**" refers to the terms and conditions of the Notes other than the Perpetual Capital Securities, "**Perpetual Capital Securities Conditions**" refers to the terms and conditions of the Perpetual Capital Securities and "**Conditions**" refers to the Note Conditions and the Perpetual Capital Securities Conditions together.

In this Offering Circular, each of the Groups' financial information is presented on a consolidated basis, unless stated otherwise. The consolidated financial statements of each Group are prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). The SFRS(I) is equivalent to International Financial Reporting Standards ("**IFRS**"). Investors should consult their own professional advisers for an understanding of the differences between SFRS(I) and the generally accepted accounting principles of other jurisdictions and how those differences might affect the financial information contained in this Offering Circular.

The audited consolidated financial statements of the GEH Group as at and for the years ended 31 December 2022 and 31 December 2023 (the "**Audited GEH Financial Statements**") and the audited consolidated financial statements of the GEL Group as at and for the years ended 31 December 2022 and 31 December 2023 (the "**Audited GEL Financial Statements**" and together with the Audited GEH Financial Statements, the "**Financial Statements**") are included in this Offering Circular, beginning on page F-1. The consolidated financial information of each Group included in this Offering Circular as at and for the year ended 31 December 2021 has, unless otherwise indicated, been derived from the comparative information in the audited consolidated financial statements of each Group as at and for the year ended 31 December 2022.

Restatement of the consolidated financial statements as at and for the year ended 31 December 2022

Each Group has adopted SFRS(I) 17 Insurance Contracts on 1 January 2023 and has prepared its respective audited consolidated financial statements as at and for the year ended 31 December 2023 under this basis. Accordingly, the comparative information as at and for the year ended 31 December 2022 has been restated and this is reflected in the audited consolidated financial statements of each Group as at and for the year ended 31 December 2023. See Note 2 to each of the audited consolidated financial statements of each Group as at and for the year ended 31 December 2023 (together, the "**2023 Financial Statements**") for more information. The restated amounts of the comparative information as of and for the year ended 31 December 2022 included in this Offering Circular have been extracted or derived from the 2023 Financial Statements. As a result, the financial information of each Group as of and for the year ended 31 December 2022 presented herein will conform to the comparative period information for the year ended 31 December 2022 in the 2023 Financial Statements, but will not, where restated, conform in all respects to the information included in the audited consolidated financial statements of each Group as at and for the year ended 31 December 2022.

Certain monetary amounts and percentages in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

In connection with the issue of any Tranche (as defined in "*Summary of the Programme*"), the Dealer or Dealers (if any) named as the stabilisation coordinator(s) (the "**Stabilisation Coordinator(s)**") (or persons acting on behalf of any Stabilisation Coordinator(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period of time after the relevant issue date. However, there is no assurance that the Stabilisation Coordinator(s) (or persons acting on behalf of any Stabilisation Coordinator(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the applicable Pricing Supplement of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Coordinator(s) (or persons acting on behalf of any Stabilisation Coordinator(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with the Financial Statements included in this Offering Circular, beginning on page F-1, and each relevant Pricing Supplement and all other documents which are deemed to be incorporated by reference in the relevant Pricing Supplement, all amendments and supplements from time to time to this Offering Circular and all other documents which are deemed to be incorporated by reference pursuant to such amendments and/or supplements to this Offering Circular. The relevant Pricing Supplement and the relevant amendments and/or supplements to this Offering Circular shall, save as specified herein and therein, be read and construed on the basis that such documents are so incorporated by reference and form part of the relevant Pricing Supplement and the relevant amendments and/or supplements to this Offering Circular.

This Offering Circular should also be read and construed in conjunction with any audited consolidated financial statements of the GEH Group which are available at www.greateasternlife.com subsequent to the date of this Offering Circular and any unaudited interim consolidated financial statements of the GEH Group published subsequent to such Financial Statements, each of which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

Any statement contained in a document incorporated by reference in this Offering Circular shall be deemed to be modified or superseded to the extent that a statement contained in any subsequent document which is also incorporated by reference into this Offering Circular modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Website addresses in this Offering Circular are included for reference only, and the contents of such websites are not incorporated by reference into, and do not form part of, this Offering Circular.

Copies of documents deemed to be incorporated by reference in this Offering Circular may be obtained without charge from the registered office or the website (www.greateasternlife.com) of the Issuers. Copies of the audited consolidated financial statements of the GEH Group which are deemed to be incorporated by reference in this Offering Circular may be obtained at the SGX-ST's website at www.sgx.com. Save as stated above, the information on the Issuers' website or any website directly or indirectly linked to such website is not incorporated by reference into, and do not form part of, this Offering Circular and should not be relied on in connection with an investment in the Notes.

SUPPLEMENTAL OFFERING CIRCULAR

If at any time the Issuers shall be required to prepare a supplemental Offering Circular, the Issuers will prepare and make available an appropriate amendment or supplement to this Offering Circular or a further Offering Circular.

INDUSTRY AND OTHER MARKET DATA

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuers, the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them makes any representation as to the accuracy of that information.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements. When used in this Offering Circular, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Issuers, their subsidiaries and management, are intended to identify such forward-looking statements. These statements concern, or may affect, future matters. These may include the Groups' future strategies, business plans and results and are based on the current expectations of the directors of the Issuers. They are subject to a number of risks and uncertainties that might cause actual results and outcomes to differ materially from expectations outlined in these forward-looking statements. These factors are discussed in greater detail under the section *"Risk Factors"*.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuers and/or the Groups to be materially different from the results, performance or achievements expected, expressed or implied by the forward-looking statements in this Offering Circular, investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date hereof. None of the Issuers and/or the Groups represents or warrants that the actual future results, performance or achievements of the relevant Issuer and/or the relevant Group will be as discussed in those statements. Neither the delivery of this Offering Circular (or any part thereof) nor the issue, offering, purchase or sale of any Notes shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuers and/or the Groups or any statement of fact or information contained in this Offering Circular since the date of this Offering Circular or the date on which this Offering Circular has been most recently amended or supplemented. Each Issuer and each Group disclaims any responsibility and undertakes no obligation to update or revise any forward-looking statement contained herein or publicly release the result of any revisions to these forward-looking statements to reflect events, conditions or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche or Series of Notes, the applicable Pricing Supplement. Words and expressions defined in "Terms and Conditions of the Notes other than the Perpetual Capital Securities" and "Terms and Conditions of the Perpetual Capital Securities" shall have the same meanings in this summary. Other words and expressions used in this summary and not otherwise defined in this summary shall have the meanings ascribed to such words and expressions appearing elsewhere in this Offering Circular.

Issuers	Great Eastern Holdings Limited and The Great Eastern Life Assurance Company Limited.
Description	Euro Medium Term Note Programme.
Programme Limit	Up to S$2,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuers may increase this amount in accordance with the terms of the Dealer Agreement.
Arranger	Oversea-Chinese Banking Corporation Limited.
Dealers	Oversea-Chinese Banking Corporation Limited and any other Dealers appointed in respect of the Programme. The Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "**Programme Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Programme Dealers and all persons appointed as dealers in respect of one or more Tranches. The Notes may be offered from time to time by the relevant Issuer through the Dealers. The relevant Issuer may sell Notes to the Dealers acting as principals for resale to investors or other purchasers and the relevant Issuer may also sell Notes directly to investors. Notes may be distributed on a syndicated or non-syndicated basis. See "*Subscription and Sale*".
Trustee	The Bank of New York Mellon, London Branch.
Calculation Agent	The Bank of New York Mellon, London Branch, in the case of a series of non-CDP Notes (as defined below), and The Bank of New York Mellon, Singapore Branch, in the case of a series of Notes cleared through CDP ("**CDP Notes**"), may be appointed to act as Calculation Agent in respect of any particular series of Notes by agreement with the relevant Issuer. The Bank of New York Mellon, London Branch or, as the case may be, The Bank of New York Mellon, Singapore Branch will be provided with the applicable Pricing Supplement (in draft or final form) for the relevant series of Notes which the relevant Issuer proposes to issue no later than seven Business Days before the Issue Date and a request in writing for The Bank of New York Mellon, London Branch or, as the case may be, The Bank of New York Mellon, Singapore Branch to act as Calculation Agent. If it agrees to accept such appointment, The Bank of New York

Mellon, London Branch or, as the case may be, The Bank of New York Mellon, Singapore Branch will notify the relevant Issuer in writing no later than three Business Days after receipt of such Pricing Supplement and request. If no such notification of acceptance is received by the relevant Issuer by the time specified above, then The Bank of New York Mellon, London Branch or, as the case may be, The Bank of New York Mellon, Singapore Branch will be deemed to have declined to act as Calculation Agent for that series of Notes, and the relevant Issuer will appoint another entity to act as Calculation Agent for that series of Notes.

Issuing and Paying Agent The Bank of New York Mellon, London Branch (in respect of each series of non-CDP Notes).

CDP Paying Agent The Bank of New York Mellon, Singapore Branch (in respect of each series of CDP Notes).

Registrar and Transfer Agent (in respect of Registered Notes) The Bank of New York Mellon SA/NV, Dublin Branch (in respect of each series of non-CDP Notes) and The Bank of New York Mellon, Singapore Branch (in respect of CDP Notes).

Currencies Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in U.S. dollars, Euro, Sterling, Hong Kong dollars, Singapore dollars, Renminbi or in such other currencies as may be agreed.

Renminbi Fallback If by reason of inconvertibility, non-transferability or illiquidity, the relevant Issuer is not, in its sole and absolute discretion, able to satisfy payments of principal or interest (in respect of the Notes other than the Perpetual Capital Securities) or payments of principal or Distributions (in respect of the Perpetual Capital Securities only), as applicable, when due in Renminbi, the relevant Issuer shall, on giving not less than 15 nor more than 30 business days' irrevocable notice to the Trustee and the Noteholders or, as the case may be, Securityholders prior to the due date for payment, settle such payment in U.S. dollars (in the case of Notes cleared through Euroclear and Clearstream) or in Singapore dollars (in the case of CDP Notes).

Denomination Definitive Notes and Definitive Certificates will be in denominations as may be specified in the applicable Pricing Supplement (the "**Specified Denomination**"), save that, unless otherwise permitted by then current laws and regulations:

(i) Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the UK or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") will have a minimum Specified Denomination of GBP100,000 (or its equivalent in other currencies); and

(ii) Notes which are listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of SGD200,000 (or its equivalent in other currencies),

subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency.

The minimum Specified Denomination of each Note admitted to trading on a regulated market within the EEA or in the UK or offered to the public in an EEA State or in the UK in circumstances which require the publication of a prospectus under Regulation (EU) 2017/1129 will be EUR100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency at the date of issue of the Notes).

Form of Notes	The Notes may be issued in bearer form or in registered form only. Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. Subordinated Notes and Perpetual Capital Securities, as applicable, will only be issued in registered form. Each Tranche of Notes in bearer form will be represented on issue by a Temporary Global Note or a Permanent Global Note, as specified in the applicable Pricing Supplement. Interests in Temporary Global Notes generally will be exchangeable for interests in Permanent Global Notes, or, if so stated in the applicable Pricing Supplement, Definitive Notes. Interests in Permanent Global Notes will be exchangeable for Definitive Notes in whole but not in part (see "*Summary of Provisions Relating to the Notes while in Global Form*"). Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of, or a nominee of the common depository (as applicable) for, one or more clearing systems are referred to as "*Global Certificates*". Registered Notes will initially be represented by a Global Certificate.
Clearing Systems	CDP, Euroclear and/or Clearstream and, in relation to any Tranche, such other clearing system as agreed and stated in the applicable Pricing Supplement.
Maturities	Subject to compliance with all relevant laws, regulations and directives, Notes may have any maturity that is one month or greater.
Method of Issue	Notes may be distributed by way of private placement on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of

	Perpetual Capital Securities only), as applicable, and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a "**Pricing Supplement**").
Issue Price	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Fixed Rate Notes	Fixed Rate Notes will bear interest (in respect of Notes other than Perpetual Capital Securities) or confer the right to receive Distributions (in respect of Perpetual Capital Securities only), as applicable, payable in arrear on such day(s) as may be agreed (as specified in the applicable Pricing Supplement).
Floating Rate Notes	Floating Rate Notes will bear interest (in respect of Notes other than Perpetual Capital Securities) or confer the right to receive Distributions (in respect of Perpetual Capital Securities only), as applicable, determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2021 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or (ii) by reference to HIBOR, EURIBOR, SOFR Benchmark or SORA Benchmark (or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin. Interest periods (in respect of Notes other than Perpetual Capital Securities) or Distribution periods (in respect of Perpetual Capital Securities only), as applicable, will be specified in the applicable Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest (in respect of Notes other than Perpetual Capital Securities).
Other Notes	Terms applicable to any other type of Notes which an Issuer may agree to issue under the Programme will be set out in the applicable Pricing Supplement.
Change of Interest Basis or Distribution Basis	Notes may be converted from one interest basis (in respect of Notes other than Perpetual Capital Securities) or one Distribution basis (in respect of Perpetual Capital Securities only), as applicable, to another in the manner set out in the applicable Pricing Supplement.
Redemption of Senior Notes	The applicable Pricing Supplement will indicate either that the Senior Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Senior Notes will be redeemable at the option of the relevant Issuer and/or the Senior Noteholders upon giving notice to the

Senior Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement.

The applicable Pricing Supplement may provide that Senior Notes may be redeemable in two or more instalments in such amounts and on such dates as indicated therein.

Redemption of Subordinated Notes

The applicable Pricing Supplement issued in respect of each issue of Subordinated Notes will indicate that the Subordinated Notes cannot be redeemed prior to their stated maturity other than at the option of the relevant Issuer and with the prior written approval of the Monetary Authority of Singapore (the "**MAS**"):

(i) for taxation reasons; or

(ii) following a Change of Qualification Event; or

(iii) on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement; or

(iv) following a Change of Ratings Methodology Event; or

(v) on such other terms as may be indicated in the applicable Pricing Supplement.

The applicable Pricing Supplement will specify the basis for calculating the redemption amounts payable.

Redemption of Perpetual Capital Securities

The applicable Pricing Supplement issued in respect of each issue of Perpetual Capital Securities will indicate that the Perpetual Capital Securities cannot be redeemed other than at the option of the relevant Issuer and with the prior written approval of the MAS:

(i) for taxation reasons; or

(ii) following a Change of Qualification Event; or

(iii) following a Change of Ratings Methodology Event; or

(iv) on such other terms as may be indicated in the applicable Pricing Supplement.

The applicable Pricing Supplement will specify the basis for calculating the redemption amounts payable.

Withholding Tax

All payments of principal and interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, in respect of the Notes, the Receipts and the Coupons will be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

In that event, the relevant Issuer shall pay such additional amounts as shall result in receipt by the Noteholders, the Securityholders, the Receiptholders or the Couponholders (after the withholding or deduction) of such amount as would have been received by them had no such of the withholding or deduction been required, subject to customary exceptions.

Status of the Senior Notes	The Senior Notes and the Receipts and the Coupons relating to them will constitute direct and unsecured obligations of the relevant Issuer as set out in Note Condition 3(a).
Status of the Subordinated Notes	The Subordinated Notes will constitute direct, unsecured and subordinated obligations of the relevant Issuer as set out in Note Condition 3(b).
Status of the Perpetual Capital Securities	The Perpetual Capital Securities will constitute direct, unsecured and subordinated obligations of the relevant Issuer as set out in Perpetual Capital Securities Condition 3(a).
Subordination of the Subordinated Notes	Upon the occurrence of any winding-up proceedings, the rights of the Noteholders to payment of principal of and interest on the Subordinated Notes and any other obligations in respect of the Subordinated Notes are expressly subordinated and subject in right of payment to the prior payment in full of all claims of the Relevant Creditors and will rank senior to all share capital of the relevant Issuer and Tier 1 Capital Securities. The Subordinated Notes will rank *pari passu* with all subordinated debt issued by the relevant Issuer that qualifies as Tier 2 Capital Securities as further described in Note Condition 3(c).
Subordination of the Perpetual Capital Securities	Upon the occurrence of any winding-up proceedings, the rights of the Securityholders to payment of principal of and Distributions on the Perpetual Capital Securities and any other obligations in respect of the Perpetual Capital Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of the Relevant Creditors and will rank senior to the Junior Obligations. The Perpetual Capital Securities will rank *pari passu* with Additional Tier 1 Capital Securities, as further described in Perpetual Capital Securities Condition 3(b).
Events of Default in respect of the Senior Notes	Events of Default for the Senior Notes are set out in Note Condition 9(a).
Default and Rights and Remedies upon Default in respect of the Subordinated Notes	Default events for the Subordinated Notes are set out in Note Condition 9(b). If a Default in respect of the payment of principal of or interest on the relevant Subordinated Notes occurs and is continuing, the sole remedy available to the Trustee shall be the right to institute proceedings in Singapore (but not elsewhere) for the winding-up of the relevant Issuer. If the relevant Issuer shall default in the performance of any obligation contained in the Trust Deed or the relevant Subordinated Notes other than a Default specified in the Note Conditions, the Trustee and the Noteholders shall be entitled to every right and remedy given under the Note Conditions or existing at law or in equity or otherwise, provided, however, that the Trustee shall have no right to enforce payment under or accelerate payment of any Subordinated Note except as provided in the Note Conditions

and the Trust Deed. If any court awards money damages or other restitution for any default with respect to the performance by the relevant Issuer of its obligations contained in the Trust Deed, the relevant Subordinated Notes, the payment of such money damages or other restitution shall be subject to the subordination provisions set out in the Note Conditions and the Trust Deed.

Default and Rights and Remedies upon Default in respect of the Perpetual Capital Securities

Default events for the Perpetual Capital Securities are set out in Perpetual Capital Securities Condition 10.

If a Default in respect of the payment of principal of or Distribution on the Perpetual Capital Securities occurs and is continuing, the sole remedy available to the Trustee shall be the right to institute proceedings in Singapore (but not elsewhere) for the winding-up of the relevant Issuer. If the relevant Issuer shall default in the performance of any obligation contained in the Trust Deed or, the relevant Perpetual Capital Securities other than a Default specified in the Perpetual Capital Securities Conditions, the Trustee and the Securityholders shall be entitled to every right and remedy given under the Perpetual Capital Securities Conditions or now or hereafter existing at law or in equity or otherwise, provided, however, that the Trustee shall have no right to enforce payment under or accelerate payment of any Perpetual Capital Security except as provided in the Perpetual Capital Securities Conditions and the Trust Deed. If any court awards money damages or other restitution for any default with respect to the performance by the relevant Issuer of its obligations contained in the Trust Deed, the relevant Perpetual Capital Securities, the payment of such money damages or other restitution shall be subject to the subordination provisions set out in the Perpetual Capital Securities Conditions and the Trust Deed.

Rating

Each Tranche of Notes issued under the Programme may be rated or unrated. When a Tranche of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, downgrade or withdrawal at any time by the assigning rating agency.

Listing

Application has been made to the SGX-ST for the listing of the Programme. Application will be made to the SGX-ST for the listing of, permission to deal in, and for quotation of, any Notes issued under the Programme, which are agreed at the time of issue to be so listed, to be listed on the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of SGD200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time. The Notes may also be listed on such other or further stock exchange(s) as may be agreed in relation to each Series.

Unlisted Notes may also be issued.

Governing Law	As specified in the applicable Pricing Supplement: (i) English law, save that the provisions in relation to subordination, set-off and payment void, default and enforcement in respect of both the Subordinated Notes and the Perpetual Capital Securities are governed by and shall be construed in accordance with, Singapore law; or (ii) Singapore law.
Taxation	All payments of principal and (i) interest by or on behalf of the Issuers in respect of the Notes, the Receipts and the Coupons or (ii) Distributions (in respect of Perpetual Capital Securities only) shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. See "*Taxation*" and any additional taxation provisions set out in the applicable Pricing Supplement.
Selling Restrictions	United States, EEA, the UK, Hong Kong, Japan, Singapore and other restrictions as may be required in connection with a particular issue of Notes. See "*Subscription and Sale*" and any additional selling and transfer restrictions set out in the applicable Pricing Supplement.
Risk Factors	There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand, a non-exhaustive summary of which is set out under "*Risk Factors*".
Legal Entity Identifier (LEI)	(i) Great Eastern Holdings Limited: 875500VP8E4GKG3B1P45 (ii) The Great Eastern Life Assurance Company Limited: XILNWRPRTWRS0ELWD465

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF THE GEH GROUP

The following table presents selected consolidated financial information of the GEH Group as at and for the periods indicated.

The selected audited consolidated financial information of the GEH Group as of and for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 have been derived from the Audited GEH Financial Statements included in this Offering Circular which have been audited by PricewaterhouseCoopers LLP, and should be read together with the Audited GEH Financial Statements and the notes thereto.

The consolidated financial statements of the GEH Group are prepared in accordance with the SFRS(I). In the 2023 audited consolidated financial statements, the financials as of and for the financial year ended 31 December 2023 and the restated comparative financials as of and for the financial year ended 31 December 2022 were prepared in accordance with SFRS(I) 17. The financials as of and for the financial year ended 31 December 2023 are audited and the restated comparative financials as of and for the financial year ended 31 December 2022 are deemed to be unaudited. In the 2022 audited consolidated financial statements, the financials as of and for the financial year ended 31 December 2022 and the financials as of and for the financial year ended 31 December 2021 were both audited and prepared in accordance with SFRS(I) 4.

The following table sets out selected information on the GEH Group for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 respectively.

Consolidated Profit or Loss Statement for 2023

In S$ (millions)	For the financial year ended 31 December 2023 (audited[1])	2022 (restated, unaudited[2])
Insurance revenue	6,259.9	6,024.5
Insurance service expenses	(5,050.5)	(5,083.7)
Net expenses from reinsurance contracts held	(634.6)	(130.8)
Insurance service result	**574.8**	**810.0**
Interest revenue on		
Financial assets not measured at FVTPL	718.8	491.5
Financial assets measured at FVTPL	1,664.8	1,654.3
Other investment revenue/(loss)	3,497.1	(7,043.5)
Increase in provision for impairment of financial assets	(13.6)	(28.7)
Change in third-party interests in consolidated investment funds	(1.2)	0.2
Net investment income/(loss)	**5,865.9**	**(4,926.2)**
Finance (expenses)/income from insurance contracts issued	(5,253.8)	5,028.4
Finance income from reinsurance contracts held	14.6	16.8
Net insurance financial result	**(5,239.2)**	**5,045.2**
Net insurance and investment result	**1,201.5**	**929.0**
Fees and other income	19.0	36.1
Other expenses	(150.0)	(155.1)
Other income and expenses	**(131.0)**	**(119.0)**
Profit before income tax	**1,070.5**	**810.0**
Income tax expense	(281.3)	(197.3)
Profit after income tax	**789.2**	**612.7**
Attributable to:		
Shareholders	774.6	610.0
Non-controlling interests	14.6	2.7
	789.2	**612.7**
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	$1.64	$1.29

[1] The GEH Group has applied SFRS(I) 17, including any consequential amendments to other standards, from 1 January 2023.

[2] The GEH Group has restated the comparative information based on the transition approaches taken on adoption of SFRS(I) 17.

Consolidated Profit or Loss Statement for 2022

In S$ (millions)	For the financial year ended 31 December 2022 (audited[1])	For the financial year ended 31 December 2021 (audited[2])
Income		
Gross premiums	18,577.2	18,956.3
Premiums ceded to reinsurers	(870.0)	(766.9)
(Increase)/decrease in premium liabilities	(5.2)	0.2
Net premiums	17,702.0	18,189.6
Commissions received from reinsurers	51.5	51.4
Investment income, net	2,858.0	2,699.5
Rental income, net	28.0	27.8
Fees and other income	36.1	39.7
Loss on sale of investments and changes in fair value	(8,002.6)	(1,080.3)
Changes in third-party interests in consolidated investment funds	0.2	–
(Loss)/gain on exchange differences	(78.0)	36.7
Total income	**12,595.2**	**19,964.4**
less: **Expenses**		
Gross claims, maturities, surrenders and annuities	11,148.4	11,388.2
Claims, maturities, surrenders and annuities recovered from reinsurers	(656.1)	(530.7)
Commissions and distribution expenses	1,386.5	1,489.7
Increase in provision for impairment of assets	29.1	1.5
Management and other expenses	661.3	665.0
Interest expense	–	0.2
Increase in provision for agents' retirement benefits	38.3	19.7
Depreciation and amortisation expenses	88.0	79.4
Gross change in insurance contract liabilities	(669.9)	2,605.2
Change in insurance contract liabilities ceded to reinsurers	(137.7)	1,597.7
Total expenses	**11,887.9**	**17,315.9**
Profit before income tax	**707.3**	**2,648.5**
Income tax credit/(expense) attributable to policyholders' returns	248.9	(1,294.0)
Profit before tax attributable to shareholders' profits	956.2	1,354.5
Income tax credit/(expense)	79.6	(1,515.1)
less: Income tax (credit)/expense attributable to policyholders' returns	(248.9)	1,294.0
Income tax expense attributable to shareholders' profits	(169.3)	(221.1)
Profit after income tax	**786.9**	**1,133.4**
Attributable to:		
Shareholders	784.2	1,113.0
Non-controlling interests	2.7	20.4
	786.9	1,133.4
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	$1.66	$2.35

1 Based on SFRS(I) 4.
2 Based on SFRS(I) 4.

Balance Sheet for 2023

In S$ (millions)	For the financial year ended 31 December 2023 (audited[1])	2022 (restated, unaudited[2])
Total Equity	7,989.0	7,275.3
Total Equity and Liabilities	109,033.8	104,855.5
Total Assets	109,033.8	104,855.5

Balance Sheet for 2022

In S$ (millions)	For the financial year ended 31 December 2022 (audited[3])	2021 (audited[4])
Total Equity	9,530.6	10,136.4
Total Equity and Liabilities	107,918.3	110,390.1
Total Assets	107,918.3	110,390.1

[1] The GEH Group has applied SFRS(I) 17, including any consequential amendments to other standards, from 1 January 2023.

[2] The GEH Group has restated the comparative information based on the transition approaches taken on adoption of SFRS(I) 17.

[3] Based on SFRS(I) 4.

[4] Based on SFRS(I) 4.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF THE GEL GROUP

The following table presents selected consolidated financial information of the GEL Group as at and for the periods indicated.

The selected audited consolidated financial information of the GEL Group as of and for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 have been derived from the Audited GEL Financial Statements included in this Offering Circular which have been audited by PricewaterhouseCoopers LLP, and should be read together with the Audited GEL Financial Statements and the notes thereto.

The consolidated financial statements of the GEL Group are prepared in accordance with the SFRS(I). In the 2023 audited consolidated financial statements, the financials as of and for the financial year ended 31 December 2023 and the restated comparative financials as of and for the financial year ended 31 December 2022 were prepared in accordance with SFRS(I) 17. The financials as of and for the financial year ended 31 December 2023 are audited and the restated comparative financials as of and for the financial year ended 31 December 2022 are deemed to be unaudited. In the 2022 audited consolidated financial statements, the financials as of and for the financial year ended 31 December 2022 and the financials as of and for the financial year ended 31 December 2021 were both audited and prepared in accordance with SFRS(I) 4.

The following table sets out selected information on the GEL Group for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 respectively.

Profit or Loss Statement for 2023

In S$ (millions)	For the financial year ended 31 December 2023 (audited[1])	2022 (restated, unaudited[2])
Insurance revenue	5,829.1	5,617.9
Insurance service expenses	(4,798.4)	(4,727.2)
Net expenses from reinsurance contracts held	(532.8)	(128.3)
Insurance service result	**497.9**	**762.4**
Interest revenue on		
Financial assets not measured at FVTPL	636.3	424.3
Financial assets measured at FVTPL	1,656.9	1,646.6
Other investment revenue/(loss)	3,450.8	(6,892.6)
Increase in provision for impairment of financial assets	(13.3)	(26.7)
Change in third-party interests in consolidated investment funds	(1.6)	(0.2)
Net investment income/(loss)	**5,729.1**	**(4,848.6)**
Finance (expenses)/income from insurance contracts issued	(5,231.4)	5,034.5
Finance income from reinsurance contracts held	5.6	12.7
Net insurance financial result	**(5,225.8)**	**5,047.2**
Net insurance and investment result	**1,001.2**	**961.0**
Fees and other income	1.7	0.7
Other expenses	(141.9)	(114.0)
Other income and expenses	**(140.2)**	**(113.3)**
Profit before income tax	**861.0**	**847.7**
Income tax expense	(245.2)	(203.8)
Profit after income tax	**615.8**	**643.9**
Attributable to:		
Shareholders	615.0	642.5
Non-controlling interests	0.8	1.4
	615.8	**643.9**
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	$6.33	$6.61

[1] The GEL Group has applied SFRS(I) 17, including any consequential amendments to other standards, from 1 January 2023.

[2] The GEL Group has restated the comparative information based on the transition approaches taken on adoption of SFRS(I) 17.

Consolidated Profit or Loss Statement for 2022

In S$ (millions)	For the financial year ended 31 December 2022 (audited[1])	2021 (audited[2])
Income		
Gross premiums	18,172.3	18,588.8
Premiums ceded to reinsurers	(694.7)	(602.5)
Net premiums	17,477.6	17,986.3
Commissions received from reinsurers	20.5	16.6
Investment income, net	2,693.7	2,527.4
Rental income, net	27.4	27.3
Fees and other income	0.6	–
Loss on sale of investments and changes in fair value	(7,857.9)	(1,138.1)
Changes in third-party interests in consolidated investment funds	(0.2)	(0.2)
(Loss)/gain on exchange differences	(53.4)	36.2
Total income	**12,308.3**	**19,455.5**
less: **Expenses**		
Gross claims, maturities, surrenders and annuities	10,932.8	11,214.5
Claims, maturities, surrenders and annuities recovered from reinsurers	(534.8)	(442.9)
Commissions and distribution expenses	1,321.3	1,441.7
Increase in provision for impairment of assets	27.0	2.9
Management and other expenses	519.7	529.5
Interest expense	–	0.2
Increase in provision for agents' retirement benefits	38.3	19.7
Depreciation and amortisation expenses	82.3	75.0
Gross change in insurance contract liabilities	(713.0)	2,461.4
Change in insurance contract liabilities ceded to reinsurers	(118.5)	1,734.2
Total expenses	**11,555.1**	**17,036.2**
Profit before income tax	**753.2**	**2,419.3**
Income tax credit/(expense) attributable to policyholders' returns	248.8	(1,294.0)
Profit before tax attributable to shareholders' profits	1,002.0	1,125.3
Income tax credit/(expense)	**73.2**	**(1,483.4)**
less: Income tax (credit)/expense attributable to policyholders' returns	(248.8)	1,294.0
Income tax expense attributable to shareholders' profits	(175.6)	(189.4)
Profit after income tax	**826.4**	**935.9**
Attributable to:		
Shareholders	825.0	934.1
Non-controlling interests	1.4	1.8
	826.4	**935.9**
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	**$8.49**	**$9.61**

1 Based on SRFS(I) 4.
2 Based on SRFS(I) 4.

Balance Sheet for 2023

In S$ (millions)	For the financial year ended 31 December 2023 (audited[1])	2022 (restated, unaudited[2])
Total Equity	3,639.3	3,006.6
Total Equity and Liabilities	103,851.4	99,773.8
Total Assets	103,851.4	99,773.8

Balance Sheet for 2022

In S$ (millions)	For the financial year ended 31 December 2022 (audited[3])	2021 (audited[4])
Total Equity	5,277.6	5,415.8
Total Equity and Liabilities	102,677.3	104,778.3
Total Assets	102,677.3	104,778.3

[1] The GEL Group has applied SFRS(I) 17, including any consequential amendments to other standards, from 1 January 2023.
[2] The GEL Group has restated the comparative information based on the transition approaches taken on adoption of SFRS(I) 17.
[3] Based on SFRS(I) 4.
[4] Based on SFRS(I) 4.

RISK FACTORS

For the avoidance of doubt, each reference to the "GEH Group" includes the "GEL Group".

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Notes should carefully consider all the information set forth in this Offering Circular including the risk factors set out below. The risk factors set out below do not purport to be complete or comprehensive of all the risks that may be involved in the business, assets, financial condition, performance or prospects of the Issuers and/or their respective Groups, or any decision to purchase, own or dispose of the Notes. Additional risks which the Issuers are currently unaware of may also impair the respective businesses, assets, financial conditions, performances or prospects of the Issuers or the Groups. If any of the following risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuers or the Groups could be materially and adversely affected. In such cases, the ability of the Issuers to comply with their obligations under the Trust Deed, the Singapore Law Trust Deed (where applicable) and the Notes may be adversely affected.

RISKS ASSOCIATED WITH THE GROUPS' BUSINESS

Difficult conditions in the global capital markets and the economy generally may materially and adversely affect each Group's business and results of operations

The Groups' results of operations can be materially affected by conditions in the financial markets and the general economy, in Singapore, Malaysia and elsewhere around the world. Significant dislocations, liquidity disruptions and market corrections occurring in the global credit and equity markets and other related events in recent years have created increasingly difficult conditions in the financial markets. Global markets have experienced significant volatility in recent years and growth in major economies has slowed moderately toward their longer-term growth rates. The military conflict between Russia and Ukraine further raised inflationary pressures due to the disruption to oil and gas supplies as the West and certain international organisations imposed economic sanctions on Russia. In addition, rising tensions in the Indo-Pacific regions (including between China and Taiwan) have in the past affected and may in the future affect global financial markets. More recently, the Red Sea crisis and the outbreak of the Israel-Hamas armed conflict in Gaza may also result in the imposition of trade and economic sanctions and further disruption in global trade.

Global trade tensions remain elevated among the largest trading partners in the world, and especially heightened tensions in economic relations between the U.S. and China have potential negative impacts on global trade and growth. There is also a growing concern that the slowdown in the economic growth of China may negatively affect the health of the global economy, which may have a significant impact on the global credit and financial markets as a whole. Growth and financial performance in emerging markets, Asia and trade-exposed economies such as Singapore are particularly vulnerable to disruptions to global trade flows, capital flows, business investments and global supply chains in the event of an escalation in trade tensions or a protracted slowdown.

The global economy and credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, and the failure or near failure of several financial institutions in recent years have resulted in increased volatility in the capital markets. These events have resulted in an increased difficulty in borrowing from financial institutions and an increased risk of counterparty default and negatively impact treasury operations including but not limited to counterparty risks relating to deposits, money market investments and treasury contracts, including those related to foreign exchange or interest rate transactions.

There are concerns that the worldwide economy may enter into a prolonged recessionary period and a longer or more severe recession would have an adverse effect on each Group's business and results of operations. Continued market volatility may have an adverse effect on each Group, in part because each Group has a large investment portfolio whose market value may decrease significantly in a distressed market. In addition, each Group's new sales are driven by customer behaviour. Sales, especially those which are investment linked, are likely to decline in a deteriorating market and profit margins could erode. Factors such as consumer spending, business investment, government spending, the volatility and strength of both debt and equity markets, rapidly rising interest rates and inflation all affect the business and economic environment and ultimately, the sales volume and profitability of each Group's business. In an economic downturn characterised by higher unemployment, lower household income and spending, lower corporate earnings and lower business investment, the demand for financial and insurance products could be adversely affected. In addition, each Group may experience an elevated incidence of claims or surrenders of policies that could affect the current and future profitability of the business. A prolonged economic recession could result in lower sales figures in the future. Each Group's policyholders may choose to defer or stop paying insurance premiums or even surrender their policies. These adverse changes could have a material adverse effect on each Group's business, results of operations and financial condition.

Each Group is highly regulated and changes to regulation of each Group's operations may adversely affect its business

Each Group is subject to detailed and comprehensive regulation and supervision in all the jurisdictions in which it transacts business. Its insurance operations are subject to insurance laws and regulations which are generally intended to protect policyholders (including through solvency measures) rather than shareholders or creditors. Such laws and regulations give regulatory bodies control over many aspects of each Group's business, including taxes and premiums, product pricing, marketing and selling practices, solvency and capital adequacy requirements and permitted investments. Changes in existing regulations may materially affect the way in which each Group conducts its business and the products it may offer, and may have a material adverse effect on the results of operations and financial conditions of each Group.

The operations of each Group are subject to various other laws and regulations such as those relating to customer data privacy and protection and anti-money laundering, anti-bribery and corruption, workplace safety and health, public order and safety, and cybersecurity. Changes in existing laws, regulations, regulatory policies, including their interpretation or application may materially affect the way in which each Group conducts its business and the products it may offer.

In addition, each Group may face adverse legal or regulatory actions and higher compliance costs from the increased review and scrutiny. Regulators may take formal or informal actions against such Group and if taken, such formal or informal actions might force such Group to make additional provision for its non-performing assets, divest its assets, adopt new compliance programmes or policies, remove personnel or undertake other changes to its business operations. Any of these changes, if required, may have a material adverse effect on such Group's business, financial conditions, results of operations, prospects and profitability. In addition, failure to comply with any of the applicable laws, rules and regulations could result in fines, suspension of such Group's licence or, in extreme cases, revocation of its licence, each of which would have a material adverse effect on its business, financial conditions, results of operations, prospects and profitability.

Markets that the Groups operate in may increase their risk profiles

Each Group faces political risks associated with the markets in which it currently operates. The GEH Group, for example, operates in countries such as Malaysia and Indonesia which have at various times in the past been adversely affected by volatile economic, political and social conditions. The business, financial conditions and prospects of each Group may be materially and adversely affected by social unrest or political instability in the markets in which it operates.

Further, conducting business in developing or emerging market countries may be subject to greater risks of governmental restrictions, such as confiscatory taxation, expropriation or nationalisation of a company's assets, restrictions on foreign ownership of local companies and restrictions on withdrawing assets from the country. The occurrence of any such events could have a material adverse effect on the business, financial conditions and prospects of each Group.

Each Group's results are subject to fluctuations in fixed income, equity and other markets

Investment returns are an important part of each Group's overall profitability. Fluctuations in the financial markets, including the equity markets and fixed income markets, may have a material adverse effect on each Group's financial conditions, results of operations, cash flows, prospects and profitability. In addition, a default by a major market participant or a significant act of terrorism could have a negative impact on the securities markets.

Fixed income securities represent a significant percentage of each Group's investment portfolio. As of 31 December 2023, fixed income securities represented 58.6 per cent. and 59.1 per cent. of the GEH Group's and the GEL Group's total assets respectively. The return on each Group's fixed income investments has been and is subject to fluctuations in interest rates and credit spreads, among other factors. Such fluctuations affect, *inter alia*, each Group's interest income and the market values of the fixed income securities in each Group's investment portfolios, which will result in corresponding capital gains or losses.

The pricing of each Group's products requires assumptions about interest rates. If actual interest rates differ from those assumed, this could have an adverse effect on such Group's profitability or financial condition. If the rates of return on its investments fall below the minimum rates each Group guarantees under its insurance products, such Group's business, financial conditions, results of operations, prospects and profitability may be materially and adversely affected.

During periods of declining interest rates, the average investment yield of each Group's fixed interest-bearing investments will decline as maturing fixed interest-bearing investments, such as bonds and loans, are redeemed or repaid and are replaced with new investments with lower yields. As a result, a decline in interest rates would reduce each Group's return on investments, which could materially reduce its profitability, regardless of whether such investments are used to support particular insurance policy obligations. Should there be a persistent low interest rate environment, this could result in continued lower interest rates on each Group's investments and each Group's average yield on investments could be adversely affected.

On the other hand, during periods of rising interest rates, although the average investment yield of each Group's fixed interest-bearing investments will increase as maturing investments and replaced with new investments with higher yields, surrenders and withdrawals of policies may increase as policyholders seek investments with higher perceived returns. While historical rates of policy surrender for each Group have been low and stable, each Group's business may be exposed to disintermediation risk. Disintermediation risk refers to the risk that policyholders may surrender their contracts in a rising interest rate environment or for liquidity reasons, requiring each Group to liquidate assets in an unrealised loss position.

Fluctuations in interest rates, credit spreads and returns from equity markets may also impact customer demand for a number of the products currently offered by each Group, such as demand for single-premium short term endowment products and investment-linked products. Fluctuations in the securities markets could result in investors withdrawing capital from the markets, decreasing their rate of investment or surrendering life insurance policies, any of which could adversely affect sales of life insurance and other investment products.

Each Group's business is subject to risks related to currency fluctuations

Due to its geographical diversity, each Group's business is subject to the risk of exchange rate fluctuations. As a portion of its income and expenses are denominated in a number of foreign currencies, which are translated to Singapore Dollars for financial reporting purposes, each Group is exposed to foreign exchange rate risk. Changes in exchange rates on the translation of foreign currencies to Singapore Dollars are directly reflected in each Group's financial statements. In addition, to the extent its liabilities and assets are not denominated in the same currency, each Group could experience further exposure to exchange rate fluctuations. In particular, GEH relies on dividends and other distributions and payments among its subsidiaries to fund its expenses and other obligations, and changes in foreign exchange rates could adversely impact these dividends, distributions and payments.

There may be a mismatch in the assets and liabilities of each Group, due to circumstances outside each Group's control, which could increase their exposure to interest rate risk

Each Group seeks to manage the risk of duration mismatch by focusing on product offerings whose maturity profiles are in line with the duration of investments available to them. However, it may not be possible for each Group to hold assets which will provide cash flows to exactly match those relating to policyholder liabilities. Each Group's ability to invest in financial instruments that would enable them to closely match the duration and yield of their respective investment assets and insurance policy liabilities may be restricted by applicable insurance laws, rules and regulations in certain of their respective geographical markets. Further, certain geographical markets may not offer, or have only a limited availability of, long-duration investment assets with appropriate yield. Due to the long-term nature of the liabilities associated with certain life insurance businesses, and guaranteed benefits on certain long-term insurance, sustained declines in long-term interest rates may substantially increase the present value of each Group's future liabilities. In other situations, declines in interest rates may result in increasing the duration of certain life insurance liabilities, creating asset liability duration mismatches.

A mismatch of the duration of either Group's assets and liabilities exposes that Group to interest rate movements and reinvestment risks which may materially and adversely affect its financial conditions, performance and results of operations.

Each Group's business and performance of its insurance operations are dependent on the productivity and effectiveness of its distribution and marketing channels

The Groups have historically relied on their financial representatives as the primary channel for the distribution and marketing of their products. The Groups have experienced, and expect to continue to experience, turnover among their financial representatives, including experienced financial representatives. Significant competition exists in the insurance industry for experienced financial representatives with demonstrated ability to successfully sell insurance products. Each Group also utilises its direct marketing channel to distribute insurance products through online and face-to-face marketing. If either Group is unable to retain, motivate, manage and build on its core group of highly productive financial representatives, to recruit and train productive new financial representatives or if it fails to continue to successfully utilise its other marketing channels, that Group's business, financial conditions, results of operations, prospects and profitability may be materially and adversely affected.

Besides the primary channel for the distribution and marketing of its products as described above, the Groups have increasingly focused on developing their sales through alternative distribution and marketing channels such as bancassurance channels. Access to alternative distribution and marketing channels is subject to similar competition described above. As alternative distribution and marketing channels become increasingly important in the Singapore insurance industry, if either Group fails to secure new distribution and marketing relationships or to maintain its existing relationships, that Group's competitiveness, business and performance may be materially and adversely affected.

While each Group has a diverse distribution network, there can be no assurance that such Group can maintain the productivity and effectiveness of its distribution and marketing channels or secure new distribution relationships or that it can adapt effectively to changes in consumer's preferences for distribution and marketing channels. Any failure to do so may lead to a material and adverse effect on such Group's business, financial conditions, results of operations, prospects and profitability. To the extent that either Group is unable to maintain its existing distribution and marketing relationships or secure new distribution and marketing relationships, that Group may not be able to maintain or grow its premiums, and its business, financial conditions, results of operations, prospects and profitability may be materially and adversely impacted.

The GEH Group's reliance on its agency force for the marketing of its life and general insurance products subjects it to certain risks

The GEH Group has an agency force of over 30,000 financial representatives as its core distribution channel. Sales commission for life and general insurance products is to a significant extent attributable to the initial sale of each product. The GEH Group is dependent on the recruitment of new agents and the retention and incentivisation of its existing agents to maintain and increase its market share. The GEH Group faces intense competition from other companies to recruit new agents and retain its existing agents. Any failure by the GEH Group to retain and motivate its agents could have a material adverse effect on the Group's ability to maintain and increase its premium volume and market share, and may therefore adversely affect its business, financial condition, results of operations and prospects.

Each Group faces the risk of litigation or other proceedings in relation to its business

Each Group faces the risk of litigation or other proceedings, such as allegations of mis-selling, in relation to its business. The outcome of litigation and other proceedings may potentially expose the Groups to unexpected costs and losses, reputational and other non-financial consequences, as well as taking up management time and resources. For example, the outcome of litigation and other proceedings may not correspond to the manner in which it is perceived by the market, and the reputation of each Group may thus be impacted in a way which adversely affects its results of operations and financial condition. Further, the consequences of such proceedings for the Groups' regulated business may be to expose the Groups to increased regulatory scrutiny and to accept constraints which involve additional cost or otherwise put the business at a competitive disadvantage. Additionally, it is possible that a regulator in one of the major markets may conduct a review of products previously sold, either as part of an industry-wide review or specific to each Group. The result of this review may be to compensate customers for losses they have incurred as a result of the products that were sold.

Substantial legal liability arising in relation to such litigation or other proceedings could have a material adverse effect on the Groups' business, reputation, results of operations and/or financial condition.

Actual experience may differ from assumptions used in product development, which can have an impact on the profitability of each Group

Each Group's results of operations and profitability depend in large part upon the extent to which actual experience is consistent with the assumptions that such Group uses in setting the prices for its products and in establishing its reserves. The assumptions used in pricing each Group's various insurance products may differ from actual developments in the future. Each Group prices its products based on actuarial practices and assumptions, including mortality and morbidity rates, policyholder lapses, future expense levels and macroeconomic factors such as interest rates and inflation and investment returns on the assets it purchases. Although each Group draws on its annual experience studies and reviews to decide on the bases for reserving and pricing of products, the process involves a high degree of judgment, and there inevitably remains uncertainty about the assumptions (including to mortality, morbidity and persistency) that cannot be removed. To the extent actual experience is different from such assumptions, each Group's business, financial condition, results of operations, prospects and profitability may be materially impacted.

The Groups may not always be able to detect or prevent fraud or other misconduct by their respective employees, agents, customers or other third parties

The Groups are subject to fraud, mis-selling and other misconduct committed by their respective employees, agents, customers or other third parties. For instance, either Group's employees may bind such Group to transactions that exceed authorised limits or present unacceptable risks, hide unauthorised activities, neglect to carry out its duties properly, conduct improper sales activities, improperly use confidential information or otherwise abuse customer confidences. While the Groups have implemented measures aimed at detecting and preventing employees' and outside parties' fraud, mis-selling and other misconduct, the Groups may not always be able to detect or prevent such fraud or misconduct in a timely manner especially given that the Groups' operations are located in several jurisdictions. In addition, fraud and other misconduct are often difficult to prevent or detect and the Groups may not be able to recover the losses caused by these activities. If any fraud, mis-selling or other misconduct of either Group's employees, agents, customers or other third parties goes undetected, such Group's business, financial condition or results of operations may be adversely affected and its reputation may be harmed. The Groups' inability or perceived inability to manage these risks could lead to ensuing inquiries or investigations and enhanced regulatory oversight and scrutiny.

Risk management policies and procedures may not allow each Group to fully identify, anticipate or manage all risks, which could negatively affect the business

The management of risk requires, among other things, policies and procedures to record properly and verify a large number of transactions and events. Each Group has devoted significant resources to develop risk management policies and procedures and expects to continue to do so in the future. Nonetheless, these policies and procedures may not be comprehensive. Many of the methods for managing risk and exposures are based upon the use of observed historical market behaviour or statistics based on historical models. As a result, these methods may not fully predict future exposures, which can be significantly greater than what historical measures indicate, particularly in volatile markets and environments. Other risk management methods depend upon the evaluation of information regarding markets, clients, catastrophe occurrence or other matters that is publicly available or otherwise accessible to each Group. This information may not always be accurate, complete, up-to-date or properly evaluated. If either Group fails to adequately manage unknown or unexpected risks that turn out to be material to its business, it could experience harm to its business which would have an adverse effect on its business, financial condition, results of operations, prospects and profitability.

The inability of reinsurers to meet their obligations may have an adverse impact on profitability and shareholders' equity

Each Group transfers exposure to certain risks to others through reinsurance arrangements. Under such arrangements, reinsurers assume a portion of the losses and expenses associated with reported and unreported losses in exchange for a premium. The availability, amount and cost of reinsurance depends on general market conditions and may vary significantly. Each Group may be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could adversely affect the ability to write future business.

When either Group obtains reinsurance, such Group remains primarily liable for the reinsured risks without regard to whether the reinsurer will meet its reinsurance obligations to such Group. As a result, each Group is exposed to credit risk with respect to reinsurers in its insurance business. In particular, a default by one or more of each Group's reinsurers under its reinsurance arrangements would increase the financial losses arising out of a risk such Group has insured, which would reduce its profitability and may have a material adverse effect on its liquidity position. There can be no assurance that each Group's reinsurers will always be able to meet its obligations under reinsurance arrangements on a timely basis, if at all. Therefore, the inability or unwillingness of either Group's reinsurers to meet their financial obligations or disputes on, and defects in reinsurance contract wording or processes, could materially affect operations of such Group.

Although the subsidiaries under the GEH Group manage their reinsurance exposure via a Group Reinsurance Management Policy which, *inter alia*, requires each reinsurance partner to maintain a specified minimum rating from a recognised international rating agency, reinsurers may become financially unsound by the time they are called upon to pay amounts due, which may not occur for many years. As a result of financial market conditions and other macro-economic challenges that have impacted the global economy, reinsurers may experience increased regulatory scrutiny, serious cash flow problems and other financial difficulties. In addition, reinsurance may prove inadequate to protect against losses. Due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable ratings, the GEH Group is exposed to concentrated credit risk from individual reinsurers. If a catastrophic event or the inability to meet financial obligations caused these reinsurers to default, the GEH Group's business profitability and shareholders' equity could be significantly affected.

Each Group is dependent on the strength of its brands, the brands of partners and each Group's reputation with customers and agents in the sale of products and services

Each Group's success and results are, to a certain extent, dependent on the strength of the Great Eastern brand and reputation. It operates in an industry where integrity, customer trust and confidence are paramount. Each Group is exposed to the risk that litigation, employee misconduct, operational failures, the outcome of regulatory investigations, press speculation and negative publicity, disclosure of confidential client information, inadequate services, amongst others, whether or not founded, could impact its brands or reputation. Any of either Group's brands or either Group's reputation could also be affected if products or services recommended by such Group (or any intermediaries) do not perform as expected (whether or not the expectations are founded) or in line with the customers' expectations for the product range. Maintaining, promoting and positioning the Great Eastern brand will depend largely on its ability to provide consistent, high-quality products and services to its customers. Each Group is licensed to use trademarks and logos relating to Great Eastern and the perceived manner in which these brands come together is important in maintaining distributor and consumer confidence, and impairment thereof could affect its business, financial conditions, results of operations, prospects and profitability.

Catastrophic events, which are unpredictable by nature, could materially and adversely affect each Group's profitability and financial condition

Each Group's insurance businesses expose its entities to risks arising out of catastrophic events, which are unpredictable by nature. Catastrophes can be caused by various natural hazards, including hurricanes, typhoons, floods, earthquakes, severe weather, fires and explosions. Catastrophes can also be man-made, such as terrorist attacks, wars and industrial or engineering accidents. In addition, a health epidemic or pandemic such as severe acute respiratory syndrome, the H5N1 strain of bird flu, the H1N1 influenza and the COVID-19 pandemic can adversely affect each Group's business in respect of health, life and general insurance. Should such events occur, there can be no assurance that each Group's efforts to protect itself against catastrophic losses, such as the diversification of business written, the use of selective underwriting practices, the use of quantitative models, prudent reserving, the monitoring of risk accumulations and risk protection arrangements, will prove to be adequate. There is also no assurance that the occurrence of such natural catastrophes, severe weather conditions, other acts of God or other uncontrollable events will not materially disrupt business, financial conditions, results of operations, prospects and profitability of each Group. Catastrophes could also result in losses in each Group's investment portfolios, due to, among other things, the failure of each Group's counterparties to perform or significant volatility or disruption in financial markets, and could in turn affect the profitability of each Group.

The COVID-19 pandemic was one of the biggest disruptors in the global economy, creating uncertainty and placing global economic and social resilience to the test. Although COVID-19 is no longer a global health emergency, there is no assurance that the COVID-19 pandemic will not worsen or that other variants which may be more transmissible or may cause more severe effects will not emerge in the future, which could in turn cause a deterioration of each Group's business, financial condition, prospects and results of operations.

Each Group is reliant on bancassurance

GEL was the first insurer to establish a bancassurance network in Singapore in an exclusive partnership with Oversea-Chinese Banking Corporation Limited ("**OCBC**") in 1992. Each Group is reliant on bancassurance. Should GEH cease to be a subsidiary of OCBC for any reason and the partnership is dissolved or is no longer on an exclusive basis, this could materially and adversely affect the prospects of each Group.

The Groups operate in a highly competitive market

The Groups operate in a highly competitive market. Their competitors include life and non-life insurance companies, mutual fund companies, banks and investment management firms of various sizes, of which some may have greater financial resources and/or have been in the insurance business for a substantial amount of time. The Groups are also subject to non-traditional competitors entering into the insurance industry and competing with the Groups. In addition, given the potential changes in consumer purchase behaviour, the Groups also face the risk that their existing customers may seek products with different features, coverage and investment performance that they do not offer. Competition in the insurance industry is based on many factors, including the overall financial strength of the insurer, expertise, local presence, reputation, experience and qualifications of employees, client relationships, products and services offered, premiums charged, contract terms and conditions and speed of claims payment. Should either Group's existing market share be reduced or should its profit margins be lowered as a result of such Group not being able to compete in any of the factors aforementioned, its business, financial condition, operational results and prospects could be adversely affected.

In addition, there are also competitors with a strong online presence gaining more market share and becoming more prominent as a result of increasing rise in the popularity of digital insurance. Accordingly, in order to compete effectively with their competitors, the Groups continue to focus and invest strategically in technological innovation across their businesses, especially in the fields of digital analytics, smart analytics and cognitive computing, to enhance their value proposition and support growth. This includes modernising and integrating their information technology architecture as well as pursuing innovative initiatives. Investment in technological innovation can be costly and the Groups may not realise the expected benefits or create sufficient value from such investments as planned and on a timely basis, including as a result of factors beyond their control.

Any inability to attract and retain talented professionals may adversely impact each Group's business, financial conditions, results of operations, prospects and profitability

The operations and profitability of each Group's business are dependent to a large extent on its ability to attract and retain key personnel who have in-depth knowledge and understanding of the insurance markets in which it operates, including members of its senior management, actuaries, information technology specialists, experienced investment managers and finance professionals, underwriting personnel, sales staff and other personnel.

Whilst each Group recognises the importance of human capital and the desirability of developing and retaining key personnel, key personnel may resign or retire for reasons out of such Group's control and the loss of key employees may have an adverse effect on such Group's business, financial conditions, results of operations, prospects and profitability. Each Group's business could suffer if it loses the services of key personnel and cannot adequately replace them. Each Group cannot make any assurances that it will be able to attract and retain qualified personnel or that they will not retire or otherwise leave such Group in the near future. If this were to happen, such Group's business, financial conditions, results of operations, prospects and profitability may be adversely affected.

Each Group may require financing or additional capital from time to time and each Group's ability to obtain such financing or additional capital depends on several factors, such as favourable market conditions

Each Group may require financing or additional capital in the future in order for it to, amongst other things, expand its business, offer new products and services, conduct investment activities, meet its liquidity needs and/or meet its regulatory capital adequacy requirements. Each Group's ability to borrow in the bank or the debt or equity capital markets to meet its financial requirements is dependent on favourable market conditions. Financial crises in particular geographic regions, industries or economic sectors have, in the recent past, led and could in the future lead to sharp declines in the currencies, stock markets and other asset prices in those geographic regions, industries or economic sectors, in turn threatening affected companies, financial systems and economies. Dislocations, market shifts, increased volatility or instability in the global credit and financial markets have in recent years affected the availability of credit and at times led to an increase in the cost of financing. The Groups may have difficulty accessing the financial markets, which could make it more difficult or expensive to obtain funding or reduce each Group's flexibility to recapitalise in the future. If sufficient sources of financing are not available in the future for these or other reasons, each Group may not be able to meet the financial requirements of such Group. There can be no assurance that each Group will be able to raise financing or obtain additional capital in a timely manner or on favourable terms or at all or that it will be able to obtain the necessary regulatory approvals in a timely manner or at all. Each Group may also be subject to solvency risks of its banks and of its counterparties in its financial investments and arrangements. This could materially and adversely affect such Group's business, financial conditions, results of operations, prospects and profitability.

Moreover, future debt financing could include terms that restrict each Group's financial flexibility or restrict its ability to manage its business freely. If it is unable to raise the capital required by its businesses on commercially acceptable terms or at all, or experiences any delays in raising such funds, there could be an adverse effect on its business, financial conditions, results of operations, prospects and profitability.

Each Group is exposed to information technology and cybersecurity risks

Each Group is dependent on information technology ("**IT**") systems for its business. The proper functioning of each Group's financial controls, accounting, customer database, customer service and other systems, including those relating to underwriting and claims processing, depends on the stability of its IT systems. Although each Group maintains back-up systems designed to be activated in the event of failure, there is no assurance that such systems will not be simultaneously damaged or destroyed in the event of a major disaster. The IT systems may be vulnerable to damage or interruptions in operation due to fire, power loss, telecommunications systems failures, physical break-ins, a significant breakdown in internal controls, fraudulent activities by employees, failure of security measures or back-up systems, or other events beyond such Group's control. Any such failure in the IT systems may have a material adverse impact on such Group's business, financial conditions, results of operations, prospects and profitability.

The Groups process significant amounts of confidential and proprietary information on their computer systems, including customer transactional data and personal data about employees, agents and customers and the employees and customers of customers. Each Group is exposed to risks of cybersecurity threats, data privacy breaches as well as other network security risks. The scale and level of sophistication of cybersecurity threats have increased especially in recent times and each Group faces many of the current cybersecurity threats to financial services organisations that come from email, web browsing, application and endpoint compromise, for example using malware, ransomware and phishing attacks. Each Group is exposed to the risks of cyber-attacks that can cause disruptions to the services provided to customers, and cyber-attacks leading to manipulation or thefts of sensitive and/or confidential information may result in litigation actions from customers and/or regulatory fines and penalties or may have an adverse impact on the reputation of such Group.

Further, concerns around data privacy have been escalating, with the governments in many countries enacting laws and regulations relating to data privacy. In Singapore, the Personal Data Protection Act 2012 imposes certain obligations on each Group surrounding its collection, use or disclosure of personal data. Each Group handles personal information obtained from its customers as part of its businesses. While each Group seeks to protect the data privacy of its customers in its networks and systems infrastructure, the controls each Group has implemented to protect the confidentiality of personal information may not be effective in preventing unauthorised disclosure of personal information. Significant failure of security measures may undermine customer confidence and result in litigious actions from customers and/or regulatory fines and penalties. Failure of security mechanisms may also result in the imposition of additional regulatory measures relating to the security and privacy of customer data, which may lead to such Group using significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures, and which may have a material adverse effect on such Group's business, financial conditions, results of operations, prospects and profitability.

Each Group is exposed to liquidity risk for certain of its investments

There may not be a liquid trading market for certain of the Groups' investments, such as privately placed fixed income securities, private equity investments and real estate investments. The liquidity of trading markets is affected by numerous factors, including the existence of suitable buyers and market makers, market sentiment and volatility, the availability and cost of credit and general economic, political and social conditions.

If either Group were required to dispose of illiquid assets on short notice, for any reason including mass surrenders by policyholders and the requirement to post collateral to counterparties, such Group could be forced to sell any assets at prices significantly lower than the prices such Group has recorded in its consolidated financial statements, which could in turn affect the business, financial conditions, results of operations, prospects and profitability of such Group.

Each Group is subject to the credit risk of its investment counterparties, including the issuers or borrowers whose securities or loans it holds

Issuers or borrowers whose securities or loans that each Group holds may default on their obligations. Significant unanticipated and systemic incidence of unrecoverable debts will have an adverse impact on each Group's business, financial conditions, results of operations, prospects and profitability. Each Group's investment portfolio includes investment in the financial services sector and other market sectors that have recently experienced significant price fluctuations and defaults. Action, such as nationalisation and other intervention, by governments and regulatory bodies in response to financial and other crises could negatively impact these instruments, securities, transactions and investments. Moreover, certain portions of each Group's investment portfolio may not be rated by independent parties and this may affect such Group's ability to evaluate the risks of these investments. Deterioration in the credit quality and the widening of credit spreads of each Group's investment securities (which may result in realised losses, defaults on the securities, or governmental action involving the issuers of such securities) may have a material adverse effect on its financial condition and results of operations, as well as its liquidity and profitability.

In addition, neither Group can make any assurances that it will not suffer losses due to defaults from certain counterparties related to its investment activities, such as trading counterparties, counterparties under swaps and other derivative contracts and other financial intermediaries and guarantors. Any such losses may have a material adverse effect on such Group's business, financial conditions, results of operations, prospects and profitability.

Each Group is exposed to derivative financial instruments and market counterparties and any deterioration of creditworthiness of counterparties and/or adverse market impact on fair value of derivatives may have a material adverse effect on such Group's business, financial condition, results of operations, prospects and profitability

As part of the Groups' trading, hedging and other operations, they have exposure to derivative financial instruments which are carried at fair value. The fair value of these derivatives and each Group's exposure to the risk of default by the underlying counterparties may depend on the valuation and the perceived risk of the derivatives and whether collateral has been posted in respect of such derivatives. In addition, legislative and regulatory changes, and the resulting increased costs and regulatory oversight requirements, could result in market participants being required to, or deciding to, limit their trading activities, which could cause reductions in market liquidity and increases in market volatility. In addition, transaction costs incurred by market participants are likely to be higher than in the past, reflecting the costs of compliance with the new regulations. These consequences could adversely affect the fair value of derivatives, which could in turn adversely affect each Group's business, financial condition, results of operations, prospects and profitability.

Compliance with solvency and risk-based capital requirements may require each Group to raise additional capital, change its business strategy or reduce its growth

GEL and certain other entities in the Groups are subject to various regulations in their respective countries in which they operate. If, as a result of declines in the value of investment portfolios, shortfalls in future earnings or for any other reason, levels of shareholders' equity, regulatory capital, other capital components or operating earnings of GEL or other regulated entities of either Group could fall short of any relevant regulatory requirements resulting in restrictions being imposed by the regulators.

In particular, insurance companies are generally required to maintain their solvency at a level in excess of statutory minimum standards. Each Group's solvency is affected primarily by the solvency margins that it is required to maintain, which are in turn affected by the volume and type of new insurance policies it sells, the composition of its in-force insurance policies and by regulations on the determination of statutory reserves. Each Group's solvency is also affected by a number of other factors, including the profit margin of its products, returns on its assets and investments, interest rates, underwriting and acquisition costs, and policyholder and shareholder dividends.

The regulatory frameworks in Singapore, Malaysia and Indonesia currently utilise a risk-based capital regime. Compliance with any changing solvency and capital requirements will entail costs to the GEH Group. For instance, the transition to the risk-based capital 2 ("**RBC 2**") regime framework issued by the MAS led to an increase in capital requirements which may result in increased solvency exposure to falling yield levels. The MAS issued an MAS Notice 133 on Valuation and Capital Framework for Insurers ("**MAS Notice 133**") on 28 February 2020 following the review of and to give effect to the enhanced valuation and capital framework. MAS Notice 133 comprises both mandatory requirements and guidelines on the supervisory intervention levels, valuation of policy liabilities in respect of life business and general business, and the calculation of the total risk requirements and financial resources. These requirements may have an impact on the regulatory capital cost for the GEH Group. The Notice came into effect on 31 March 2020, with the exception of section 6.4 and paragraph 10 in Appendix 5E, which took effect on 1 January 2022.

International Association of Insurance Supervisors ("**IAIS**") is a voluntary membership organisation of insurance supervisors formed by more than 200 jurisdictions including Singapore. The IAIS announced its plans to develop a global Insurance Capital Standards ("**ICS**") for Internationally Active Insurance Groups ("**IAIGs**") on 9 October 2013. The ICS is a risk-based capital framework with the ultimate aim of establishing a single framework that will achieve comparable outcomes across various jurisdictions. The IAIS has begun a five-year ICS monitoring period starting from 2020. GEH is deemed as an IAIG and the level of capital that it is required to maintain may be affected by the eventual implementation of the ICS.

While the GEH Group and its insurance regulated subsidiaries are in compliance with the capital adequacy requirements under the RBC regime framework that is applicable under each jurisdiction, any future changes in the regulatory framework relating to solvency and capital requirements, including their interpretation or application may materially affect the way in which the GEH Group or, as the case may be, GEL conducts its business. In order to comply with changes to solvency and risk-based capital requirements, the GEH Group or, as the case may be, GEL may need to change its business strategy, including the types of products it sells and how it manages its capital. For example, the MAS has issued MAS Notice FHC-N133 which came into effect on 1 January 2024 and applies to all designated financial holding companies ("**DFHC**") that have a subsidiary that is a licensed insurer incorporated, formed or established in Singapore ("**DFHC (Licensed Insurer)**"). MAS Notice FHC-N133 sets out the valuation and capital requirements for a DFHC (Licensed insurer) based on the RBC 2 consolidation approach. GEH which is part of the GEH Group has been designated as a DFHC and the requirements in MAS Notice FHC-N133 applies to it as a DFHC (Licensed Insurer). If capital requirements are increased in the future, the GEH Group or, as the case may be, GEL may need to raise or inject additional capital to meet its solvency and capital requirements, which may be dilutive to its shareholders. In addition, compliance with changes to solvency and risk-based capital requirements may require the GEH Group or, as the case may be, GEL to slow down the growth of its business. For more details on the solvency and risk-based capital requirements that each Group will need to comply with, please refer to the section "*Supervision and Regulation*" of this Offering Circular.

Failure to cater to changing customer preferences or develop new products present risks to the Groups

The insurance and investment product markets are constantly evolving in response to shifts in the preferences of customers and changes in regulation, and each Group must respond to these changes to remain competitive, grow such Group's businesses and maintain its market share. Whilst each Group assesses its products through a robust risk management framework and uses reinsurance to obtain product pricing expertise when developing new products, there can be no assurance that such Group's new products will be able to achieve the targeted results. Each Group's assumptions underpinning its strategies and decisions to develop new products may not be correct or may not materialise. Each Group's future success will depend on its ability to adapt to changing customer preferences, regulations and industry standards and to respond with new product offerings and services. Any such change in customer preferences, regulations or industry standards may require each Group to re-evaluate its business model and to adopt significant changes to its strategies and business plan. Inability to adapt to these changes or successfully introduce new product offerings and services could have a material adverse effect on each Group's business, financial conditions, results of operations, prospects and profitability.

MAS may exercise powers that are beyond the control of the Groups

As part of the global regulatory response to the risk that systemically important financial institutions could fail, banks and more recently, insurance companies, have been the focus of recovery and resolution planning requirements. Recovery and resolution planning are designed to provide a blueprint for recovery actions to rescue such systemically important financial institutions as a going concern if such institutions face severe financial distress. As a last resort, regulatory authorities may exercise its resolution powers in order to avoid systemic disruption and government bailouts.

In Singapore, the MAS has certain resolution powers over failed financial institutions, financial institutions that are at risk of failure or, financial institutions that have breached regulatory obligations. Such resolution powers can be exercised by the MAS prior to the insolvency of such financial institutions. These resolution powers are set out in the Monetary Authority of Singapore Act 1970.

The MAS resolution powers currently include, among other things, the power to (i) transfer the whole or part of the business of a financial institution; (ii) order a compulsory transfer of shares of a financial institution; (iii) order a compulsory restructuring of share capital of the institution; and (iv) exercise statutory powers allowing the MAS to temporarily stay early termination rights (including set-off and netting rights) of counterparties to financial contracts entered into with a financial institution over which the MAS may exercise its resolution powers (which would include Singapore licensed insurers). There are also provisions in the MAS Act relating to cross-border recognition of resolution action, creditor safeguards and resolution funding. The statutory bail-in regime currently only applies to Singapore-incorporated bank and Singapore-incorporated bank holding companies, but there can be no assurance that insurance companies will not be subject to such statutory bail-in regime in the future.

MAS has stated that as bail-in involves imposing express losses on creditors and not just delaying contractual rights, it has adopted a more prudent approach of starting with Singapore-incorporated banks and Singapore-incorporated bank holding companies. For non-bank financial institutions such as insurance companies, MAS has stated that it will continue to monitor international developments on bail-in regimes. If insurance companies become subject to the statutory bail-in regime in the future, MAS may have resolution powers in respect of the GEH Group which are beyond its control and the exercise of such resolution powers in respect of the GEH Group may have an adverse effect on its business, financial condition and results of operations.

MAS is given powers under the Financial Holding Companies Act 2013 ("**FHC Act**") to regulate the financial holding companies ("**FHCs**") of financial groups, so as to strengthen group prudential oversight and to support the safety and soundness of Singapore's financial system. A regulatory framework for FHCs and their financial groups was introduced under the FHC Act and it came into effect on 30 June 2022. Under Section 4(1) of the FHC Act, MAS designated GEH as a DFHC with effect from 1 July 2022. As a DFHC, GEH is subjected to various controls and requirements, including controls over shareholding, limits on exposures, and minimum asset and capital requirements. In addition, GEH is required to comply with the FHC Act and its subsidiary legislations, notices, directions and circulars. The powers exercised by the MAS under the FHC Act are beyond the control of GEH and the exercise of such powers in respect of GEH may have an adverse effect on GEH's business, financial condition and results of operations.

More recently, MAS had published its framework for designating domestically systemically important insurers ("**D-SIIs**") which came into effect on 1 January 2024. GEL is designated as a D-SII under this framework and it is subject to additional supervisory measures such as higher capital requirements and recovery and resolution preparedness. In terms of capital requirements, a D-SII will be subject to a 25% capital surcharge, which will increase a D-SII's higher and lower supervisory intervention levels, as well as Common Equity Tier 1 (CET1) and Tier 1 capital requirements. For recovery and resolution preparedness, the MAS has issued MAS Notice 134 on Recovery and Resolution Planning for Insurers ("**MAS Notice 134**") which will take effect on 1 January 2025. MAS Notice 134 sets out the requirements that a notified insurer will have to comply with in its recovery and resolution planning. This includes preparing a recovery plan in line with the requirements set out in MAS Notice 134 as well as maintaining information for the purposes of resolution planning, resolvability assessment and the conduct of resolution. The MAS has stated in the Response to Feedback Received on New Notice for Recovery and Resolution Planning for Insurers that the MAS only intends for the D-SIIs to be notified insurers for the purposes of MAS Notice 134 given their systemic impact. The powers exercised by MAS under the D-SII framework are beyond the control of GEL and the measures imposed on GEL may have an adverse effect on GEL's business, financial condition and results of operations.

The cyclical nature of the insurance industry may cause fluctuations in each Group's results

Historically, the insurance industry has been cyclical and operating results of insurers have fluctuated because of volatile and sometimes unpredictable developments, many of which are beyond the direct control of any insurer. Although each Group has a wide range of products, it expects to experience the effects of this cyclical nature, including changes in sales and premium levels. The unpredictability and competitive nature of the life insurance business has contributed historically to significant quarter-to-quarter and year-to-year fluctuations in underwriting results and net earnings.

Changes in accounting principles or financial reporting standards relating to financial instruments may have an impact on each Group's financials, capital adequacy and solvency positions, and/or the profitability of its businesses

In May 2017, the International Accounting Standards Board published its standard on insurance accounting (SFRS(I) 17 Insurance Contracts) which replaces the current SFRS(I) 4 standard. Some targeted amendments to this standard, including to the effective date, were issued in June 2020 and December 2021. SFRS(I) 17 Insurance Contracts, as amended, will have the effect of introducing fundamental changes to the statutory reporting of insurance entities that prepare accounts according to SFRS(I) from 2023. The GEH Group's consolidated accounts for the financial year ended 31 December 2023 were prepared in accordance with SFRS(I), which includes the adoption of SFRS(I) 17 Insurance Contracts which was effective on 1 January 2023.

Accordingly, SFRS(I) 17 replaces SFRS(I) 4 and has since been effective for annual periods beginning on or after 1 January 2023. The GEH Group adopted SFRS(I) 17 Insurance Contracts on 1 January 2023 and prepared its Profit Attributable to Shareholders for the year ended 31 December 2023 under this basis. This accounting change will impact the timing of profit recognition, but will not affect the GEH Group's business operation.

The implementation of SFRS(I) 17 involves significant enhancements to the IT, actuarial and finance systems of the GEH Group. SFRS(I) 17 presents a significant change to the method of accounting for insurance contracts. Therefore, in the short term, it may take time for investors, rating agencies and other stakeholders to gain familiarity with the GEH Group's business performance and dynamics as reported under SFRS(I) 17, and in particular to understand the comparisons with previous financial periods.

Apart from SFRS(I) 17, any other changes or modification of SFRS(I) accounting policies may also require a change in the way in which future results will be determined and/or a retrospective adjustment of reported results to ensure consistency. There can be no assurance that any such changes will not have a material adverse impact on either Group's financials, capital adequacy and solvency positions, and/or the results of operations or its businesses.

The GEH Group's portfolio has, and will continue to have, certain levels of concentration related to geography and industry

The GEH Group's portfolio has, and will continue to have, certain levels of concentration related to geography and industry. Notwithstanding the expansion and diversification of the GEH Group's portfolio, some levels of concentration in terms of geography, industry, client, and product types will remain given the nature of its business. The GEH Group's business activities are predominantly concentrated in and aimed at the Singapore and Malaysia insurance markets. Such concentration in Singapore and Malaysia may entail a higher level of risk as compared to some other insurance companies which have businesses spread over different countries. In 2023, the GEH Group's Singapore business accounts for 51.2 per cent. (or S$3.2 billion) of its revenue and 49.1 per cent. (S$388 million) of its profits after income tax while its Malaysia business accounts for 45.0 per cent. (or S$2.8 billion) of its revenue and 47.5 per cent. (or S$375 million) of its profits after income tax. A substantial portion of the GEH Group's earnings depends on the continued strength of the Singapore and Malaysia markets, which is in turn affected by changes on the specific laws, regulations, practices, economic and financial conditions, market and other aspects of Singapore and Malaysia respectively.

RISKS ASSOCIATED WITH GEH

In addition to the risks described under "*Risks Associated with the Groups' Business*" above, the following additional risks are specific to GEH.

GEH is a holding company and will depend on distributions from its subsidiaries to enable it to meet its financial obligations under the Notes issued by it

GEH is a holding company with limited direct operations and limited assets other than its interests in its subsidiaries. As such, GEH will be dependent on dividend distributions and other payments from its key subsidiaries, in particular, GEL, GELM and LGI, for its funding of shareholders' dividends as well as payment obligations under the Notes issued by it. There can be no assurance that these subsidiaries will generate sufficient funds to support dividend payments and other distributions in an amount sufficient to meet GEH's cash requirements.

In the event that GEH's subsidiaries have high indebtedness or experience unfavourable financial results or face weak future business prospects, this could adversely affect the amount of distributions received by it and in turn, affect its ability to meet its financial obligations under the Notes.

Structural subordination of the Notes issued by GEH

GEH is the holding company of the GEH Group. As a result of this structure, its Notes are structurally subordinated to any and all existing and future liabilities and obligations of GEH's subsidiaries and associated companies. Generally, claims of creditors, including trade creditors, and claims of preferred shareholders, if any, of such companies will have priority with respect to the assets and earnings of such companies over the claims of GEH and its creditors, including the holders of its Notes.

RISKS RELATING TO THE NOTES

Limited rights of enforcement and subordination of the Subordinated Notes or the Perpetual Capital Securities, as applicable, could impair an investor's ability to enforce its rights or realise any claims on the Subordinated Notes or the Perpetual Capital Securities, as applicable.

In most circumstances, the sole remedy against the Issuers available to the Trustee (on behalf of the holders of Subordinated Notes or the holders of the Perpetual Capital Securities, as applicable) to recover any amounts owing in respect of the principal of or interest on the Subordinated Notes, or principal of or Distributions on the Perpetual Capital Securities, as applicable, will be to institute proceedings for the winding-up of the relevant Issuer in Singapore. See Note Condition 9 (in respect of Subordinated Notes) and Perpetual Capital Securities Condition 10 (in respect of Perpetual Capital Securities only), as applicable.

If an Issuer defaults on the payment of principal or interest on a Series of Subordinated Notes, or Distributions on a Series of Perpetual Capital Securities, as applicable, the Trustee will only institute proceedings in Singapore for the winding-up of the relevant Issuer if it is so contractually obliged. The Trustee will have no right to enforce payment under or accelerate payment of the Subordinated Notes or the Perpetual Capital Securities, as applicable, in the case of default in payment or failure to perform a covenant except as provided in the Trust Deed.

The Subordinated Notes and the Perpetual Capital Securities will be unsecured and subordinated obligations of the relevant Issuer and will rank junior in priority to the claims of the Relevant Creditors (as defined in "*Terms and Conditions of the Notes other than the Perpetual Capital Securities*" (in respect of the Subordinated Notes) and "*Terms and Conditions of the Perpetual Capital Securities*" (in respect of the Perpetual Capital Securities only), as applicable). Upon the occurrence of any winding-up proceedings, the rights of the holders of the relevant Subordinated Notes or the Perpetual Capital Securities, as applicable, to payments on such Subordinated Notes or Perpetual Capital Securities, will be subordinated in right of payment to the prior payment in full of claims of the Relevant Creditors, except those liabilities which rank equally with or junior to such Subordinated Notes or the Perpetual Capital Securities. In a winding-up proceeding, the holders of the relevant Subordinated Notes or the Perpetual Capital Securities, as applicable, may recover less than the policy owners or the holders of other unsubordinated liabilities of the relevant Issuer. As there is no precedent for a winding-up of a major financial institution in Singapore, there is uncertainty as to the manner in which such proceedings would occur and the results thereof. Although Subordinated Notes or Perpetual Capital Securities may pay a higher rate of interest (in respect of Subordinated Notes), or Distributions (in the case of Perpetual Capital Securities only), than comparable Notes which are not subordinated, there is a risk that an investor in Subordinated Notes or Perpetual Capital Securities, as applicable, will lose all or some of its investment should the relevant Issuer become insolvent.

Subordinated Notes and Perpetual Capital Securities are complex financial instruments.

Subordinated Notes and Perpetual Capital Securities are complex financial instruments. A potential investor should not invest in such Subordinated Notes or Perpetual Capital Securities unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how such Subordinated Notes or Perpetual Capital Securities will perform under changing conditions, and the value of such Subordinated Notes or Perpetual Capital Securities, as applicable, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular or incorporated by reference herein.

The terms and conditions of the Subordinated Notes and the Perpetual Capital Securities may provide for multiplicity of actions in the event of enforcement.

The terms and conditions of the Subordinated Notes and the Perpetual Capital Securities (other than those that are to be governed exclusively by Singapore law) provide that they shall be governed by English law and that disputes arising in relation thereto shall be subject to the jurisdiction of the English courts, except for the provisions relating to the subordination of such Subordinated Notes or Perpetual Capital Securities, which shall be governed by Singapore law and subject to the jurisdiction of the Singapore courts in the event of a dispute. As such, in the event of an enforcement of any Subordinated Notes or Perpetual Capital Securities, the Trustee, the Noteholders or the Securityholders (as the case may be) may need to commence separate actions in the English and Singapore courts in relation to a single claim. Whilst the English courts and the Singapore courts may defer the relevant part of the claim to the other court, the two claims are inherently linked and there is no certainty as to the approach that the two court systems would take in relation to those separate claims and proceedings, and, therefore, the process and procedures for action and the ultimate manner of judgment would be uncertain. This multiplicity of proceedings and lack of certainty could adversely affect the Trustee's, the Noteholders' or the Securityholders' (as the case may be) claims and the enforcement thereof and could introduce delays into the process of enforcement of those claims.

The Perpetual Capital Securities are perpetual securities and Securityholders have no right to require redemption.

The Perpetual Capital Securities are perpetual and have no maturity date. Securityholders have no ability to require the relevant Issuer to redeem the Perpetual Capital Securities. The relevant Issuer can redeem the Perpetual Capital Securities in certain circumstances as described in "*Terms and Conditions of the Perpetual Capital Securities*", but the relevant Issuer is under no obligation to redeem the Perpetual Capital Securities at any time. Each Issuer's ability to redeem Perpetual Capital Securities is subject to the relevant Issuer obtaining the prior written approval of the MAS (if then required) to the redemption, and satisfying any conditions that the MAS may impose at that time.

This means that Securityholders have no ability to cash in their investment, except if the relevant Issuer exercises its right to redeem the Perpetual Capital Securities or by Securityholders selling their Perpetual Capital Securities in the open market. There can be no guarantee that the relevant Issuer will exercise its right to redeem the Perpetual Capital Securities or will be able to meet the conditions for redemption of the Perpetual Capital Securities.

Securityholders who wish to sell their Perpetual Capital Securities may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Perpetual Capital Securities.

There can be no assurance that Securityholders will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Perpetual Capital Securities.

Payments of Distribution on the Perpetual Capital Securities are discretionary and such Distributions are non-cumulative.

Payment of Distributions on any Distribution Payment Date is at the sole discretion of the relevant Issuer. Subject to the terms and conditions of the Perpetual Capital Securities, the relevant Issuer may elect to cancel any Distribution on any Distribution Payment Date. The relevant Issuer may make such election for any reason. In addition, the relevant Issuer will not be obliged to pay, and will not pay, any Distribution if:

(i) it is prevented by applicable requirements of the MAS from making payment in full of dividends or other distributions when due on its Additional Tier 1 Capital Securities; or

(ii) the aggregate of the amount of the Distribution (if paid in full), together with the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or in part) during the relevant Issuer's then-current fiscal year on the Perpetual Capital Securities or its Additional Tier 1 Capital Securities, would exceed the Distributable Profits as of the Distributable Profits Determination Date.

Any Distributions which are not paid on the applicable Distribution Payment Date shall not accumulate or be payable at any time thereafter, whether or not funds are, or subsequently become, available. Securityholders will have no right thereto whether in a bankruptcy or dissolution as a result of the Issuers' insolvency or otherwise.

Therefore, any Distributions not paid will be lost and the relevant Issuer will have no obligation to make payment of such Distributions or to pay interest thereon. If Distributions are not paid for whatever reason, the Perpetual Capital Securities may trade at a lower price. If a Securityholder sells his Perpetual Capital Securities during such a period, such Securityholder may not receive the same return on investment as a Securityholder who continues to hold its Perpetual Capital Securities until Distributions are resumed.

The Issuers may issue Notes which may give rise to particular risks for potential investors.

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

(i) An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

If the relevant Issuer redeems Notes when its cost of borrowing is lower than the interest rate (in respect of Notes other than Perpetual Capital Securities) or the rate of distribution (in respect of Perpetual Capital Securities only), as applicable, on the Notes, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate (in respect of Notes other than Perpetual Capital Securities) or the rate of distribution (in respect of Perpetual Capital Securities only), as applicable, as high as the interest rate (in respect of Notes other than Perpetual Capital Securities) or the rate of distribution (in respect of Perpetual Capital Securities only), as applicable, on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

(ii) The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

(iii) Notes with floating interest rates (in respect of Notes other than Perpetual Capital Securities) or floating rates of distribution (in respect of Perpetual Capital Securities only), as applicable, can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

(iv) Fixed/Floating Rate Notes may bear interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate (in respect of Notes other than Perpetual Capital Securities) or the rate of distribution (in respect of Perpetual Capital Securities only), as applicable, will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

(v) The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates (in respect of Notes other than Perpetual Capital Securities) or rates of distribution (in respect of Perpetual Capital Securities only), as applicable, than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing (in respect of Notes other than Perpetual Capital Securities) or distribution-bearing (in respect of Perpetual Capital Securities only), as applicable, securities with comparable maturities.

(vi) In the case of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Notes may not be a suitable investment for all investors.

The Notes are complex and high risk financial instruments. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest or distribution is payable in one or more currencies, or where the currency for principal or interest or distribution payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. A potential investor should ensure that it has sufficient knowledge and experience (either alone or with the help of a financial adviser) to make its own legal, tax, accounting and financial evaluation of the merits and risks of investing in the Notes and that it considers the suitability of the Notes as an investment in light of its own circumstances and financial condition.

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks".

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", in particular with respect to certain Floating Rate Notes where the Reference Rate (as defined in the Conditions) may be HIBOR, EURIBOR, SOFR Benchmark or SORA Benchmark or another such benchmark. The Pricing Supplement for the Notes will specify whether HIBOR, EURIBOR, SOFR Benchmark or SORA Benchmark or another such benchmark is applicable.

Interest rates and indices which are deemed to be or used as "benchmarks" are the subject of international regulatory guidance and proposals for reform in recent years. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely or to have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The elimination of any benchmarks, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks:

(i) discourage market participants from continuing to administer or contribute to the benchmark;

(ii) trigger changes in the rules or methodologies used in the benchmark; or

(iii) lead to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes (or the Rate of Distribution, in the case of Floating Rate Perpetual Capital Securities) is to be determined, the Conditions provide that the Rate of Interest (or the Rate of Distribution, in the case of Perpetual Capital Securities) shall be determined by reference to the relevant screen page or website depending on whether the Reference Rate is specified as being (or derived from) HIBOR, EURIBOR, SOFR Benchmark or SORA Benchmark. In the case of any discontinuation or disapplication of such Reference Rate in accordance with the Conditions, which may include circumstances where the regulatory supervisor of the administrator of the original Reference Rate makes a public statement that such Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market, Note Condition 4(i) (in respect of Notes other than Perpetual Capital Securities) or Perpetual Capital Securities Condition 4(i) (in respect of Perpetual Capital Securities only) sets out more details on the mechanics for determining the Rate of Interest or, in the case of Perpetual Capital Securities, the Rate of Distribution in the absence of the original applicable Reference Rate. Such mechanics may involve the determination of a replacement Reference Rate and a spread adjustment to be applied to such replacement Reference Rate. The use of any replacement Reference Rate and application of a spread adjustment determined in accordance with Note Condition 4(i) (in respect of Notes other than Perpetual Capital Securities) or Perpetual Capital Securities Condition 4(i) (in respect of Perpetual Capital Securities only) to determine the Rate of Interest or, in the case of Perpetual Capital Securities, the Rate of Distribution is likely to result in Notes initially linked to or referencing the original applicable Reference Rate performing differently (which may include payment of a lower Rate of Interest or lower Rate of Distribution, as applicable) than they would do if the original applicable Reference Rate were to continue to apply in its current form. Any such determination which involves the exercise of discretion by the relevant Issuer or, if the designated person is an affiliate of the relevant Issuer, such affiliate, may also present the relevant Issuer or such affiliate with a conflict of interest.

Furthermore, if a replacement Reference Rate has been determined by the relevant Issuer (or its designated person, as the case may be) in accordance with Note Condition 4(i) (in respect of Notes other than Perpetual Capital Securities) or Perpetual Capital Securities Condition 4(i) (in respect of Perpetual Capital Securities only), the Conditions provide that the relevant Issuer may vary the Conditions, the Trust Deed and/or the Agency Agreement, as necessary to ensure the proper operation of such replacement Reference Rate, without any requirement for consent or approval of the Noteholders.

Where Note Condition 4(i) (in respect of Notes other than Perpetual Capital Securities) or Perpetual Capital Securities Condition 4(i) (in respect of Perpetual Capital Securities only) is specified in the relevant Pricing Supplement as the applicable mechanics for determining a replacement Reference Rate, there may be circumstances in which a new replacement Reference Rate may not be able to be determined before the next Interest Determination Date (or the next Distribution Determination Date in the case of Perpetual Capital Securities), or where a replacement Reference Rate is not adopted because it could reasonably be expected to prejudice, in case of the Notes, the qualification as Tier 2 capital or, in case of the Perpetual Capital Securities, the qualification as Additional Tier 1 capital. In such event, the Rate of Interest or, in the case of Perpetual Capital Securities, the Rate of Distribution for the next succeeding Interest Period (or the next succeeding Distribution Period in the case of Perpetual Capital Securities) will be the Rate of Interest or, in the case of Perpetual Capital Securities, the Rate of Distribution applicable as at the last preceding Interest Determination Date or, or in the case of Perpetual

Capital Securities, the Distribution Determination Date before the discontinuation or disapplication of the original Reference Rate in accordance with the Conditions. This is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest or Rate of Distribution, as applicable) than they would do if the relevant benchmark were to continue to apply, or if a replacement Reference Rate could be determined. The initial Rate of Interest (or the initial Rate of Distribution in the case of Perpetual Capital Securities), or the Rate of Interest (or the Rate of Distribution in the case of Perpetual Capital Securities) applicable as at the last preceding Interest Determination Date or, in the case of Perpetual Capital Securities, the Distribution Determination Date before the discontinuation or disapplication of the original applicable Reference Rate in accordance with the Conditions, could, as a result, continue to apply to maturity, which would lead to the floating rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest or the Rate of Distribution in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest or the Rate of Distribution in respect of the Floating Rate Notes shall be determined by reference to the relevant Floating Rate Option in the 2021 ISDA Definitions. If the relevant Floating Rate Option is unavailable (including due to the occurrence of a Fallback Index Cessation Event, as defined in the 2021 ISDA Definitions), the 2021 ISDA Definitions may contain fallback provisions to determine a replacement reference rate to be used in place of such Floating Rate Option, and the use of any such replacement rate to determine the Rate of Interest or the Rate of Distribution is likely to result in Notes initially linked to or referencing the original Floating Rate Option performing differently (which may include payment of a lower Rate of Interest or lower Rate of Distribution, as applicable) than they would do if the original applicable Floating Rate Option were to continue to apply in its current form. Furthermore, if the fallback provisions provided for by the 2021 ISDA Definitions fail to identify a replacement reference rate, there may be uncertainty as to the Rate of Interest or the Rate of Distribution that would be applicable, which may in turn adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to risk free rates (including SOFR and other overnight rates) as reference rates for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to risk-free rates, as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. For example, the New York Federal Reserve (the "**NY Federal Reserve**") began to publish SOFR in April 2018, and the Alternative Reference Rates Committee (the "**ARRC**") has published its Paced Transition Plan which outlines the key milestones until 30 June 2023 to facilitate a smooth and orderly transition from USD LIBOR to SOFR. On 30 August 2019, the MAS similarly announced the establishment of a steering committee (being the Steering Committee for SOR & SIBOR Transition to SORA ("**SC-STS**")) to oversee an industry-wide benchmark transition from SOR to SORA, and on 27 October 2020, the SC-STS announced industry timelines to support a coordinated shift away from the use of SOR in financial products and accelerate usage of SORA, including that all financial institutions and their customers should, by end-April 2021, cease usage of SOR in new loans and securities that mature after end-2021. On 31 March 2021, the SC-STS further announced new industry timelines to cease issuance of SOR derivatives and SIBOR-linked financial products by end-September 2021, including that all financial institutions and their customers should cease usage of SOR in new derivatives contracts (with certain exceptions) by end-September 2021. On 29 July 2021, the SC-STS further announced new industry timelines encouraging wholesale market participants to substantially shift out of their legacy SOR exposures by 31 December 2021, with specific recommendations in respect of corporate loans, derivatives and bonds to facilitate the transitions from SOR to SORA. For the retail loan market, the SC-STS has announced a longer transition period from September 2021 to October 2022. On 18 July 2022, the SC-STS released a paper setting out the finalised approach for:

- setting the adjustment spreads within the MAS Recommended Rate in ISDA IBOR 2020 Fallbacks Protocol, Supplement number 70 to the 2006 ISDA Definitions and the 2021 ISDA Interest Rate Derivatives Definitions as well as the SC-STS' recommended contractual fallbacks for bilateral and syndicated corporate loans. These fallbacks will apply when Fallback Rate (SOR) is discontinued after 31 December 2024;

- supplementary guidance on adjustments spreads for the period until 31 December 2024; and
- application of the SC-STS supplementary guidance to active transition across various product types.

On 14 December 2022, the SC-STS published an implementation paper setting out technical details for the implementation of SC-STS' supplementary guidance on adjustment spreads for the conversion of SOR contracts to SORA. SC-STS' supplementary guidance applies to the active transition of unhedged SOR loans and is to be used up till end-2024. The implementation paper only covers the setting of adjustment spreads for the conversion of wholesale SOR contracts to Compounded-in-arrears SORA and does not apply to the setting of adjustment spreads for the conversion of legacy SOR retail loans to Compounded-in-advance SORA. The SC-STS has also published an Adjustment Spread calculator which market participants have been encouraged to use for the purpose of supporting the active transition of SOR loans to SORA.

In addition, market participants and relevant working groups are exploring alternative reference rates based on risk-free rates, examples of which include Term SOFR reference rates (which seek to measure the market's forward expectation of an average SOFR rate over a designated term).

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to any that reference risk-free rates issued under the Programme. The relevant Issuer may in the future also issue Notes referencing risk-free rates that differ materially in terms of interest determination when compared with any previous Notes referencing the same risk-free rate issued by it under the Programme. The development of risk-free rates as interest reference rates for the Eurobond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes issued under the Programme which references any such risk-free rate from time to time.

Furthermore, the basis of deriving certain risk-free rates, such as SOFR Benchmark or SORA Benchmark, may mean that interest on Notes which reference any such risk-free rate would only be capable of being determined after the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference any such risk-free rate to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, if Notes referencing SOFR Benchmark or SORA Benchmark become due and payable as a result of an event of default under Perpetual Capital Securities Condition 10, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined on the date which the Notes become due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Notes.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of such risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk-free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

Since risk-free rates are relatively new market indices, Notes linked to any such risk-free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk-free rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if any risk-free rate to which a series of Notes is linked does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to a risk-free rate may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Daily changes in such rates may also be more volatile than daily changes in other benchmarks or market rates, such that the value on and value of Notes linked to risk-free rates may fluctuate more than floating rate debt securities linked to less volatile rates. There can also be no guarantee that any risk-free rate to which a series of Notes is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes referencing such risk-free rate. If the manner in which such risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

Negative benchmark rates would reduce the rate of interest on the Floating Rate Notes

The interest rate to be borne by Floating Rate Notes is based on a spread over the relevant benchmark, including HIBOR, EURIBOR, SOFR Benchmark or SORA Benchmark or another benchmark. Changes in the relevant benchmark rate will affect the rate at which Floating Rate Notes accrue interest and the amount of interest payments on Floating Rate Notes. To the extent that the relevant benchmark rate decreases below 0.00% for any interest period, the rate at which the Floating Rate Notes accrue interest for such interest period may be reduced by the amount by which such benchmark rate is negative.

There are risks associated with modifying or amending the terms and conditions of the Notes by way of a meeting of Noteholders or Securityholders.

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders or Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders or Securityholders, including Noteholders or Securityholders who did not attend and vote at the relevant meeting and Noteholders or Securityholders who voted in a manner contrary to the majority.

The relevant Issuer's ability to make payments in respect of the Notes may depend upon the performance of contractual obligations of other parties to the transaction documents.

The relevant Issuer's ability to make payments in respect of the Notes may depend upon the due performance of the respective obligations of the other parties to the transaction documents, including the performance by the Trustee and the Agents of their respective obligations. While the non-performance of any relevant parties will not relieve the relevant Issuer of its obligations to make payments in respect of the Notes, the relevant Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders or Securityholders.

Modification, waivers and authorisations.

The Conditions will provide that the Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, Receiptholders, Couponholders or Securityholders, to: (i) any modification of any of the Conditions, and/or any of the provisions of the Trust Deed and/or the Agency Agreement that in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of applicable law or as required by CDP and/or Euroclear and/or Clearstream, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the Conditions and/or any of the provisions of the Trust Deed and/or the Agency Agreement that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders or Securityholders. Any such modification, authorisation or waiver shall be binding on the Noteholders, Receiptholders, Couponholders and Securityholders.

The Issuers, the Noteholders and the Securityholders may face certain risks associated with any changes to English law or Singapore law or administrative practice after the date of the issue of the relevant Notes.

The terms and conditions of the Notes are based on English law or Singapore law (as specified in the applicable Pricing Supplement) in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or Singapore law or administrative practice after the date of issue of the relevant Notes.

Limited liquidity of the Notes may affect the market price of the Notes.

The Notes will not be registered under the Securities Act or the securities or "blue sky" laws of any state of the United States. The Notes may be offered, and may be resold outside of the United States within the meaning of and in compliance with Regulation S.

The Notes are a new issue of securities with no established trading market. Application may be made to list the Notes on a stock exchange. However, if for any reason the Notes are not listed, the liquidity of the Notes may be negatively impacted.

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. If a Series of Notes is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile market in such Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency, credit or market risks, and/or are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of the Notes. Even if the Notes are traded, they may trade at a discount from their initial issue price, depending on prevailing interest rates, the market for similar securities, the relevant Group's performance and other factors.

The Dealers have made no commitment and have no obligation to make a market for the Notes. Therefore, no assurance can be given that any Dealer will actually make a market for any Notes that are issued under the Programme, or if it does, that it will continue to make a market in the future. No assurance can be given that an active trading market for any Notes will develop, and therefore the liquidity of the Notes may be considerably less than for comparable debt securities.

Noteholders may be subject to Singapore taxation.

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2028 are intended to be "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore ("**Income Tax Act**") subject to the fulfilment of certain conditions more particularly described in the section "*Taxation – Singapore Taxation*".

However, there is no assurance that such Notes will continue to enjoy the tax exemptions or concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

In addition, it is not clear whether any particular tranche of the Notes which are Perpetual Capital Securities or Subordinated Notes (the "**Relevant Tranche of Notes**") will be regarded as "debt securities" by the Inland Revenue Authority of Singapore ("**IRAS**") for the purposes of the Income Tax Act, or whether Distributions or interest payments made under the Relevant Tranche of Notes will be regarded by the IRAS as interest payable on indebtedness for the purposes of the Income Tax Act or whether the tax exemptions and concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section "*Taxation - Singapore Taxation*") will apply to the Relevant Tranche of Notes.

If the Relevant Tranche of Notes is not regarded as "debt securities" for the purposes of the Income Tax Act, or the Distributions or interest payments made under the Relevant Tranche of Notes are not regarded by the IRAS as interest payable on indebtedness for the purposes of the Income Tax Act or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the Relevant Tranche of Notes should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of Notes.

Any credit ratings on the Issuers or the Notes may not reflect all risks associated with investing in the Issuers or the Notes, and a downgrade in the ratings of the Issuers or the Notes may affect the market price of the Notes.

GEL has a long-term issuer rating of "AA-" from S&P Global Ratings ("**S&P**") with stable outlook. The rating reflects the ability of the GEL to make timely payment of principal and interest on senior unsecured debts. There can be no assurance that the rating will remain in effect for any given period or that the rating will not be revised by the rating agency in the future if, in its judgement, circumstances so warrant. In addition, not all issues of Notes may be rated and even if one or more independent credit rating agencies assigns credit ratings to an issue of Notes, the ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is a statement of opinion and not a recommendation to buy, sell or hold securities and may be suspended, revised, downgraded or withdrawn by the assigning rating agency at any time.

The book-entry registration system of the Notes may reduce the liquidity of any secondary market for the Notes and may limit the receipt of payments by the beneficial owners of the Notes.

As transfers of interests in the Global Notes or Global Certificates can be effected only through book entries at CDP, Euroclear or Clearstream for the accounts of their respective participants, the liquidity of any secondary market for Global Notes or Global Certificates may be reduced to the extent that some investors are unwilling to hold Notes in book-entry form in the name of a CDP, Euroclear or Clearstream participant. The ability to pledge interests in the Global Notes or Global Certificates may be limited due to the lack of a physical certificate. Beneficial owners of Global Notes or Global Certificates may, in certain cases, experience delay in the receipt of payments of principal and interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, since such payments will be forwarded by the paying agent to CDP, Euroclear or Clearstream, as applicable, who will then forward payment to their respective participants, who (if not themselves the beneficial owners) will thereafter forward payments to the beneficial owners of the interests in the Global Notes or Global Certificates. In the event of the insolvency of CDP, Euroclear or Clearstream or any of their respective participants in whose name interests in the Global Notes or Global Certificates are recorded, the ability of beneficial owners to obtain timely or ultimate payment of principal and interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, on Global Notes or Global Certificates may be impaired.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

(i) the Notes are legal investments for it;

(ii) the Notes can be used as collateral for various types of borrowing; and

(iii) other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, including without limitation the giving of notice pursuant to a Note and the taking of any steps and/or actions and/or the instituting of proceedings pursuant to Note Condition 9 or, as the case may be, the taking of action as contemplated in Perpetual Capital Securities Condition 10, the Trustee may (at its sole discretion) request Noteholders, or as the case may be, Securityholders of the relevant series of Notes, or as the case may be, Perpetual Capital Securities to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of the Noteholders or, as the case may be, Securityholders. The Trustee shall not be obliged to take any such actions if it has not first been indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or the relevant Conditions or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, in those cases, to the extent permitted by the agreements and the applicable law, it will be for the relevant Noteholders or, as the case may be, Securityholders to take such actions directly.

Investment in Notes may be subject to certain risks associated with exchange rate fluctuations and any modifications to exchange controls.

The relevant Issuer will pay principal and interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, on the Notes in the currency specified (the "**Settlement Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settlement Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Settlement Currency would decrease:

(i) the Investor's Currency equivalent yield on the Notes;

(ii) the Investor's Currency equivalent value of the principal payable on the Notes; and

(iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, or principal than expected, or no interest (in respect of Notes other than Perpetual Capital Securities), or Distributions (in respect of Perpetual Capital Securities only), as applicable, or principal.

Implementation of and/or changes to the Basel III or other risk-based capital frameworks (including but not limited to Singapore Risk-Based Capital 2, or European Solvency II) framework may affect the capital requirements and/or liquidity associated with a holding of the Notes for certain investors.

Regulated institutions such as banks and insurance companies may be subject to capital adequacy and liquidity standards under Basel III or other risk-based capital frameworks (including but not limited to the Risk-Based Capital 2 framework issued by MAS, or European Solvency II). These requirements can include, amongst others, capital adequacy requirements and liquidity coverage requirements.

The ongoing implementation of and/or changes (including those which are yet to be finalised) to the risk-based capital frameworks for regulated institutions may have an impact on the capital requirements in respect of holdings of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital and liquidity requirements in respect of the Notes and as to the consequences for and effect on them of any changes to the risk-based capital frameworks which may apply to them and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Risks Relating to Renminbi-Denominated Notes

Notes denominated in Renminbi ("**RMB Notes**") may be issued under the Programme. RMB Notes contain particular risks for potential investors.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of RMB Notes.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving the import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

However, remittance of Renminbi into and out of the PRC for settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filing with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC government.

Although since 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, and the People's Bank of China (the "**PBOC**") and the Ministry of Commerce of the PRC have implemented policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any of the pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that any regulatory restrictions inhibit the ability of the Issuers to repatriate funds outside the PRC to meet its obligations under the RMB Notes, the relevant Issuer will need to source Renminbi offshore to finance such obligations under the relevant RMB Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC. In addition, holders of beneficial interests in RMB Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong. Each investor should consult its own advisers to obtain a more detailed explanation of how the PRC regulations and rules may affect their investment decisions.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the Issuers' ability to source Renminbi outside the PRC to service such RMB Notes.

As a result of the restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBOC has entered into agreements on the clearing of Renminbi business (the "**Settlement Arrangements**") with financial institutions (each, a "**Renminbi Clearing Bank**") in a number of financial centres and cities, including but not limited to Hong Kong, London, Frankfurt and Singapore, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi-denominated financial assets outside the PRC remains limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC, although the PBOC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, where the participating banks cannot source sufficient Renminbi through the above channels, the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of RMB Notes. To the extent the relevant Issuer is required to source Renminbi outside the PRC to service the RMB Notes, there is no assurance that the relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all. If Renminbi is not available in certain circumstances as described under the Notes, the relevant Issuer can make payments under the Notes in a currency other than Renminbi.

Remittance of proceeds into or outside of the PRC in Renminbi may be difficult.

In the event that the relevant Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there can be no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

In the event that the relevant Issuer remits some or all of the proceeds into the PRC in Renminbi and the relevant Issuer subsequently is not able to repatriate funds outside the PRC in Renminbi, the relevant Issuer will need to source Renminbi outside the PRC to finance its obligations under the RMB Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Investment in RMB Notes is subject to exchange rate risks.

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and other factors. In August 2015, PBOC changed the way it calculates the mid-point price of Renminbi against the U.S. dollar, requiring the market-makers who submit for the PBOC's reference rates to consider the previous day's closing spot rate, foreign-exchange demand and supply as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In May 2017, the PBOC further decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect PRC's actual economic performance. However, the volatility in the value of the Renminbi against other currencies still exists. All payments of interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, and principal will be made with respect to RMB Notes in Renminbi, save as provided in the terms and conditions in accordance with Note Condition 6(i) (in respect of Notes other than Perpetual Capital Securities) and Perpetual Capital Securities Condition 7(e) (in respect of Perpetual Capital Securities only), as applicable unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Notes entails foreign exchange related risks, including possible significant changes in the value of RMB relative to the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the RMB Notes below their stated coupon rates and could result in a loss when the return on the RMB Notes is translated into such currency. Accordingly, the value of the investment made by a holder of the RMB Notes in that foreign currency will decline.

Investment in the RMB Notes is subject to currency risk.

If the relevant Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, and principal on the RMB Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each as defined in the relevant Conditions), the relevant Issuer shall be entitled, on giving not less than 15 nor more than 30 business days' irrevocable notice to the Noteholders or the Securityholders (as the case may be) prior to the due date for payment, to settle any such payment in U.S. dollars or Singapore dollars, as the case may be, on the due date at the U.S. Dollar Equivalent or the Singapore Dollar Equivalent, respectively, of any such Renminbi denominated amount.

Payments in respect of RMB Notes will only be made to investors in the manner specified in such RMB Notes.

All payments to investors in respect of RMB Notes will be made solely:

(i) when RMB Notes are represented by global certificates, by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in Hong Kong or Singapore, as the case may be, in accordance with prevailing Euroclear rules, Clearstream rules or CDP rules, as the case may be; or

(ii) when RMB Notes are in definitive form, by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in Hong Kong or Singapore, as the case may be, in accordance with prevailing rules and regulations.

The relevant Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft, or by transfer to a bank account in the PRC).

There may be PRC tax consequences with respect to investment in the RMB Notes.

In considering whether to invest in the RMB Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situation as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the holder's investment in the RMB Notes may be materially and adversely affected if the holder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those RMB Notes.

Investment in the RMB Notes is subject to interest rate risks.

The value of Renminbi payments under RMB Notes may be susceptible to interest rate fluctuations occurring within and outside the PRC, including PRC Renminbi repo rates and/or the Shanghai inter-bank offered rate. The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions. The RMB Notes may carry a fixed interest rate. Consequently, the trading price of such Notes will vary with the fluctuations in the Renminbi interest rates. If holders of RMB Notes propose to sell their Notes before their maturity, they may receive an offer lower than the amount they have invested.

TERMS AND CONDITIONS OF THE NOTES OTHER THAN THE PERPETUAL CAPITAL SECURITIES

*The following is the text of the terms and conditions (the "**Conditions**") that, save for the words in italics and, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the applicable Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement or the Trust Deed, as the case may be. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "**Notes**" are to the Notes of one Series only and not to all Notes that may be issued under the Programme.*

The Notes are constituted by a trust deed dated 15 March 2024 (as amended and/or supplemented as at the date of issue of the Notes (the "**Issue Date**") and as the same may be further amended, restated, novated and/or supplemented, the "**Trust Deed**") between The Great Eastern Life Assurance Company Limited ("**GEL**"), Great Eastern Holdings Limited ("**GEH**" and, together with GEL, the "**Issuers**" and each an "**Issuer**") and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall, whenever the context so admits, include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below) [as supplemented by the Singapore law trust deed dated 15 March 2024 (as amended and/or supplemented as at the Issue Date and as the same may be further amended, restated, novated and/or supplemented, the "**Singapore Law Trust Deed**") among the Issuers and the Trustee][1] and, where applicable, the Notes which are specified in the applicable Pricing Supplement to be held in and cleared through The Central Depository (Pte) Limited ("**CDP**") are issued with the benefit of a deed of covenant dated 15 March 2024 relating to the Notes executed by each Issuer (each as amended, varied and/or supplemented from time to time, the "**CDP Deed of Covenant**").

These terms and conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, [as supplemented by the Singapore Law Trust Deed][1], which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An agency agreement dated 15 March 2024 (as amended and/or supplemented as at the Issue Date and as the same may be further amended, restated, novated and/or supplemented, the "**Agency Agreement**") has been entered into in relation to the Notes between the Issuers, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent and calculation agent (except as otherwise described below) in respect of Notes other than Notes which are cleared or, as applicable, to be cleared through CDP, The Bank of New York Mellon, Singapore Branch as CDP paying agent, CDP transfer agent, CDP registrar and (where appointed as contemplated in the Agency Agreement) CDP calculation agent in respect of Notes cleared through the computerised system operated by the CDP (the "**CDP System**"), The Bank of New York Mellon SA/NV, Dublin Branch, as transfer agent and registrar in relation to each Series of Registered Notes (as defined herein) other than Series of Notes to be held through CDP System, and the other agents named in it. The issuing and paying agent, the CDP paying agent, the other paying agents, the registrars, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**CDP Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent and the CDP Paying Agent), the "**Registrars**", the "**Transfer Agents**" and the "**Calculation Agent(s)**".

For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, unless provided otherwise, with respect to a Series of Notes to be held in the CDP System, be deemed to be a reference to the CDP Paying Agent and all such references shall be construed accordingly. Copies of the Trust Deed, [as supplemented by the Singapore Law Trust Deed,][1] the CDP Deed of Covenant and the Agency Agreement referred to above are available for inspection by the Noteholders free of charge at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m.) at the principal

[1] Include for Notes governed by Singapore law.

office of the Trustee (being at the Issue Date at 160 Queen Victoria Street, London, EC4V 4LA, United Kingdom) and at the specified office of the Issuing and Paying Agent, following prior written request and proof of holding and identity satisfactory to the Trustee or, as the case may be, the Issuing and Paying Agent.

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest-bearing Notes in bearer form and, where applicable in the case of such Bearer Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Bearer Notes of which the principal is payable in instalments (the "**Receiptholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, these Conditions, all the provisions of the Trust Deed[, as supplemented by the Singapore Law Trust Deed][2] and the applicable Pricing Supplement, and are deemed to have notice of those provisions applicable to them of the Agency Agreement. The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note. References to "**applicable Pricing Supplement**" are to the Pricing Supplement (or relevant provisions thereof) attached to or endorsed on this Note.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement or the Trust Deed, as the case may be.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects and "**Series**" means a series of Notes comprising one or more Tranches, whether or not issued on the same date, that (except in respect of the first payment of interest and their issue price) have identical terms on issue and are expressed to have the same series number, and references to the "**Issuer**" are to the Issuer of such Notes.

1 Form, Denomination and Title

(a) **Form and Denomination**: The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Specified Denomination(s) shown hereon. Subordinated Notes (as defined in Condition 3(b)) will only be issued in registered certificated form; Subordinated Notes shall not be issued in bearer form.

*All Registered Notes shall have the same Specified Denomination. Unless otherwise permitted by the then current laws and regulations, Notes which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of GBP100,000 (or its equivalent in other currencies). Notes which are listed on the Singapore Exchange Securities Trading Limited or any successor thereto (the "**SGX-ST**") will be traded on the SGX-ST in a minimum board lot size of SGD200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time. In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or in the United Kingdom or offered to the public in a Member State of the European Economic Area or in the United Kingdom in circumstances which require the publication of a prospectus under Regulation (EU) 2017/1129 (as amended or superseded) or Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, the minimum Specified Denomination shall be EUR100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).*

Each Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Note, the nominal amount of which is redeemable in instalments, is issued with one or more Receipts attached.

[2] Include for Notes governed by Singapore law.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) **Title**: Title to the Bearer Notes and to the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the relevant Registrar (the "**Register**"). The Issuer may appoint a registrar (the "**Alternative Registrar**") in accordance with the provisions of the Agency Agreement other than the Registrar in relation to any Series comprising Registered Notes. In these Conditions, "**Registrar**" includes, if applicable, in relation to any Series comprising Registered Notes, the Registrar or, as the case may be, the Alternative Registrar, as specified hereon. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and shall be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

For so long as any of the Notes is represented by a Global Note or, as the case may be, a Global Certificate held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear and/or Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note or the registered holder of the relevant Global Certificate shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Notes.

For so long as any of the Notes is represented by a Global Note or, as the case may be, a Global Certificate held by CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the absolute holder of such principal amount of Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the registered holder of the Global Note or, as the case may be, the Global Certificate shall be treated by the Issuer, the Trustee and the Agents as the holder of such Notes in accordance with and subject to the terms of such Global Note or, as the case may be, such Global Certificate.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

References in these Conditions to Coupons, Talons, Couponholders, Receipts and Receiptholders relate to Bearer Notes only.

2 No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes**: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes**: One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer, without service charge and subject to payment of any taxes, duties and other governmental charges in respect of such transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, and by the Registrar, with the prior written approval of the Trustee, provided that the Issuer will be notified upon such change by the Registrar. A copy of the current regulations will be made available (free of charge to the Noteholders and at the Issuer's expense) by the Registrar to any Noteholder following prior written request and proof of holding and identity satisfactory to the Registrar. No transfer of title to a Registered Note will be valid unless and until entered on the Register.

Transfers of interests in the Notes represented by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

A beneficial interest in a Global Certificate representing Registered Notes will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Certificates in definitive form or for a beneficial interest in another Global Certificate representing such Registered Notes only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream or CDP, as the case may be, the provisions of the relevant Global Certificate and the terms and conditions specified in the Agency Agreement. Transfers of a Global Certificate representing Registered Notes registered in the name of a nominee of a common depository for Euroclear, Clearstream or CDP shall be limited to transfers of such Global Certificate, in whole but not in part, to another nominee of Euroclear, Clearstream or CDP (as the case may be) or to a successor of Euroclear, Clearstream or CDP (as the case may be) or such successor's nominee.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes**: In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed, as the case may be. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the request for transfer, exercise, redemption or exchange, form of transfer or Exercise Notice (as defined in Condition 5(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for transfer, exercise, redemption or exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday, Sunday or gazetted public holiday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfers Free of Charge**: Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon (i) payment by the relevant Noteholder of any tax, duties or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent (as the case may be) may require); (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion that the regulations concerning transfer of Registered Notes have been complied with.

(f) **Closed Periods**: No Noteholder may require the transfer of a Registered Note to be registered:

(i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note;

(ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d);

(iii) after any such Note has been called for redemption; or

(iv) during the period of 15 days ending on (and including) any date on which payment is due.

3 Status

(a) **Status of Senior Notes**:

The senior notes (being those Notes that specify their status as Senior in the applicable Pricing Supplement) (the "**Senior Notes**") and the Receipts and the Coupons relating to them constitute direct and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(b) **Status of Subordinated Notes**:

The subordinated notes (being those Notes that specify their status as Subordinated in the applicable Pricing Supplement) (the "**Subordinated Notes**") constitute direct, unsecured and subordinated (pursuant to Condition 3(c)) obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders are subordinated as described in Condition 3(c) below.

(c) **Subordination**:

Upon the occurrence of any winding-up proceedings, the rights of the Noteholders to payment of principal of and interest on the Subordinated Notes and any other obligations in respect of the Subordinated Notes are expressly subordinated and subject in right of payment to the prior payment in full of all claims of the Relevant Creditors and will rank senior to all share capital of the Issuer and any other Tier 1 Capital Securities. The Subordinated Notes will rank *pari passu* with all subordinated debt issued by the Issuer that qualifies as Tier 2 Capital Securities and any instrument or security issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, by its terms or operation of law, *pari passu* with the Subordinated Notes. In the event that:

(i) the Noteholders do not receive payment in full of principal due and payable in respect of the Subordinated Notes plus interest thereon accrued to the date of repayment in any winding-up of the Issuer; and

(ii) the winding-up order or resolution passed for the winding-up of the Issuer or the dissolution of the Issuer is subsequently stayed, discharged, rescinded, avoided, annulled or otherwise rendered inoperative,

then to the extent that such Noteholders did not receive payment in full of such principal of and interest on such Subordinated Notes, such unpaid amounts shall remain payable in full; provided that payment of such unpaid amounts shall be subject to the provisions under this Condition 3 and Condition 9(b) and Clause 5 and Clause 7 of the Trust Deed.

The Issuer has agreed, pursuant to the terms of the Trust Deed, to indemnify the Noteholders against any loss incurred as a result of any judgment or order being given or made for any amount due under the Subordinated Notes and such judgment or order being expressed and paid in a currency other than the Specified Currency. Any amounts due under such indemnification will be similarly subordinated in right of payment with other amounts due on the Subordinated Notes and payment thereof shall be subject to the provisions under this Condition 3 and Condition 9(b)(ii) and Clause 7.2 of the Trust Deed.

On a winding-up of the Issuer, there may be no surplus assets available to meet the claims of the Noteholders after the claims of the parties ranking senior to the Noteholders (as provided in this Condition 3 and Clause 5 of the Trust Deed) have been satisfied.

In these Conditions:

"**MAS**" means the Monetary Authority of Singapore or such other governmental authority having primary supervisory authority with respect to the Issuer;

"**MAS Notice FHC-N133**" means MAS Notice FHC-N133 – "*Notice on Valuation and Capital Framework for Designated Financial Holding Companies (Licensed Insurer)*" issued by the MAS, as amended, replaced or supplemented from time to time;

"**MAS Notice 133**" means MAS Notice 133 – "*Notice on Valuation and Capital Framework for Insurers*" issued by the MAS, as amended, replaced or supplemented from time to time;

"**Relevant Creditors**" means creditors of the Issuer (including, where the Issuer is GEL, the Issuer's policy owners) other than those whose claims are expressed to rank *pari passu* or junior to the claims of the holders of the Subordinated Notes;

"**Subsidiary**" means any company or corporation:

(i) of which the Issuer controls the composition of the board of directors; or

(ii) of which the Issuer controls more than half of the voting power; or

(iii) which is a Subsidiary of a Subsidiary of the Issuer,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

"**Tier 1 Capital Securities**" means:

(i) any security issued by the Issuer; or

(ii) any other similar obligation issued by any Subsidiary of the Issuer that is guaranteed by the Issuer,

that, in each case, constitutes Tier 1 capital of the Issuer pursuant to the relevant requirements of the MAS which, in the case of GEL, are as set out in MAS Notice 133 and which, in the case of GEH, are as set out in MAS Notice FHC-N133; and

"**Tier 2 Capital Securities**" means:

(i) any security issued by the Issuer; or

(ii) any other similar obligation issued by any Subsidiary of the Issuer that is guaranteed by the Issuer,

that, in each case, constitutes Tier 2 capital of the Issuer pursuant to the relevant requirements of the MAS, which in the case of GEL, are as set out in MAS Notice 133 and, which in the case of GEH, are as set out in MAS Notice FHC-N133.

(d) **Set-off and Payment Void**: No holder of Subordinated Notes may exercise, claim or plead any right of set-off, counterclaim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes. Each Noteholder of the Subordinated Notes shall, by acceptance of any Subordinated Note, be deemed to have waived all such rights of set-off, counterclaim or retention to the fullest extent permitted by law. If, at any time, any Noteholder receives payment or benefit of any sum in respect of the Subordinated Notes (including any benefit received pursuant to any such set-off, counter-claim or retention) other than in accordance with Clause 7.2.2 of the Trust Deed and the second paragraph of Condition 9(b)(ii), the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes and such Noteholder, by acceptance of such Subordinated Note, shall agree as a separate and independent obligation that any such sum or benefit so received shall forthwith be paid or returned in full by such Noteholder to the Issuer upon demand by the Issuer or, in the event of the winding-up of the Issuer, the liquidator of the Issuer, whether or not such payment or receipt shall have been deemed void under the Trust Deed. Any sum so paid or returned shall then be treated for purposes of the Issuer's obligations as if it had not been paid by the Issuer, and its original payment shall be deemed not to have discharged any of the obligations of the Issuer under the Subordinated Notes.

4 Interest and other Calculations

The amount payable in respect of the aggregate nominal amount of Notes represented by a Global Certificate or a Global Note (as the case may be) shall be made in accordance with the methods of calculation provided for in the Conditions and the applicable Pricing Supplement, save that the calculation is made in respect of the aggregate nominal amount of the Notes represented by a Global Certificate or a Global Note (as the case may be), together with such other sums and additional amounts (if any) as may be payable under the Conditions.

(a) **Interest on Fixed Rate Notes**: Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f).

(b) **Interest on Floating Rate Notes**:

(i) *Interest Payment Dates*: Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

(A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the calendar month in which such date would have fallen had it not been subject to adjustment;

(B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day;

(C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions and "**ISDA Definitions**" means the latest version of the 2021 ISDA Interest Rate Derivative Definitions, including any Matrices referred to therein, published by the International Swaps and Derivatives Association, Inc. as at the Issue Date of the first Tranche of the Notes, unless otherwise specified in the applicable Pricing Supplement, provided that (i) references to a "**Confirmation**" in the ISDA Definitions should instead be read as references to the Notes; (ii) references to a "**Calculation Period**" in the ISDA Definitions should instead be read as references to an "**Interest Accrual Period**".

(B) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as being SORA Benchmark or SOFR Benchmark

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(I) the offered quotation; or

(II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than EURIBOR or HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

(y) If the Relevant Screen Page is not available or if, paragraph (x)(I) above of this Condition 4(b)(iii)(B) applies and no such offered quotation appears on the Relevant Screen Page or if paragraph (x)(II) above of this Condition 4(b)(iii)(B) applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the Interest Determination Date in question, and such offered quotations shall be notified by the Issuer to the Calculation Agent. If two or more of the Reference Banks provide the Issuer with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) If paragraph (y) above of this Condition 4(b)(iii)(B) applies and the Issuer determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean as determined by the Calculation Agent of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Euro-zone interbank market or, if the Reference Rate is HIBOR, the Hong Kong interbank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time), on the relevant Interest Determination Date, any one or more Reference Banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuer it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone interbank market or, if the Reference Rate is HIBOR, the Hong Kong interbank market, as the case may be, and such offered rates shall be notified by the Issuer to the Calculation Agent *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4(b)(iii)(B), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SORA Benchmark

For each Floating Rate Note where the Reference Rate is specified as being SORA Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the relevant SORA Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The "**SORA Benchmark**" will be determined based on Compounded Daily SORA or SORA Index Average, as follows (subject in each case to Condition 4(i)(iii)):

(x) If Compounded Daily SORA ("**Compounded Daily SORA**") is specified in the applicable Pricing Supplement, the SORA Benchmark for each Interest Accrual Period shall be equal to the value of the SORA rates for each day during the relevant Interest Accrual Period (where SORA Lookback or SORA Payment Delay is specified in the applicable Pricing Supplement to determine Compounded Daily SORA) or SORA Observation Period (where SORA Backward Shifted Observation Period is specified in the applicable Pricing Supplement to determine Compounded Daily SORA).

Compounded Daily SORA shall be calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with one of the formulas referenced below depending upon which is specified in the applicable Pricing Supplement.

(i) Where SORA Lookback is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SORA_{i-x\,SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"**d_o**", for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

"$_i$", for the relevant Interest Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to the last Singapore Business Day in such Interest Accrual Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period;

"**n_i**", for any day "$_i$", is the number of calendar days from and including such day "$_i$" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the Interest Payment Date at the end of such Interest

Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to such earlier date, if any, on which the Notes become due and payable);

"**Singapore Business Days**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "i"; and

"**$SORA_{i-x\ SBD}$**" means, in respect of any Singapore Business Day "i" in the relevant Interest Accrual Period, the reference rate equal to SORA in respect of the Singapore Business Day falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the relevant Singapore Business Day.

(ii) Where SORA Backward Shifted Observation Period is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards.

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"**d_o**", for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Observation Period;

"$_i$", for the relevant Interest Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period;

"**n_i**", for any day "$_i$", is the number of calendar days from and including such day "$_i$" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the Interest Payment Date at the end of such Interest Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to such earlier date, if any, on which the Notes become due and payable);

"**Singapore Business Days**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "i"; and

"**$SORA_i$**" means, in respect of any Singapore Business Day falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

(iii) Where SORA Payment Delay is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards.

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"**d_o**", for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

"$_i$", for the relevant Interest Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to the last Singapore Business Day in such Interest Accrual Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Interest Accrual Period, *provided that* the Interest Determination Date with respect to the final Interest Accrual Period will be the SORA Rate Cut-Off Date;

"**Interest Payment Delay**" means five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement);

"**n_i**", for any day "$_i$", is the number of calendar days from and including such day "$_i$" up to but excluding the following Singapore Business Day;

"**Singapore Business Days**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "i";

"**$SORA_i$**" means, in respect of any Singapore Business Day falling in the relevant Interest Accrual Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

"**SORA Rate Cut-Off Date**" means the date that is a number of Singapore Business Days prior to the end of each Interest Accrual Period, the Maturity Date or the relevant redemption date, as applicable, as specified in the applicable Pricing Supplement.

For the purposes of calculating Compounded Daily SORA with respect to the final Interest Accrual Period ending on the Maturity Date or the redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the SORA Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant redemption date, as applicable, shall be the level of SORA in respect of such SORA Rate Cut-Off Date.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SORA only compounds SORA in respect of any Singapore Business Day. SORA applied to a day that is not a Singapore Business Day will be taken by applying SORA for the previous Singapore Business Day but without compounding.

(y) For each Floating Rate Note where the Reference Rate is specified as being SORA Index Average ("**SORA Index Average**"), the SORA Benchmark for each Interest Accrual Period shall be equal to the value of the SORA rates for each day during the relevant Interest Accrual Period as calculated by the Calculation Agent on the relevant Interest Determination Date as follows:

$$\left(\frac{SORA\ Index_{End}}{SORA\ Index_{Start}} - 1\right) \times \left(\frac{365}{d_c}\right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards, where:

"**d_c**" means the number of calendar days from (and including) the SORA $\text{Index}_{\text{Start}}$ to (but excluding) the SORA $\text{Index}_{\text{End}}$;

"**Singapore Business Days**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA Index**" means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, *provided that* if the SORA Index does not so appear at the SORA Index Determination Time, then:

(i) if a SORA Index Cessation Event has not occurred, the "**SORA Index Average**" shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SORA formula described above in Condition 4(b)(iii)(C)(x)(ii), and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Interest Accrual Period that is used in the definition of SORA IndexStart as specified in the applicable Pricing Supplement; or

(ii) if a SORA Index Cessation Event has occurred, the provisions set forth in Condition 4(i)(iii) shall apply;

"**SORA $\text{Index}_{\text{End}}$**" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the Interest Period End Date relating to such Interest Accrual Period;

"**SORA $\text{Index}_{\text{Start}}$**" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Interest Accrual Period; and

"**SORA Index Determination Time**" means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

(z) If, subject to Condition 4(i), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such day "i", SORA in respect of such day "i" has not been published and a SORA Index Cessation Event has not occurred, then SORA for that day "i" will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.

(aa) If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 4(i), the Rate of Interest shall be:

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or

(ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

(bb) If the relevant Series of Notes becomes due and payable in accordance with Condition 9, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding (as defined in the Trust Deed), be that determined on such date.

(D) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark

For each Floating Rate Note where the Reference Rate is specified as being SOFR Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The "**SOFR Benchmark**" will be determined based on Compounded Daily SOFR or SOFR Index Average, as follows (subject in each case to Condition 4(i)):

(x) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Accrual Period shall be equal to the value of the SOFR rates for each day during the relevant Interest Accrual Period (where "SOFR Observation Lag" or "SOFR Payment Delay" is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR) or SOFR Observation Period (where "SOFR Observation Shift" is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the relevant formula referenced below (to be specified in the applicable Pricing Supplement):

(i) SOFR Observation Lag:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-\times USBD}\times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"$\mathbf{d_o}$" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a "**U.S. Government Securities Business Day(i)**");

"**Lookback Days**" means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

"$\mathbf{n_i}$" for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day; and

"$\mathbf{SOFR_{i\text{-}xUSBD}}$" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i).

(ii) *SOFR Observation Shift*:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right) \times \frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to do, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day(i)**");

"**n_i**" for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period End Date at the end of such Interest Accrual Period;

"**SOFR Observation Shift Days**" means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement); and

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i).

(iii) *SOFR Payment Delay*:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right) \times \frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a "**U.S. Government Securities Business Day(i)**");

"**Interest Payment Date**" shall be the date falling the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; *provided that* the Interest Payment Date with respect to the final Interest Accrual Period will be the Maturity Date or, if the Issuer elects to redeem the Notes prior to the Maturity Date, the relevant redemption date;

"**Interest Payment Delay**" means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

"**Interest Determination Date**" means the Interest Period End Date at the end of each Interest Accrual Period, *provided that* the Interest Determination Date with respect to the final Interest Accrual Period will be the SOFR Rate Cut-Off Date;

"$\mathbf{n_i}$", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day;

"$\mathbf{SOFR_i}$" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i); and

"**SOFR Rate Cut-Off Date**" means the date that is a number of U.S. Government Securities Business Days prior to the end of each Interest Accrual Period, the Maturity Date or the relevant redemption date, as applicable, as specified in the applicable Pricing Supplement.

For the purposes of calculating Compounded Daily SOFR with respect to the final Interest Accrual Period, the level of SOFR for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant redemption date of the Notes, as applicable, shall be the level of SOFR in respect of such SOFR Rate Cut-Off Date.

In connection with the SOFR provisions set out in this Condition 4(b)(iii)(D)(x), the following definitions apply:

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means, with respect to any U.S. Government Securities Business Day, the rate determined by the Calculation Agent in accordance with the following provision:

(i) the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Bloomberg Screen SOFRRATE Page, the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Reuters Page USDSOFR=, or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(ii) if the rate specified in sub-paragraph (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(iii) if the rate specified in sub-paragraph (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(i)(ii) shall apply;

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(y) If SOFR Index Average ("**SOFR Index Average**") is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Accrual Period shall be equal to the value of the SOFR rates for each day during the relevant Interest Accrual Period as calculated by the Calculation Agent on the relevant Interest Determination Date as follows:

$$\left(\frac{SORA\ Index_{End}}{SORA\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

"**d_c**" means the number of calendar days from (and including) the SOFR $Index_{Start}$ to (but excluding) the SOFR $Index_{End}$;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFR Benchmark Replacement Date**" means the Benchmark Replacement Date with respect to the then-current SOFR Benchmark;

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark;

"**SOFR Index**" means, in relation to any U.S. Government Securities Business Day, the SOFR Index as published by the SOFR Administrator on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that* if the SOFR Index does not so appear at the SOFR Index Determination Time, then:

(i) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index Average" shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 4(b)(iii)(D)(x)(ii) "SOFR Observation Shift", and the term "SOFR Observation Shift Days" shall mean such number of U.S. Government Securities Business Days preceding the first date of a relevant Interest Accrual Period as is used for the purposes of the definition of "SOFR $Index_{Start}$" and "SOFR $Index_{End}$"; or

(ii) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(i)(ii) shall apply;

"**SOFR $\mathbf{Index_{End}}$**" means the SOFR Index value on the date that is five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement) preceding the Interest Period End Date relating to such Interest Accrual Period (or in the final Interest Accrual Period, the Maturity Date);

"**SOFR $\mathbf{Index_{Start}}$**" means the SOFR Index value on the date that is five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Interest Accrual Period; and

"**SOFR Index Determination Time**" means, in relation to any U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day.

(z) If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 4(i), the Rate of Interest shall be:

(I) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or

(II) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

(aa) If the relevant Series of Notes becomes due and payable in accordance with Condition 9, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the applicable SOFR Benchmark formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(c) **Zero Coupon Notes**: Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)(B)).

(d) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(e) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**:

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Period(s), in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 4(e)(ii).

(ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the fifth decimal place (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "**unit**" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(f) **Calculations**: The amount of interest payable per calculation amount specified hereon (or, if no such amount is so specified, the Specified Denomination) (the "**Calculation Amount**") in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**: The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than:

(i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount; or

(ii) in all other cases, the fourth Business Day after such determination.

If the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, the Issuer shall, promptly following receipt of notification from the Calculation Agent, notify such exchange or other relevant authority of the Rate of Interest and the Interest Amounts for any relevant Interest Accrual Period, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount.

Where any Interest Payment Date or Interest Period End Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 4(g) and notified to the Trustee, the Issuer, each of the Paying Agents and any other Calculation Agent appointed in respect of the Notes but no publication to Noteholders of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of wilful default, fraud or manifest error) be final and binding upon all parties.

(h) **Determination or Calculation by an agent of the Issuer**: If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Issuer shall appoint an agent on its behalf to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation, and the making of each determination or calculation by such agent of the Issuer pursuant to this Condition 4 shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Benchmark Discontinuation**

(i) Benchmark Discontinuation (General)

Where the applicable Pricing Supplement specifies this Condition 4(i)(i) as applicable:

(A) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, or failing which, an Alternative Rate (in accordance with Condition 4(i)(i)(B)) and, in either case, an Adjustment Spread (in accordance with Condition 4(i)(i)(C)) and any Benchmark Amendments (in accordance with Condition 4(i)(i)(D)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 4(i)(i) shall act in good faith as an expert and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents or the Noteholders for any determination made by it, pursuant to this Condition 4(i)(i).

If:

(i) the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours; or

(ii) the Independent Adviser fails to determine a Successor Rate or, failing which, an Alternative Rate, in accordance with this Condition 4(i)(i)(A) at least ten business days prior to the relevant Interest Determination Date,

the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(i)(i)(A).

(B) Successor Rate or Alternative Rate

If the Independent Adviser (in consultation with the Issuer) determines that:

(i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(i)(i)); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(i)(i)).

(C) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser (in consultation with the Issuer) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread.

(D) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(i)(i) and the Independent Adviser (in consultation with the Issuer) determines:

(i) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"); and

(ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(i)(i)(E), without any requirement for the consent or approval of Noteholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, the Calculation Agent(s) and the Paying Agents of a certificate signed by an Authorised Signatory of the Issuer pursuant to Condition 4(i)(i)(E), the Trustee, the Calculation Agent(s) and the Paying Agents shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or, as the case may be, an agreement supplemental to or amending the Trust Deed and/or the Agency Agreement), provided that the Trustee, the Calculation Agent(s) and the Paying Agents shall not be obliged so to concur if in the opinion of the Trustee, the relevant Calculation Agent or the relevant Paying Agent (as the case may be), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the relevant Calculation Agent or the relevant Paying Agent (as the case may be) in these Conditions or the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or any supplemental agency agreement) in any way.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and/or these Conditions as may be required in order to give effect to this Condition 4(i)(i)(D). Noteholders' consent shall not be required in connection with the effecting of the Successor Rate or the Alternative Rate (as applicable) or such other changes, including the execution of any documents or any steps by the Trustee and/or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent(s), the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

Notwithstanding any other provision of this Condition 4(i)(i)(D), no Agent is obliged to concur with the Trustee, the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4(i)(i)(D) which, in the opinion of the relevant Agent, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the relevant Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 4(i)(i)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(i)(i) will be notified promptly by the Issuer to the Trustee, the Calculation Agent(s), the Issuing and Paying Agent and, in accordance with Condition 15, the Noteholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

At least seven business days prior to the relevant Interest Determination Date, the Issuer shall deliver to the Trustee, the Calculation Agent(s) and the Paying Agents a certificate signed by an Authorised Signatory of the Issuer:

(i) confirming:

(i) that a Benchmark Event has occurred;

(ii) the Successor Rate or, as the case may be, the Alternative Rate;

(iii) the applicable Adjustment Spread; and

(iv) the specific terms of the Benchmark Amendments (if any),

in each case as determined in accordance with the provisions of this Condition 4(i)(i); and

(ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee, the Calculation Agent(s) and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate, the Alternative Rate, the Adjustment Spread or the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or fraud in the determination of the Successor Rate, the Alternative Rate, the Adjustment Spread or the Benchmark Amendments (if any) and without prejudice to the ability of the Trustee, the Calculation Agent(s) and the Paying Agents to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent(s), the Paying Agents and the Noteholders and Couponholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(i)(i)(A), 4(i)(i)(B), 4(i)(i)(C) and 4(i)(i)(D), the Original Reference Rate and the fallback provisions provided for in Conditions 4(b)(iii)(B), 4(b)(iii)(C) or 4(b)(iii)(D), as applicable, will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any applicable Adjustment Spread, and Benchmark Amendments (if any), in accordance with Condition 4(i)(i)(E).

(G) Definitions:

As used in this Condition 4(i)(i):

"**Adjustment Spread**" means either:

(i) a spread (which may be positive, negative or zero); or

(ii) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(x) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or;

(y) if no such recommendation pursuant to sub-paragraph (x) above has been made, or in the case of an Alternative Rate, the Independent Adviser (in consultation with the Issuer) determines as being customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or;

(z) if the Independent Adviser (in consultation with the Issuer) determines that no such spread is customarily applied pursuant to sub-paragraph (y) above, the Independent Adviser (in consultation with the Issuer) determines, and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines (in consultation with the Issuer) in accordance with Condition 4(i)(i)(B) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 4(i)(i)(D).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will within the following six months cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will within the following six months be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, within the following six months; or

(v) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will within the following six months be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(vi) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition or restriction of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or experience selected and appointed by and at the expense of the Issuer under Condition 4(i)(i)(A).

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:

(w) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

(x) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

(y) a group of the aforementioned central banks or other supervisory authorities; or

(z) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

Where the Original Reference Rate for a Series of Notes is EURIBOR, the Successor Rate could include the rate (inclusive of any spreads or adjustments) formally recommended by (i) the working group on euro risk free rates established by the European Central Bank, the Financial Services and Markets Authority, the European Securities and Markets Authority and the European Commission, (ii) the European Money Market Institute, as the administrator of EURIBOR, (iii) the competent authority responsible under Regulation (EU) 2016/1011 for supervising the European Money Market Institute, as the administrator of the EURIBOR, or (iv) the national competent authority designated by each Member State under Regulation (EU) 2016/1011, or (v) the European Central Bank.

(ii) Benchmark Discontinuation (SOFR)

This Condition 4(i)(ii) shall only apply to U.S. dollar-denominated Notes where so specified in the relevant Pricing Supplement.

Where the applicable Pricing Supplement specifies this Condition 4(i)(ii) as applicable:

(A) Benchmark Replacement

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Trustee, the Issuing and Paying Agent and the Calculation Agent shall, at the direction and expense of the Issuer, but subject to receipt by the Trustee, the Issuing and Paying Agent and the Calculation Agent of a certificate signed by an Authorised Signatory of the Issuer pursuant to Condition 4(i)(ii)(D) confirming that a Benchmark Event has occurred, be obliged to concur with the Issuer in effecting such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 4(i)(ii)(B), *provided that* the Trustee, the Issuing and Paying Agent and the Calculation Agent shall not be obliged so to concur if in the opinion of the Trustee, the Issuing and Paying Agent or the Calculation Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Issuing and Paying Agent or the Calculation Agent in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way. Noteholders' consent shall not be required in connection with the effecting of any such changes, including the execution of any documents or any steps by the Trustee or the Issuing and Paying Agent (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 4(i)(ii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection will be conclusive and binding absent manifest error, will be made in the sole discretion of the Issuer or its designee, as applicable and notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(D) Notices

Any Benchmark Event, its related Benchmark Replacement Date, Benchmark Replacement and the specific terms of any Benchmark Replacement Conforming Changes, will be notified promptly by the Issuer to the Trustee, the Calculation Agent(s), the Paying Agents and, in accordance with Condition 15, the Noteholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

At least seven business days prior to the relevant Interest Determination Date, the Issuer shall deliver to the Trustee, the Calculation Agent(s) and the Paying Agents a certificate signed by an Authorised Signatory of the Issuer:

(i) confirming:

(i) that a Benchmark Event has occurred and its related Benchmark Replacement Date;

(ii) Benchmark Replacement; and

(iii) the specific terms of the Benchmark Replacement Conforming Changes (if any),

in each case as determined in accordance with the provisions of this Condition 4(i)(ii); and

(ii) certifying that the Benchmark Replacement Conforming Changes (if any) are necessary to ensure the proper operation of such Benchmark Replacement.

Each of the Trustee, the Calculation Agent(s) and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement or the Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error or fraud in the determination of the Benchmark Replacement or the Benchmark Replacement Conforming Changes (if any) and without prejudice to the ability of the Trustee, the Calculation Agent(s) and the Paying Agents to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent(s), the Paying Agents and the Noteholders and Couponholders.

(E) Definitions

As used in this Condition 4(i)(ii):

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement (or any daily published component used in the calculation thereof); *provided that* if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

"**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to publish the Benchmark (or such component), permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to publish the Benchmark (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to publish the Benchmark (or such component) permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to publish the Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative of its relevant underlying market;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of:

(x) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(y) the Benchmark Replacement Adjustment; or

(ii) the sum of:

(x) the ISDA Fallback Rate; and

(y) the Benchmark Replacement Adjustment; or

(iii) the sum of:

(x) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated floating rate notes at such time; and

(y) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) in the case of sub-paragraphs (i) or (ii) of the definition of "Benchmark Event", the later of:

  (x) the date of the public statement or publication of information referenced therein; and

  (y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to publish the Benchmark (or such component); or

(ii) in the case of sub-paragraph (iii) of the definition of "Benchmark Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**ISDA Definitions**" means the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, published by the International Swaps and Derivatives Association, Inc. as at the Issue Date of the first Tranche of the Notes unless otherwise specified in the applicable Pricing Supplement;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means:

(i) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (as defined in Condition 4(b)(iii)(D)(x)) (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or the SOFR Index Determination Time (where SOFR Index Average is specified as applicable in the applicable Pricing Supplement); or

(ii) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(iii) Benchmark Discontinuation (SORA)

This Condition 4(i)(iii) shall only apply to Singapore dollar-denominated Notes where so specified in the relevant Pricing Supplement.

Where the applicable Pricing Supplement specifies this Condition 4(i)(iii) as applicable:

(A) Independent Adviser

Notwithstanding the provisions above in this Condition 4(i), if a SORA Index Cessation Event occurs in relation to an Original Reference Rate prior to the relevant Interest Determination Date when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 4(i)(iii)(B)) and an Adjustment Spread, if any (in accordance with Condition 4(i)(iii)(C)), and any Benchmark Amendments (in accordance with Condition 4(i)(iii)(D)) at least ten business days prior to the relevant Interest Determination Date.

In making such determination, the Independent Adviser appointed pursuant to this Condition 4(i)(iii) shall act in good faith as an expert and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Issuing and Paying Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by it, pursuant to this Condition 4(i)(iii).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser fails to determine a Benchmark Replacement at least ten business days prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 4(i)(iii)(B)) and an Adjustment Spread if any (in accordance with Condition 4(i)(iii)(C)) and any Benchmark Amendments (in accordance with Condition 4(i)(iii)(D)).

If the Issuer is unable to determine the Benchmark Replacement at least ten business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 4(i)(iii)(A).

(B) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) shall (subject to adjustment as provided for in Condition 4(i)(iii)(C)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(i)(iii)).

(C) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(D) Benchmark Amendments

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines that (i) Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread, and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(i)(iii)(E), without any requirement for the consent or approval of Noteholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, the Calculation Agent(s) and the Paying Agents of a certificate signed by an Authorised Signatory of the Issuer pursuant to Condition 4(i)(iii)(E), the Trustee, the Calculation Agent(s) and the Paying Agents shall (at the direction and expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed and/or the Agency Agreement), *provided that* the Trustee, the Calculation Agent(s) and the Paying Agents shall not be obliged so to concur if in the opinion of the Trustee, the Calculation Agent(s) or the Paying Agents doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Calculation Agent(s) or the Paying Agents in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(i)(iii)(D). Noteholders' consent shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including the execution of any documents or any steps by the Trustee the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or the Independent Adviser with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 4(i)(iii)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices, etc.

Any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(i)(iii) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Issuing and Paying Agent and, in accordance with Condition 15, the Noteholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

At least seven business days prior to the relevant Interest Determination Date, the Issuer shall deliver to the Trustee, the Calculation Agent(s) and the Paying Agents a certificate signed by an Authorised Signatory of the Issuer:

(x) confirming

 (i) that a SORA Index Cessation Event has occurred;

 (ii) the Benchmark Replacement; and

 (iii) where applicable, any Adjustment Spread, and/or the specific terms of the Benchmark Amendments,

 in each case as determined in accordance with the provisions of this Condition 4(i)(iii); and

(y) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or any applicable Adjustment Spread.

The Trustee, the Calculation Agent(s) and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement (if any), the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark

Replacement (if any), the Adjustment Spread (if any) or the Benchmark Amendments (if any) and without prejudice to the Trustee's, the Calculation Agents' and the Paying Agents ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents, the Noteholders and the Couponholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(i)(iii)(A), 4(i)(iii)(B), 4(i)(iii)(C) and 4(i)(iii)(D), the Original Reference Rate and the fallback provisions provided for in Condition 4(i)(iii) will continue to apply unless and until the Trustee, the Paying Agents and the Calculation Agent have been notified of the Benchmark Replacement, and any applicable Adjustment Spread, and Benchmark Amendments, in accordance with Condition 4(i)(iii)(E).

(G) Definitions

As used in this Condition 4(i)(iii):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

(1) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body;

(2) if no such recommendation pursuant to sub-paragraph (1) above has been made and the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(3) if no such recommendation pursuant to sub-paragraph (1) above has been made and the applicable Benchmark Replacement is not the ISDA Fallback Rate, is determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate; or with the applicable Benchmark Replacement for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest accrual period and in the same currency as the Notes;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines in accordance with Condition 4(i)(iii)(B) has replaced the Original Reference Rate in customary market usage in the international or, if applicable, domestic debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) and in the same currency as the Notes (including, but not limited to, Singapore Government Bonds);

"**Benchmark Amendments**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors and other administrative matters) that the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines is reasonably necessary;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be):

(i) the Successor Rate;

(ii) the ISDA Fallback Rate; and

(iii) the Alternative Rate;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or experience in the local or international debt capital markets appointed by and at the expense of the Issuer under Condition 4(i)(iii)(A);

"**ISDA Definitions**" means the latest version of the 2021 ISDA Interest Rate Derivative Definitions, including any Matrices referred to therein, published by the International Swaps and Derivatives Association, Inc. as at the Issue Date of the first Tranche of the Notes unless otherwise specified in the applicable Pricing Supplement;

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Original Reference Rate**" means, initially, SORA (being the originally-specified benchmark rate used to determine SORA Benchmark and the Rate of Interest), *provided that* if a SORA Index Cessation Event has occurred with respect to SORA or the then-current Original Reference Rate, then "**Original Reference Rate**" means the Benchmark Replacement;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored or endorsed by, chaired or co-chaired by or constituted at the request of:

(x) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

(y) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

(z) a group of the aforementioned central banks or other supervisory authorities; or

(aa) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement of the Original Reference Rate (which rate may be recommended by the Monetary Authority of Singapore or such other administrator).

(iv) Qualification as Tier 2 Capital Securities

Notwithstanding any other provision of Conditions 4(i)(i)(D), 4(i)(ii)(B) or 4(i)(iii)(D) (as applicable), no Successor Rate, Alternative Rate or Benchmark Replacement (as the case may be) will be adopted, nor will the applicable Adjustment Spread or Benchmark Replacement Adjustment (as the case may be) be applied, nor will any Benchmark Amendments or Benchmark Replacement Conforming Changes (as the case may be) be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 capital and/or the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of any applicable loss absorption regulations.

(j) **Definitions**: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of Notes denominated in a currency other than Euro, Renminbi or Singapore dollars, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in London and in the principal financial centre for such currency; and/or

(ii) in the case of Notes denominated in Euro, a day on which T2 is operating (a "**T2 Business Day**") and a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre for such currency; and/or

(iii) in the case of Notes denominated in Renminbi:

(A) if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore; and

(B) if cleared through Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; and/or

(iv) in the case of Notes denominated in Singapore dollars:

(A) if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore; and

(B) if cleared through Euroclear and Clearstream, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in London and Singapore; and/or

(v) in the case of a currency and/or one or more Financial Centres, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in such currency in the Financial Centre(s) or, if no currency is indicated, generally in each of the Financial Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of:

(A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and

(B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number is 31 and D_1 is greater than 29, in which case D_2 will be 30;

(v) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number is 31, in which case D_2 will be 30;

(vi) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y^2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number is 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number is 31, in which case D_2 will be 30;

(vii) if "**Actual/Actual-ICMA**" is specified hereon:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of:

(x) the number of days in such Determination Period; and

(y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of:

(1) the number of days in such Determination Period; and

(2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of:

(1) the number of days in such Determination Period; and

(2) the number of Determination Periods normally ending in any year;

where:

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s); and "**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the treaty establishing the European Community, as amended from time to time.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the treaty establishing the European Community, as amended.

"**HKD**" or "**Hong Kong dollars**" means the lawful currency of Hong Kong.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period End Date and each successive period beginning on (and including) an Interest Period End Date and ending on (but excluding) the next succeeding Interest Period End Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified:

(i) the first day of such Interest Accrual Period if the Specified Currency is Sterling, Hong Kong dollars or Renminbi;

(ii) the day falling two Business Days in the relevant Financial Centre for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, Hong Kong dollars, Euro or Renminbi and if the relevant Reference Rate is not SOFR Benchmark or SORA Benchmark;

(iii) the day falling two T2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro;

(iv) (only if the relevant Reference Rate is SOFR Benchmark and "SOFR Observation Lag" or "SOFR Observation Shift" has been specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR or where SOFR Index Average has been specified as applicable in the applicable Pricing Supplement) the fifth U.S. Government Securities Business Day (or as otherwise specified in the applicable Pricing Supplement) prior to the last day of each Interest Accrual Period;

(v) (only if the relevant Reference Rate is SOFR Benchmark and "SOFR Payment Delay" has been specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR) has the meaning given to it in Condition 4(b)(iii)(D)(x)(iii); and

(vi) (only if the relevant Reference Rate is SORA Benchmark) has the meaning given to it in Conditions 4(b)(iii)(C)(x)(i), 4(b)(iii)(C)(x)(ii) or 4(b)(iii)(C)(x)(iii), as applicable.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"**Interest Period End Date**" means each Interest Payment Date unless otherwise specified hereon.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means:

(i) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market; and

(ii) in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong interbank market,

in each case selected by the Issuer or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any such successor or replacement page, section, caption, column or other party of a particular information service).

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the relevant Financial Centre specified hereon or, if none is specified, the local time in the relevant financial centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in the relevant financial centre or, if no such customary local time exists, 11:00 a.m. in the relevant financial centre and, for the purpose of this definition, "**local time**" means, with respect to the Euro-zone as a relevant financial centre, Central European Time.

"**Renminbi**" or "**CNY**" means the lawful currency of the PRC.

"**SORA Index Cessation Event**" means the occurrence of one or more of the following events:

(i) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences within the following six months; or

(v) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, within the following six months, be deemed to be no longer representative of its relevant underlying market; or

(vi) it has become unlawful for the Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate, *provided* that the SORA Index Cessation Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate or the date that the use of the Original Reference Rate is subject to restrictions or adverse consequences, as the case may be, and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement;

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**Sterling**" means the lawful currency of the United Kingdom.

"**T2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System which was launched on 19 November 2007 or any successor thereto.

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(k) **Interest Discretion for the Subordinated Notes**

(i) Optional Deferral

The Issuer may, at its sole discretion, elect not to pay any interest (or to pay only part of an interest, in which case such non-payment will be made on a *pro rata* basis across all Subordinated Notes in this Series) which is otherwise scheduled to be paid on an Interest Payment Date by giving notice (such notice, an "**Optional Deferral Notice**") to the Trustee, the Issuing and Paying Agent and the Noteholders (in accordance with Condition 15) at least 15 Business Days prior to the scheduled Interest Payment Date.

The Issuer may not elect not to pay interest (or to pay only part of an interest in which case such non-payment will be made on a *pro rata* basis across all Subordinated Notes in this Series) if during the period of six months ending on the day before that scheduled Interest Payment Date, either or both of the following have occurred:

(A) the Issuer has declared or paid any dividends or distributions or other payments on or in respect of any of the Issuer's Junior Obligations (or contributed any monies to a sinking fund for the payment of any dividends or distributions or other payments in respect of any such Junior Obligations); or

(B) the Issuer has redeemed, reduced, cancelled, bought back or acquired any of its Junior Obligations, the terms of which provide that the right to redeem such Junior Obligations is fully at the discretion of the Issuer (or contributed any monies to a sinking fund for the redemption, capital reduction, buy-back or acquisition of any such Junior Obligations),

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the GEH Group (as defined in the Trust Deed) and/or (2) as otherwise specified in the applicable Pricing Supplement.

(each of sub-paragraphs (A) and (B) above, a "**Compulsory Interest Payment Event**").

In these Conditions:

(A) "**Junior Obligations**" means

(i) any Share; and

(ii) any class of the Issuer's share capital and any other instruments or securities (including without limitation, any preference shares, preference units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Subordinated Notes; and

(B) "**Shares**" means the ordinary shares of the Issuer.

Each Optional Deferral Notice shall be accompanied, in the case of the notice to the Trustee, by a certificate signed by an Authorised Signatory of the Issuer confirming that no Compulsory Interest Payment Event has occurred, and the Trustee shall be entitled (but shall not be obliged) without further enquiry and without liability to any Noteholder or any other person to accept and rely upon such certificate as conclusive evidence that no Compulsory Interest Payment Event has occurred, in which event such certificate shall be conclusive and binding on Noteholders.

(ii) No Obligation to Pay

Subject to Conditions 4(k)(iii) and 4(k)(iv) below, the Issuer shall have no obligation to pay any interest on any Interest Payment Date and any failure to pay any interest in whole or in part shall not constitute a default of the Issuer in respect of the Subordinated Notes.

(iii) Cumulative Interest

Any interest deferred pursuant to this Condition 4(k) shall constitute "Arrears of Interest". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(k)(i)) further defer any Arrears of Interest by complying with the foregoing notice requirement applicable to any deferral of an accrued interest. The Issuer is not subject to any limit as to the number of times interests and Arrears of Interests can or shall be deferred pursuant to this Condition 4(k) except that this Condition 4(k)(iii) shall be complied with until all outstanding Arrears of Interests have been paid in full.

Each amount of Arrears of Interest shall bear interest as if it constituted the principal of the Subordinated Notes at the Interest Rate and the amount of such interest (the "**Additional Interest Amount**") with respect to Arrears of Interest shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Interest Rate to the amount of the Arrears of Interest and otherwise mutatis mutandis as provided in the foregoing provisions of this Condition 4. The Additional Interest Amount accrued up to (but excluding) any Interest Payment Date shall be added, for the purpose of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

(iv) Restrictions in the case of Non-Payment

If on any Interest Payment Date, payments of all interest scheduled to be made on such date are not made in full by reason of this Condition 4(k), the Issuer shall not and shall procure that none of its subsidiaries shall:

(A) declare or pay any dividends or distributions or make any other payments on or in respect of any of the Issuer's Junior Obligations (or contribute any monies to a sinking fund for the payment of any dividends or distributions or other payments in respect of any such Junior Obligations); or

(B) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Obligations, the terms of which provide that the right to redeem such Junior Obligations is fully at the discretion of the Issuer (or contribute any monies to a sinking fund for the redemption, capital reduction, buy-back or acquisition of any such Junior Obligations),

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group and/or (2) as otherwise specified in the applicable Pricing Supplement; unless and until (x) the Issuer has satisfied in full all outstanding Arrears of Interest, or (y) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

(v) Satisfaction of Arrears of Interest

The Issuer:

(A) may, at its sole discretion (but is not obliged to), satisfy an Arrears of Interest (in whole or in part) at any time by giving notice of such election to the Trustee, the Issuing and Paying Agent and the Noteholders (in accordance with Condition 15) at least 15 Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in such notice); and

(B) in any event shall satisfy any outstanding Arrears of Interest (in whole but not in part) on the earliest of:

(1) the date of redemption of the Subordinated Notes in accordance with the redemption events set out in Condition 5 (as applicable);

(2) the next Interest Payment Date on the occurrence of a Compulsory Interest Payment Event; and

(3) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer.

Any partial payment of an Arrears of Interest by the Issuer shall be shared by the Noteholders of all outstanding Subordinated Notes on a pro-rata basis.

(vi) No Default

Notwithstanding any other provision in these Conditions, the non-payment of any interest payment in accordance with this Condition 4(k) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Subordinated Notes.

(l) **Calculation Agent**: The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with prior written notice to the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its London Branch or any other branch actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5 Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption:**

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless otherwise provided hereon and unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption:**

(i) *Zero Coupon Notes*:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 shall be the "**Amortised Face Amount**" (calculated as provided below in this Condition 5(b)(i)) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of Condition 5(b)(i)(C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 5(b)(i) (B) above, except that Condition 5(b)(i) shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 5(b)(i)(C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 5(b)(i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:**

(i) *Senior Notes*: The Senior Notes may be redeemed at the option of the Issuer in whole, but not in part, (the "**Senior Notes Optional Tax Redemption**") on any Interest Payment Date (if such Senior Note is a Floating Rate Note) or, if so specified hereon, at any time (if such Senior Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (in accordance with Condition 15) and to the Trustee and the Issuing and Paying Agent in writing (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 5(b)) (together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption and any Additional Amounts (as defined in Condition 7) then due or which will become due on or before the date fixed for redemption), if:

(A) the Issuer has or will become obliged to pay Additional Amounts or increase such Additional Amounts as a result of any change in, or amendment to, the laws, treaties, regulations, rulings or other administrative pronouncements promulgated thereunder of Singapore or any political subdivision or any authority thereof or therein having power to tax (or any taxing authority of any taxing jurisdiction in which the Issuer is a tax resident), or any change in the official application or interpretation of such laws, treaties, regulations, rulings or other administrative pronouncements, which change or amendment is announced and becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Senior Notes; and

(B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Senior Notes then due.

Before the publication of any notice of redemption pursuant to this Condition 5(c)(i), the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer certifying that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts or increase such Additional Amounts as a result of such change or amendment, and the Trustee shall be entitled (but shall not be obliged) without further enquiry and without liability to any Noteholder, Receiptholder, Couponholder or any other person to accept and rely upon such certificate and/or opinion as conclusive evidence of the satisfaction of the conditions precedent set out above in this Condition 5(c)(i), in which event such certificate and opinion shall be conclusive and binding on Noteholders, Receiptholders and Couponholders.

(ii) *Subordinated Notes*: Subject to Condition 5(k), the Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, (the "**Subordinated Notes Optional Tax Redemption**" and together with the Senior Notes Optional Tax Redemption, the "**Optional Tax Redemption**") on any Interest Payment Date (if such Subordinated Note is at the relevant time a Floating Rate Note) or at any time (if such Subordinated Note is at the relevant time not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (in accordance with Condition 15) and to the Trustee and the Issuing and Paying Agent in writing (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 5(b)) together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption and any Additional Amounts then due or which will become due on or before the date fixed for redemption or, if the Early Redemption

Amount is not specified hereon, at their nominal amount, together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption and any Additional Amounts then due or which will become due on or before the date fixed for redemption, if:

(A) where the applicable Pricing Supplement specifies this Condition 5(c)(ii)(A) as applicable, the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the Subordinated Notes will not be regarded as "debt securities" for the purposes of Section 43H(4) of the Income Tax Act 1947 of Singapore (the "**Income Tax Act**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations or that interest payable on the Subordinated Notes (including any Arrears of Interest and Additional Interest Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the Income Tax Act; or

(B) where the applicable Pricing Supplement specifies this Condition 5(c)(ii)(B) as applicable, the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that interest payable on the Subordinated Notes (including any Arrears of Interest and Additional Interest Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the Income Tax Act for Singapore income tax purposes; or

(C) (I) the Issuer has or will become obliged to pay Additional Amounts (including on any Arrears of Interest and Additional Interest Amount) or increase such Additional Amounts; or

(II) payments of interest (including any Arrears of Interest and Additional Interest Amount) on the Subordinated Notes will or would no longer be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the Income Tax Act or would otherwise be considered as payments of a type that are not deductible for Singapore income tax purposes,

as a result of any change in, or amendment to, the laws, treaties, regulations, rulings or other administrative pronouncements thereunder of Singapore or any political subdivision or any authority thereof or therein having power to tax (or any taxing authority of any taxing jurisdiction in which the Issuer is a tax resident), or any change in the official application or interpretation of such laws, treaties, regulations, rulings or other administrative pronouncements, which change or amendment is announced and becomes effective on or after the date on which agreement is reached to issue the Subordinated Notes, and the foregoing cannot be avoided by the Issuer taking reasonable measures available to it, *provided that*, where the Issuer has or will become obliged to pay Additional Amounts (including on any Arrears of Interest and Additional Interest Amount) or increase such Additional Amounts, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts (including on any Arrears of Interest and Additional Interest Amount) were a payment in respect of the Subordinated Notes then due.

Before the publication of any notice of redemption pursuant to this Condition 5(c)(ii), the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer certifying that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and in the case of Condition 5(c)(ii)(C), an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts (including on any Arrears of Interest and Additional Interest Amount) as a result of such change or amendment, and the Trustee shall be entitled (but shall not be obliged) without further enquiry and without liability to any Noteholder or any other person to accept and rely upon such certificate and/or opinion as conclusive evidence of the satisfaction of the conditions precedent set out above in this Condition 5(c)(ii), in which event such certificate and opinion shall be conclusive and binding on Noteholders.

Any redemption of Subordinated Notes by the Issuer is subject to the Issuer obtaining the prior written approval of the MAS.

(d) **Redemption at the option of the Issuer:**

(i) *Senior Notes*: If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (in accordance with Condition 15) and to the Trustee and the Issuing and Paying Agent in writing (or such other notice period as may be specified hereon), redeem all or, if so provided, some of the Notes on the date(s) specified hereon (the "**Senior Notes Optional Redemption Date**"). Any such redemption of Senior Notes shall be at the Optional Redemption Amount specified hereon together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption. Any such redemption or exercise must relate to Senior Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Senior Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5(d).

In the case of a partial redemption of Senior Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as is appropriate taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(ii) *Subordinated Notes*: Subject to Condition 5(k), and unless otherwise specified in the applicable Pricing Supplement, if Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (in accordance with Condition 15) (or such other notice period as may be specified hereon) and to the Trustee and the Issuing and Paying Agent in writing, elect to redeem all, but not some only, of the Subordinated Notes on the relevant date(s) specified hereon (which shall not be less than five years from the Issue Date) (the "**Subordinated Notes Optional Redemption Dates**" and together with the Senior Notes Optional Redemption Date, the "**Optional Redemption Dates**") at their Optional Redemption Amount specified hereon or, if no Optional Redemption Amount is specified hereon, at their nominal amount together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption in accordance with these Conditions.

All Subordinated Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5(d).

Any redemption of Subordinated Notes by the Issuer is subject to the Issuer obtaining the prior written approval of the MAS.

(e) **Redemption at the option of holders of Senior Notes**: If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Senior Note, upon the holder of such Senior Note giving not less than 15 nor more than 30 Business Days' irrevocable notice to the Issuer (or such other notice period as may be specified hereon), redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Senior Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Senior Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No such Senior Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior written consent of the Issuer.

For the avoidance of doubt, the Subordinated Notes are not redeemable prior to the Maturity Date at the option of the Noteholders.

(f) **Redemption for Change of Qualification Event in respect of Subordinated Notes**:

Subject to Condition 5(k), if as a result of:

(i) any change or proposed change to the relevant requirements issued by the MAS in relation to the qualification of any Subordinated Notes issued by the Issuer as Tier 2 Capital Securities;

(ii) any change in the application of official or generally published interpretation of such relevant requirements issued by the MAS or any relevant authority (including a ruling or notice issued by the MAS or any relevant authority) regarding the qualification of any Subordinated Notes issued by the Issuer as Tier 2 Capital Securities; or

(iii) any interpretation or pronouncement by the MAS or any relevant authority that provides for a position with respect to such relevant requirements issued by the MAS that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written statements made by any authority regarding the qualification of any Subordinated Notes issued by the Issuer as Tier 2 Capital Securities,

which change or amendment:

(A) becomes, or would become, effective on or after the Issue Date; or

(B) in the case of a change or proposed change to the relevant requirements issued, or is expected to be issued, by the MAS, if such change is issued by the MAS, on or after the Issue Date,

the relevant Subordinated Notes issued by the Issuer (in whole or in part) would not qualify as Tier 2 Capital Securities (a "**Change of Qualification Event**"), then the Issuer may, having given not less than 30 nor more than 60 days' prior written notice to the Noteholders (in accordance with Condition 15) and to the Trustee and the Issuing and Paying Agent in writing (which notice shall be irrevocable), redeem in accordance with these Conditions on any Interest Payment Date (if this Subordinated Note is at the relevant time a Floating Rate Note) or at any time (if this Subordinated Note is at the relevant time not a Floating Rate Note) all, but not some only, of the relevant Subordinated Notes issued by the Issuer, at their Early Redemption Amount or, if no Early Redemption Amount is specified hereon, at their nominal amount together with interest accrued but unpaid (if any) to (but excluding) the date of redemption in accordance with these Conditions.

Prior to the publication of any notice of redemption pursuant to this Condition 5(f), the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer certifying that a Change of Qualification Event has occurred and the Trustee shall be obliged without any enquiry or investigation to accept such certificate as conclusive evidence of the satisfaction of the conditions set out above in this Condition 5(f), and such acceptance shall be without liability to any Noteholders or any other person. Such certificate shall be conclusive and binding on the Noteholders.

Any redemption of Subordinated Notes by the Issuer is subject to the Issuer obtaining the prior written approval of the MAS.

(g) **Purchases**: The Issuer and any of its Subsidiaries (in the case of the Subordinated Notes, with the approval of MAS) may at any time purchase Notes (*provided that* all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price in accordance with all relevant laws and regulations and, for so long as the Notes are listed, the requirements of the relevant stock exchange. The Issuer or any such Subsidiary may, at its option, retain such purchased Notes for its own account and/or resell or cancel or otherwise deal with them at its discretion. The Notes so purchased, while beneficially held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for certain purposes, including for purpose of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9 or 11.

(h) **Cancellation**: All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(i) **No Obligation to Monitor**: Neither the Trustee nor any of the Agents shall be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 5 and none of them will be responsible or liable to the Noteholders, the Receiptholders or the Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee has notice in writing of the occurrence of any event or circumstance within this Condition 5, it shall be entitled to assume that no such event or circumstance has occurred or exists.

(j) **Calculations**: Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any Instalment Amount, any Amortised Face Amount, any Early Redemption Amount, any Optional Redemption Amount or any other amount payable under any notice of redemption under this Condition 5, whether from the Issuer or any Noteholder and none of them shall be liable to the Noteholders, the Issuer or any other person for not doing so.

(k) **Redemption Conditions of Subordinated Notes**: Any redemption under Condition 5(c), 5(d), 5(e), 5(f) or 5(l) of the Subordinated Notes is subject to obtaining the prior written approval of the MAS.

(l) **Redemption upon a Change of Ratings Methodology Event:** Where the applicable Pricing Supplement specifies this Condition 5(l) as applicable and subject to Condition 5(k), the Notes may be redeemed at the option of the Issuer in whole but not in part at any time on or after five years from the date of issuance of the Notes on giving not less than 30 nor more than 60 days' prior written notice to the Noteholders (in accordance with Condition 15) and to the Trustee and the Issuing and Paying Agent in writing (which notice shall be irrevocable), at their Early Redemption Amount, (together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption), if as of the date fixed for redemption, an amendment, clarification or change has occurred, or will in the Interest Period immediately following the date fixed for redemption occur, in the equity credit criteria, guidelines or methodology of (i) the Rating Agency (as defined below) or (ii) any other rating agency of equivalent recognised standing requested from time to time by the Issuer to grant a rating to the Issuer or, as the case may be, the Notes, and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results or will result in a lower equity credit for the Notes than the equity credit assigned or which would have been assigned on the Issue Date (in the case of such Rating Agency) or assigned at the date when equity credit is assigned for the first time (in the case of any other rating agency) (the "**Change of Ratings Methodology Event**"), provided that, prior to the publication of any notice of redemption pursuant to this Condition 5(l), the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer certifying that a Change of Ratings Methodology Event has occurred and that the Issuer is entitled to effect such redemption and setting out the details of such circumstances, and the Trustee shall be obliged without any enquiry or investigation to accept such certificate as conclusive evidence of the satisfaction of the conditions set out above in this Condition 5(l), and such acceptance shall be without liability to any Noteholders or any other person. Such certificate shall be conclusive and binding on Noteholders.

Any redemption of Subordinated Notes by the Issuer under this Condition 5(l) is subject to the Issuer obtaining the prior written approval of the MAS.

In this Condition 5(l), "**Rating Agency**" means Standard & Poor's Rating Services, and its successors.

6 Payments and Talons

(a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relevant Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), as the case may be:

(i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with, a Bank; and

(ii) in the case of Renminbi, by transfer to a relevant account maintained by or on behalf of the Noteholder. If a holder does not maintain a relevant account in respect of a payment to be made under the Notes, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, *provided that* the Issuer shall not have any obligation to make any such arrangements.

In this Condition 6(a):

"**Bank**" means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to T2; and

"**relevant account**" means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Singapore or Hong Kong.

(b) **Registered Notes:**

(i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii) below.

(ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business:

(A) in the case of Notes denominated in a currency other than Renminbi, on the 15th day before the due date for payment thereof; and

(B) in the case of Notes denominated in Renminbi, on the fifth business day before the due date for payment (the "**Record Date**"). Payments of interest on each Registered Note shall be made:

(x) in the case of a currency other than Renminbi, in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank (as defined in Condition 6(a)); and

(y) in the case of Renminbi, by transfer to the registered account of the Noteholder. If a holder does not maintain a registered account in respect of a payment to be made under the Notes, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

In this Condition 6(b), "**registered account**" means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Singapore or Hong Kong, details of which appear on the Register at the close of business on the fifth Business Day before the due date for payment.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, or CDP, as the beneficial holder of a particular nominal amount of Notes represented by a Global Note or, as the case may be, a Global Certificate must look solely to Euroclear, Clearstream or CDP, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note or, as the case may be, such Global Certificate.

*All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held in CDP) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.*

All payments in respect of Notes represented by a Global Certificate in CDP will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the fifth business day before the due date for payment.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if:

(i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due;

(ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts; and

(iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to fiscal laws:** Save as provided in Condition 7, payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Registrars, the Transfer Agents and the Calculation Agent(s) initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Registrars, the Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the CDP Paying Agent, any other Paying Agent, the Registrars, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, Registrars, Transfer Agents or Calculation Agents, provided that the Issuer shall at all times maintain:

(i) an Issuing and Paying Agent;

(ii) a Registrar in relation to Registered Notes;

(iii) a Transfer Agent in relation to Registered Notes;

(iv) a CDP Paying Agent in relation to Notes accepted for clearance through the CDP System;

(v) one or more Calculation Agent(s) where these Conditions so require;

(vi) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require; and

(vii) such other agents as may be required by any other stock exchange on which the Notes may be listed,

in each case as approved in writing by the Trustee (such consent not to be unreasonably withheld).

In addition, the Issuer shall promptly appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 6(c) above.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

(i) Unless the Notes provide that the relevant Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes which comprise Fixed Rate Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relevant unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity and/or security as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 6(h), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such other jurisdictions as shall be specified as "**Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than Euro or Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in Euro) which is a T2 Business Day; or

(iii) (in the case of Renminbi where the Notes are cleared through Euroclear or Clearstream) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in London and Hong Kong; or

(iv) (in the case of Renminbi where the Notes are cleared through the CDP System or where the Notes are in definitive form) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong.

(i) **Renminbi fallback:** Notwithstanding the foregoing and subject to Condition 5(k), if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not, in its sole and absolute discretion, able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi (in the case of Notes cleared through Euroclear or Clearstream) in Hong Kong, or (in the case of Notes cleared through the CDP System) in Singapore, the Issuer shall, on giving not less than 15 nor more than 30 business days' irrevocable notice to the Trustee and the Noteholders prior to the due date for payment, settle any such payment (in the case of Notes cleared through Euroclear or Clearstream) in U.S. dollars, or (in the case of Notes cleared through the CDP System) in Singapore dollars, on the due date at (in the case of Notes cleared through Euroclear or Clearstream) the U.S. Dollar Equivalent, or (in the case of Notes cleared through the CDP System) the Singapore Dollar Equivalent, of any such Renminbi denominated amount. The due date for payment shall be the originally scheduled due date or such postponed due date as shall be specified in the notice referred to above, which postponed due date may not fall more than 20 days after the originally scheduled due date. Interest on the Notes will continue to accrue up to but excluding any such date for payment of principal.

In such event, payments of the U.S. Dollar Equivalent or the Singapore Dollar Equivalent (as applicable) of the relevant principal or interest in respect of the Notes shall be made by:

(i) in the case of Notes cleared through Euroclear or Clearstream, transfer to a U.S. dollar denominated account maintained by the holder with a bank in New York City; and the definition of "**business day**" for the purpose of this Condition 6(i) shall mean any day on which banks and foreign exchange markets are open for general business in the relevant place of presentation, and New York City; or

(ii) in the case of Notes cleared through the CDP System, transfer to a Singapore dollar denominated account maintained by the payee with a bank in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(i) by the Calculation Agent will (in the absence of wilful default, bad faith, fraud or manifest error) be binding on the Issuer, the Agents and all Noteholders.

In this Condition 6(i):

"**Determination Business Day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for general business (including dealings in foreign exchange):

(i) in the case of Notes cleared through Euroclear or Clearstream, in Hong Kong, in Singapore and New York City; or

(ii) in the case of Notes cleared through the CDP System, in Singapore;

"**Determination Date**" means the day which:

(i) in the case of Notes cleared through Euroclear or Clearstream, is five Determination Business Days before the due date for payment of the relevant amount under these Conditions; or

(ii) in the case of Notes cleared through the CDP System, is 15 Determination Business Days before the due date for payment of the relevant amount under these Conditions;

"**Governmental Authority**" means:

(i) in the case of Notes cleared through Euroclear or Clearstream, any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong; or

(ii) in the case of Notes cleared through the CDP System, the MAS or any other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore;

"**Illiquidity**" means:

(i) in the case of Notes cleared through Euroclear or Clearstream, the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the Issuer; or

(ii) in the case of Notes cleared through the CDP System, the general Renminbi exchange market in Singapore becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the Issuer;

"**Inconvertibility**" means the occurrence of any event that makes it impossible (where it had been previously possible) for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market and, in the case of Notes cleared through Euroclear or Clearstream, Hong Kong, or, in the case of Notes cleared through the CDP System, Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts:

(i) in the case of Notes cleared through Euroclear or Clearstream, inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) in Hong Kong and in New York City; or

(ii) in the case of Notes cleared through the CDP System, inside Singapore or from an account inside Singapore to an account outside Singapore and outside the PRC or from an account outside Singapore and outside the PRC to an account inside Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**PRC**" means the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan);

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in:

(i) in the case of Notes cleared through Euroclear or Clearstream, in Hong Kong; and

(ii) in the case of Notes cleared through the CDP System, in Singapore;

"**Singapore Dollar Equivalent**" means the Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date;

"**Spot Rate**" means:

(i) in the case of Notes cleared through Euroclear or Clearstream, the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3 or, if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF; or

If such rate is not available, the Calculation Agent will determine the Spot Rate at or around 11.00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means such display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate; or

(ii) in the case of Notes cleared through the CDP System, for a Determination Date, means the spot Renminbi/Singapore dollar exchange rate as determined by the Issuer at or around 11.00 a.m. (Singapore time) on such date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the Issuer may determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(i) by the Calculation Agent will (in the absence of wilful default, bad faith, fraud or manifest error) be binding on the Issuer, the Agents and all Noteholders; and

"**U.S. Dollar Equivalent**" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date as promptly notified to the Issuer and the Paying Agents.

7 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If the Issuer is required to make a deduction or withholding by or within Singapore, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall result in receipt by the Receiptholders, Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection:** to, or to a third party on behalf of, a holder who is:

(i) treated as a resident of or as having a permanent establishment in Singapore for tax purposes; or

(ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt, Talon or Coupon by reason of his having some connection with Singapore other than the holding or ownership of the Note, Receipt, Talon or Coupon or receiving income therefrom, or the enforcement thereof; or

(b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements concerning the nationality, residence, identity or other attributes of the holder or beneficial owner or by making or procuring that any third party makes a declaration of residence, non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), Receipt or Coupon is presented for payment; or

(c) **Presentation more than 30 days after the Relevant Date:** where presentation is required or has occurred, presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Amounts on presenting it for payment on or before the 30th such day.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt, Talon or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the relevant Note (or relevant Certificate representing it), Receipt, Talon or Coupon being made in accordance with these Conditions, such payment will be made, *provided that* payment is in fact made upon such presentation. References in these Conditions to:

(i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it;

(ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it; and

(iii) "**principal**" and/or "**interest**" shall be deemed to include any Additional Amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

Notwithstanding any other provision of these Conditions, all payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

For the avoidance of doubt, neither the Trustee nor any Agent shall be responsible or liable for paying any tax, duty, charges, withholding or other payment referred to in this Condition 7 and none of the Trustee or any of the Agents shall be responsible or liable for (A) determining whether the Issuer or any Noteholder, Receiptholder or Couponholder is liable to pay any taxes, duty, charges, withholding or other payment referred to in this Condition; or (B) determining the sufficiency or insufficiency of any amounts so paid. None of the Trustee or the Agents shall be responsible or liable for any failure of the Issuer, any Noteholder, Receiptholder or Couponholder, or any other third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

Where interest, discount income, early redemption fee or redemption premium is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

8 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9 Events of Default

(a) **Senior Notes:** If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in nominal amount of the Senior Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to its being indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion), give notice to the Issuer that the Senior Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

(i) *Non-Payment*: default is made for more than 14 business days (in the case of interest) or seven business days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Senior Notes;

(ii) *Breach of Other Obligations*: the Issuer does not perform or comply with any one or more of its other obligations under the Senior Notes or the Trust Deed, which default has not been remedied within 60 days after notice of such default shall have been given to the Issuer by the Trustee;

(iii) *Insolvency*: the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any material part of (or of a particular type of) the debts of the Issuer or any of its Principal Subsidiaries;

(iv) *Winding-up*: a judicial manager is appointed in relation to the Issuer or any of its Principal Subsidiaries, an order is made or an effective resolution is passed for the winding-up or dissolution or administration of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation;

In this Condition 9(a):

"**Principal Subsidiary**" means any subsidiary of the Issuer:

(i) whose total assets, as shown by the latest audited accounts of such subsidiary (consolidated in the case of a company which itself has subsidiaries), are at least 15 per cent. of the total assets of the Issuer based on the latest audited consolidated accounts of the Issuer; or

(ii) to which is transferred all or substantially all of the business, undertaking and assets of another subsidiary which immediately prior to such transfer is a Principal Subsidiary, whereupon (a) in the case of a transfer by a Principal Subsidiary, the transferor Principal Subsidiary shall immediately cease to be a Principal Subsidiary and (b) the transferee subsidiary shall immediately become a Principal Subsidiary, provided that on or after the date on which the relevant accounts for the financial period current at the date of such transfer are prepared, whether such transferor subsidiary or such transferee subsidiary is or is not a Principal Subsidiary shall be determined pursuant to the provisions of sub-paragraph (i) above,

provided that, in relation to (i) above:

(a) if at any time in relation to the Issuer, no audited consolidated accounts are prepared, then there shall be substituted for the words "audited consolidated accounts" the words "audited unconsolidated accounts" for the purposes of this definition; and

(b) if at any relevant time in relation to any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, then the words "(consolidated in the case of a company which itself has subsidiaries)" shall be deleted for the purposes of this definition.

(b) **Subordinated Notes:** In the case of the Subordinated Notes:

(i) *Default*: "**Default**", wherever used in this Condition 9(b), means (except as expressly provided below, whatever the reason for such Default and whether or not it shall be voluntary or involuntary or be effected by the operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) failure to pay principal of or interest on any Subordinated Note (which default in the case of principal continues for seven Business Days and in the case of interest continues for 14 Business Days) after the due date for such payment.

(ii) *Enforcement*: If a Default occurs in relation to the Subordinated Notes and is continuing, the sole remedy available to the Trustee shall be the right to institute proceedings in Singapore (but not elsewhere) for the winding-up of the Issuer. The Trustee shall have no right to enforce payment under or accelerate payment of any Subordinated Note in the case of such Default in payment on such Subordinated Note or a default in the performance of any other covenant of the Issuer in such Subordinated Note or in the Trust Deed except as provided for in this Condition 9 and Clause 7 of the Trust Deed.

Subject to the subordination provisions as set out in Condition 3 and in Clause 5 and Clause 7 of the Trust Deed, if a court order is made or an effective resolution is passed for the winding-up of the Issuer, there shall be payable on the relevant Subordinated Notes, after the payment in full of all claims of all the Relevant Creditors, but in priority to holders of share capital of the Issuer and any other Tier 1 Capital Securities, such amount remaining after the payment in full of all claims of all the Relevant Creditors up to, but not exceeding, the nominal amount of the relevant Subordinated Notes together with interest accrued to the date of repayment.

(iii) *Rights and Remedies upon Default*: If a Default in respect of the payment of principal of, or interest on, the Subordinated Notes occurs and is continuing, the sole remedy available to the Trustee shall be the right to institute proceedings in Singapore (but not elsewhere) for the winding-up of the Issuer. If the Issuer shall default in the performance of any obligation contained in the Trust Deed or the relevant Subordinated Notes other than a Default specified in Condition 9(b)(i) above, the Trustee and the Noteholders shall be entitled to every right and remedy given hereunder or thereunder or now or hereafter existing at law or in equity or otherwise, provided, however, that the Trustee shall have no right to enforce payment under or accelerate payment of any Subordinated Note except as provided in this Condition 9 and Clause 7 of the Trust Deed. If any court awards money damages or other restitution for any default with respect to the performance by the Issuer of its obligations contained in the Trust Deed, the relevant Subordinated Notes, the payment of such money damages or other restitution shall be subject to the subordination provisions set out herein and in Clause 5 and Clause 7 of the Trust Deed.

(iv) *Entitlement of the Trustee*: The Trustee shall not be bound to take any of the actions referred to in Condition 9(b)(ii) and Condition 9(b)(iii) above or any other actions under these Conditions or Clause 7.2 of the Trust Deed or any other action under the Trust Deed unless (A) it shall have been so requested by an Extraordinary Resolution of the Noteholders or in writing by the holders of at least 25 per cent. in aggregate nominal amount of the relevant Subordinated Notes then outstanding and (B) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion.

(v) *Rights of holders*: No Noteholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up of the Issuer in Singapore or to prove in any winding-up of the Issuer unless the Trustee, having become so bound to proceed (in accordance with the terms of the Trust Deed and these Conditions) or being able to prove in such winding-up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Noteholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No remedy against the Issuer in respect of the relevant Subordinated Notes, other than as referred to in this Condition 9 and Clause 7 of the Trust Deed, shall be available to the Trustee or any Noteholder whether for the recovery of amounts owing in relation to or arising from the relevant Subordinated Notes and/or, in respect of the relevant Subordinated Notes, the Trust Deed or in respect of any breach by the Issuer of any of its other obligations relating to or arising from the relevant Subordinated Notes and/or, in respect of the relevant Subordinated Notes, the Trust Deed.

10 Meetings of Noteholders, Modification, Waiver and Substitution

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provision of the Trust Deed and/or the Agency Agreement. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than 10 per cent. in aggregate nominal amount of the Notes for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than 50 per cent. in aggregate nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*,

(i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes;

(ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes;

(iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes (except as a result of any modification contemplated in Condition 4(i));

(iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest;

(v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount;

(vi) to vary the currency or currencies of payment or denomination of the Notes;

(vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply;

(viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution; or

(ix) to amend the subordination provisions in the Trust Deed or to modify Condition 3 in respect of the Subordinated Notes,

in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders and Receiptholders.

The Trust Deed provides that a resolution (x) in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed or (y) passed by Electronic Consent (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The consent or approval of the Noteholders shall not be required in the case of amendments to these Conditions pursuant to Condition 4(i) to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes or for any other variation of these Conditions, the Trust Deed and/or the Agency Agreement required to be made in the circumstances described in Condition 4(i), where the requirements of Condition 4(i) have been satisfied (including the provision of a certificate to the Trustee, where applicable).

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the applicable Pricing Supplement in relation to such Series.

(b) **Modification of the Trust Deed, etc., and waiver**: The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, the Receiptholders or the Couponholders, to

(i) any modification of any of the provisions of the Trust Deed, the Agency Agreement and/or these Conditions which, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of applicable law or as required by CDP and/or Euroclear and/or Clearstream; and

(ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement and/or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders, the Receiptholders or the Couponholders. [Notwithstanding any other provision of these Conditions or the Trust Deed, no modification to any Condition or any provision of the Trust Deed may be made without the prior written approval of the MAS, to the extent that such modification changes or otherwise affects the eligibility of the Subordinated Notes as Tier 2 Capital Securities.][3]

Any such modification, authorisation or waiver shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified to the Noteholders as soon as practicable.

(c) **Substitution**: The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, the Receiptholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes.

(d) **Entitlement of the Trustee**: In connection with the exercise of its functions and/or duties and/or exercise of its rights, powers and/or discretions under the Trust Deed, the Agency Agreement and/or these Conditions (including, but not limited to, those referred to in this Condition 10), the Trustee shall have regard to the interests of the Noteholders, the Receiptholders or the Couponholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders or Couponholders and the Trustee shall not be entitled to require on behalf of any Noteholder, Receiptholder or Couponholder, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders.

[3] Include for Subordinated Notes.

11 Enforcement in respect of Senior Notes

In the case of Senior Notes, at any time after the Senior Notes become due and payable, the Trustee may (but shall not be obliged to), at its discretion and without further notice, take such steps and/or such actions and/or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Senior Notes, the Receipts and the Coupons, but it need not take any such steps and/or actions and/or institute any such proceedings unless:

(a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in aggregate nominal amount of the Senior Notes outstanding; and

(b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion.

No Noteholder, Receiptholder or Couponholder in respect of Senior Notes may proceed directly against the Issuer unless the Trustee, having become bound so to proceed (in accordance with the terms of the Trust Deed and these Conditions), fails to do so within a reasonable time and such failure is continuing, in which case such Noteholder, Receiptholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise.

12 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including, without limitation, provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforce its rights under the Trust Deed, the Agency Agreement, and/or these Conditions and/or in respect of the Notes or from taking any other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction and entitling the Trustee to be paid or reimbursed for its fees, costs, expenses and indemnity payments and for any liabilities incurred by it in priority to the claims of the Noteholders, Receiptholders or Couponholders.

The Trustee may accept and rely without liability to Noteholders, Receiptholders, Couponholders or any other person on a report, confirmation or certificate or any advice or opinion of any legal counsels, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may conclusively (without liability) accept and shall be entitled to rely on such report, confirmation, certificate, advice or opinion and such report, confirmation, certificate, advice or opinion shall be binding on the Issuer, the Trustee, the Noteholders, the Receiptholders and the Couponholders.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Noteholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Noteholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Noteholders or in the event that no direction is given to the Trustee by the Noteholders. None of the Trustee or any Agent shall be liable to any Noteholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by holders of the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and/or any other person appointed by the Issuer in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless it has express written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. Neither the Trustee nor any of the Agents shall be under any obligation to ascertain whether any Event of Default (as defined in the Trust Deed), as the case may be, has occurred or may occur or to monitor compliance by the Issuer with the provisions of the Trust Deed, the Agency Agreement and/or these Conditions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and its Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer or any person or body corporate associated (directly or indirectly) with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

13 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer, the Issuing and Paying Agent and/or the Registrar in respect of such Notes, Certificates, Receipts, Coupons or further Coupons or Talons) and otherwise as the Issuer and/or the relevant Agent may require in their sole discretion. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues

The Issuer may from time to time without the consent of the Noteholders, the Couponholders or the Receiptholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

15 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday, Sunday or gazetted public holiday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Bearer Notes and Registered Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*) or, so long as Notes are listed on the SGX-ST, published on the website of the SGX-ST https://www.sgx.com. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any published notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 15.

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of CDP, Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to Noteholders shall be given by delivery of the relevant notice to CDP (subject to the agreement of CDP), Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions, and shall be deemed to have been given on the date of delivery to such clearing system, except that if the Notes are listed on the SGX-ST, and the rules of the SGX-ST so require, notice will in any event be published as provided above.

16 Contracts (Rights of Third Parties) Act

[Without prejudice to the rights of the Noteholders as set out in these Conditions, no person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.][4]

[Without prejudice to the rights of the Noteholders as set out in these Conditions, no person shall have the right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 2001 of Singapore.][5]

17 Governing Law and Jurisdiction

(a) **Governing Law**: The Trust Deed[, as supplemented by the Singapore Law Trust Deed][6], the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English law][4] [,save that the provisions in relation to subordination, set-off and payment void, default and enforcement are governed by and shall be construed in accordance with Singapore law][6] [Singapore law].[7,8]

(b) **Jurisdiction**: [The courts of [England][4,6] [Singapore][7] are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons[, save that the courts of Singapore shall have exclusive jurisdiction to settle any disputes that arise out of or are in connection with the provisions in relation to subordination, set-off and payment void, default and enforcement][6] and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such courts.][4,7] [Insofar that the Proceedings do not arise out of or are in connection with the provisions in relation to subordination, set-off and

[4] Include for Notes governed by English law.

[5] Include for Notes governed by Singapore law.

[6] Include for Subordinated Notes governed by English law.

[7] Include for Senior Notes governed by Singapore law.

[8] Include for Subordinated Notes governed by Singapore law.

payment void, default and enforcement,][11] [The Issuer irrevocably submits to the jurisdiction of the courts of [England][9] [Singapore][12] and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).][9,12] [Insofar that the Proceedings arise out of or are in connection with the provisions in relation to subordination, set-off and payment void, default and enforcement, all parties irrevocably submit to the exclusive jurisdiction of the courts of Singapore and waive any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.][11]

[The courts of Singapore are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") shall be brought in such courts. All parties irrevocably submit to the exclusive jurisdiction of the courts of Singapore and waive any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.][10]

(c) [**Service of Process**: The Issuer has in the Trust Deed irrevocably appointed Oversea-Chinese Banking Corporation Limited, London Branch of The Rex Building, 3rd Floor, 62 Queen Street, London EC4R 1EB, United Kingdom as its agent to accept service of documents in connection with proceedings in England and Wales in any Proceedings, service upon whom shall be deemed completed whether or not forwarded to or received by the Issuer. If for any reason Oversea-Chinese Banking Corporation Limited, London Branch ceases to be appointed or is otherwise unable to accept service of process on behalf of the Issuer in England, the Issuer shall immediately appoint a new agent to accept such service of process in England.][9]

18 Headings

Headings are for convenience only and do not affect the interpretation of these Terms and Conditions.

[9] Include for Notes governed by English law.

[10] Include for Notes governed by Singapore law.

[11] Include for Subordinated Notes governed by English law

[12] Include for Senior Notes governed by Singapore law.

TERMS AND CONDITIONS OF THE PERPETUAL CAPITAL SECURITIES

*The following is the text of the terms and conditions (the "**Conditions**") that, save for the words in italics and, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Pricing Supplement, shall be applicable to the Perpetual Capital Securities in definitive form (if any) issued in exchange for the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the applicable Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on the Certificates relating to such Perpetual Capital Securities. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement or the Trust Deed, as the case may be. Those definitions will be endorsed on the Certificates. References in the Conditions to "**Perpetual Capital Securities**" are to Perpetual Capital Securities of one Series only and not to all Perpetual Capital Securities that may be issued under the Programme.*

The Perpetual Capital Securities are constituted by a trust deed dated 15 March 2024 (as amended and/or supplemented as at the date of issue of the Perpetual Capital Securities (the "**Issue Date**") and as the same may be further amended, restated, novated and/or supplemented, the "**Trust Deed**") between The Great Eastern Life Assurance Company Limited ("**GEL**"), Great Eastern Holdings Limited ("**GEH**" and, together with GEL, the "**Issuers**" and each an "**Issuer**") and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall, whenever the context so admits, include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Securityholders (as defined below) [as supplemented by the Singapore law trust deed dated 15 March 2024 (as amended and/or supplemented as at the Issue Date and as the same may be further amended, restated, novated and/or supplemented, the "**Singapore Law Trust Deed**") among the Issuers and the Trustee][1] and, where applicable, the Perpetual Capital Securities which are specified in the applicable Pricing Supplement to be held in and cleared through The Central Depository (Pte) Limited ("**CDP**") are issued with the benefit of a deed of covenant dated 15 March 2024 relating to the Perpetual Capital Securities executed by each Issuer (each, as amended, varied and/or supplemented from time to time, the "**CDP Deed of Covenant**").

These terms and conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, [as supplemented by the Singapore Law Trust Deed,][1] which includes the form of the Perpetual Capital Securities and Certificates referred to below. An agency agreement dated 15 March 2024 (as amended and/or supplemented as at the Issue Date and as the same may be further amended, restated, novated and/or supplemented, the "**Agency Agreement**") has been entered into in relation to the Perpetual Capital Securities between the Issuers, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent and calculation agent (except as otherwise described below) in respect of Perpetual Capital Securities other than Perpetual Capital Securities which are cleared or, as applicable, to be cleared through CDP, The Bank of New York Mellon, Singapore Branch as CDP paying agent, CDP transfer agent, CDP registrar and (where appointed as contemplated in the Agency Agreement) CDP calculation agent in respect of Perpetual Capital Securities cleared through the computerised system operated by the CDP (the "**CDP System**"), The Bank of New York Mellon SA/NV, Dublin Branch, as transfer agent and registrar in relation to each Series of Registered Perpetual Capital Securities (as defined in the Trust Deed) other than Series of Perpetual Capital Securities to be held through CDP System, and the other agents named in it. The issuing and paying agent, the CDP paying agent, the other paying agents, the registrars, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**CDP Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent and the CDP Paying Agent), the "**Registrars**", the "**Transfer Agents**" and the "**Calculation Agent(s)**".

For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, unless provided otherwise, with respect to a Series of Perpetual Capital Securities to be held in the CDP System, be deemed to be a reference to the CDP Paying Agent and all such references shall be construed accordingly. Copies of the Trust Deed, [as supplemented by the Singapore Law Trust Deed,][2] the CDP Deed of Covenant and the Agency Agreement referred to above are available for inspection by

1 Include for Perpetual Capital Securities governed by Singapore law.

the Securityholders free of charge at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m.) at the principal office of the Trustee (being at the Issue Date at 160 Queen Victoria Street, London, EC4V 4LA, United Kingdom) and at the specified office of the Issuing and Paying Agent, following prior written request and proof of holding and identity satisfactory to the Trustee or, as the case may be, the Issuing and Paying Agent.

The Securityholders are entitled to the benefit of, are bound by, and are deemed to have notice of, these Conditions, all the provisions of the Trust Deed, [as supplemented by the Singapore Law Trust Deed,][2] and the applicable Pricing Supplement, and are deemed to have notice of those provisions applicable to them of the Agency Agreement. The Pricing Supplement for this Perpetual Capital Security (or the relevant provisions thereof) is attached to or endorsed on this Perpetual Capital Security. References to "**applicable Pricing Supplement**" are to the Pricing Supplement (or relevant provisions thereof) attached to or endorsed on this Perpetual Capital Security.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement or the Trust Deed, as the case may be.

As used in these Conditions, "**Tranche**" means Perpetual Capital Securities which are identical in all respects and "**Series**" means a series of Perpetual Capital Securities comprising one or more Tranches, whether or not issued on the same date, that (except in respect of the first payment of Distribution (as defined below) and their issue price) have identical terms on issue and are expressed to have the same series number, and references to the "**Issuer**" are to the Issuer of such Perpetual Capital Securities.

1 Form, Denomination and Title

(a) **Form and Denomination**: The Perpetual Capital Securities are issued in registered form only, in each case in the Specified Denomination(s) shown hereon.

*All Perpetual Capital Securities shall have the same Specified Denomination. Unless otherwise permitted by the then current laws and regulations, Perpetual Capital Securities which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of GBP100,000 (or its equivalent in other currencies). Perpetual Capital Securities which are listed on the Singapore Exchange Securities Trading Limited or any successor thereto (the "**SGX-ST**") will be traded on the SGX-ST in a minimum board lot size of SGD200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time. In the case of any Perpetual Capital Securities which are to be admitted to trading on a regulated market within the European Economic Area or in the United Kingdom or offered to the public in a Member State of the European Economic Area or in the United Kingdom in circumstances which require the publication of a prospectus under Regulation (EU) 2017/1129 (as amended or superseded) or Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, the minimum Specified Denomination shall be EUR100,000 (or its equivalent in any other currency as at the date of issue of the relevant Perpetual Capital Securities).*

Each Perpetual Capital Security may be a Fixed Rate Perpetual Capital Security or a Floating Rate Perpetual Capital Security, a combination of any of the foregoing or any other kind of Perpetual Capital Security, depending upon the Distribution and Redemption/ Payment Basis shown hereon.

Perpetual Capital Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(b), each Certificate shall represent the entire holding of Perpetual Capital Securities by the same holder.

[2] Include for Perpetual Capital Securities governed by Singapore law.

(b) **Title**: Title to the Perpetual Capital Securities shall pass by registration in the register that the Issuer shall procure to be kept by the relevant Registrar (the "**Register**"). The Issuer may appoint a registrar (the "**Alternative Registrar**") in accordance with the provisions of the Agency Agreement other than the Registrar in relation to any Series. In these Conditions, "**Registrar**" includes the Registrar or, as the case may be, the Alternative Registrar, as specified hereon. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Perpetual Capital Security shall be deemed to be and shall be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

For so long as any of the Perpetual Capital Securities is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear and/or Clearstream as the holder of a particular nominal amount of such Perpetual Capital Securities (in which regard any certificate or other document issued by Euroclear and/or Clearstream as to the nominal amount of such Perpetual Capital Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Perpetual Capital Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Perpetual Capital Securities, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Perpetual Capital Securities.

For so long as any of the Perpetual Capital Securities is represented by a Global Certificate held by CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Perpetual Capital Securities (in which regard any certificate or other document issued by the Depository as to the principal amount of such Perpetual Capital Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the absolute holder of such principal amount of Perpetual Capital Securities other than with respect to the payment of principal, interest and any other amounts in respect of the Perpetual Capital Securities, for which purpose the registered holder of the Global Certificate shall be treated by the Issuer, the Trustee and the Agents as the holder of such Perpetual Capital Securities in accordance with and subject to the terms of such Global Certificate.

In these Conditions, "**Securityholder**" or "**holder**" (in relation to a Perpetual Capital Security) means the person in whose name a Perpetual Capital Security is registered and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Perpetual Capital Securities.

2 Transfers of Perpetual Capital Securities

(a) **Transfer of Perpetual Capital Securities**: One or more Perpetual Capital Securities may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Perpetual Capital Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer, without service charge and subject to payment of any taxes, duties and other governmental charges in respect of such transfer. In the case of a transfer of part only of a holding of Perpetual Capital Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Perpetual Capital Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Capital Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, and by the Registrar, with the prior written approval of the Trustee, provided that the Issuer will be notified upon such change by the Registrar. A copy of the current regulations will be made available (free of charge to the Securityholders and at the Issuer's expense) by the Registrar to any Securityholder following prior written request and proof of holding and identity satisfactory to the Registrar. No transfer of title to any Perpetual Capital Securities will be valid unless and until entered on the Register.

Transfers of interests in the Perpetual Capital Securities represented by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

A beneficial interest in a Global Certificate representing Perpetual Capital Securities will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Certificates in definitive form or for a beneficial interest in another Global Certificate representing such Perpetual Capital Securities only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream or CDP, as the case may be, the provisions of the relevant Global Certificate and the terms and conditions specified in the Agency Agreement. Transfers of a Global Certificate representing Perpetual Capital Securities registered in the name of a nominee of a common depository for Euroclear, Clearstream or CDP shall be limited to transfers of such Global Certificate, in whole but not in part, to another nominee of Euroclear, Clearstream or CDP (as the case may be) or to a successor of Euroclear, Clearstream or CDP (as the case may be) or such successor's nominee.

(b) **Exercise of Options or Partial Redemption in Respect of Perpetual Capital Securities**: In the case of an exercise of the Issuer's option in respect of, or a partial redemption of, a holding of Perpetual Capital Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed, as the case may be. In the case of a partial exercise of an option resulting in Perpetual Capital Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Capital Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Perpetual Capital Securities to a person who is already a holder of Perpetual Capital Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(c) **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Condition 2(a) or 2(b) shall be available for delivery within seven business days of receipt of the request for transfer, exercise, redemption or exchange, form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for transfer, exercise, redemption or exchange, form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), "**business day**" means a day, other than a Saturday, Sunday or gazetted public holiday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) **Transfers Free of Charge**: Transfers of Perpetual Capital Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon (i) payment by the relevant Securityholder of any tax, duties or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/ or prefunding as the Registrar or the relevant Transfer Agent (as the case may be) may require); (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion that the regulations concerning transfer of the Securities have been complied with.

(e) **Closed Periods**: No Securityholder may require the transfer of a Perpetual Capital Security to be registered:

(i) during the period of 15 days ending on the due date for redemption of that Perpetual Capital Security;

(ii) during the period of 15 days prior to any date on which Perpetual Capital Securities may be called for redemption by the Issuer at its option pursuant to Condition 6(d);

(iii) after any such Perpetual Capital Security has been called for redemption; or

(iv) during the period of 15 days ending on (and including) any date on which payment is due.

3 Status

(a) **Status of Perpetual Capital Securities**:

The Perpetual Capital Securities (being any Perpetual Capital Securities specified as such in the applicable Pricing Supplement) constitute direct, unsecured and subordinated (pursuant to Condition 3(b)) obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Securityholders are subordinated as described below.

(b) **Subordination**:

Upon the occurrence of any winding-up proceedings, the rights of the Securityholders to payment of principal of and Distributions (as described in Condition 4) on the Perpetual Capital Securities and any other obligations in respect of the Perpetual Capital Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of the Relevant Creditors and will rank senior to the Junior Obligations. The Perpetual Capital Securities will rank *pari passu* with Additional Tier 1 Capital Securities and any instrument or security issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, by its terms or operation of law, *pari passu* with the Perpetual Capital Securities. In the event that:

(i) the Securityholders do not receive payment in full of principal due and payable in respect of the Perpetual Capital Securities plus Distributions thereon accrued to the date of repayment in any winding-up of the Issuer; and

(ii) the winding-up order or resolution passed for the winding-up of the Issuer or the dissolution of the Issuer is subsequently stayed, discharged, rescinded, avoided, annulled or otherwise rendered inoperative,

then to the extent that such Securityholders did not receive payment in full of such principal of and Distributions on such Perpetual Capital Securities, such unpaid amounts shall remain payable in full; *provided that* payment of such unpaid amounts shall be subject to the provisions under this Condition 3 and Condition 10 and Clause 5 and Clause 7 of the Trust Deed.

The Issuer has agreed, pursuant to the terms of the Trust Deed, to indemnify the Securityholders against any loss incurred as a result of any judgment or order being given or made for any amount due under the Perpetual Capital Securities and such judgment or order being expressed and paid in a currency other than the Specified Currency. Any amounts due under such indemnification will be similarly subordinated in right of payment with other amounts due on the Perpetual Capital Securities and payment thereof shall be subject to the provisions under this Condition 3 and Condition 10(b) and Clause 7.3 of the Trust Deed.

On a winding-up of the Issuer, there may be no surplus assets available to meet the claims of the Securityholders after the claims of the parties ranking senior to the Securityholders (as provided in this Condition 3 and Clause 5 of the Trust Deed) have been satisfied.

In these Conditions:

"**Additional Tier 1 Capital Securities**" means:

(i) any security issued by the Issuer; or

(ii) any other similar obligation issued by any Subsidiary of the Issuer that is guaranteed by the Issuer,

that, in each case, constitutes Additional Tier 1 capital of the Issuer pursuant to the relevant requirements of the MAS which, in the case of GEH, are as set out in MAS Notice FHC-N133 and which, in the case of GEL, are as set out in MAS Notice 133;

"**Junior Obligations**" means:

(i) any Share; and

(ii) any class of the Issuer's share capital and any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer which ranks or is expressed to rank, by its terms or by operation of law, junior to a Perpetual Capital Security;

"**MAS**" means the Monetary Authority of Singapore or such other governmental authority having primary supervisory authority with respect to the Issuer;

"**MAS Notice FHC-N133**" means MAS Notice FHC-N133 – *"Notice on Valuation and Capital Framework for Designated Financial Holding Companies (Licensed Insurer)"* issued by the MAS, as amended, replaced or supplemented from time to time;

"**MAS Notice 133**" means MAS Notice 133 – "*Notice on Valuation and Capital Framework for Insurers*" issued by the MAS, as amended, replaced or supplemented from time to time;

"**Relevant Creditors**" means creditors of the Issuer (including, where the Issuer is GEL, the Issuer's policy owners) other than those whose claims are expressed to rank *pari passu* or junior to the claims of the holders of the Perpetual Capital Securities;

"**Shares**" means the ordinary shares of the Issuer; and

"**Subsidiary**" means any company or corporation:

(i) of which the Issuer controls the composition of the board of directors; or

(ii) of which the Issuer controls more than half of the voting power; or

(iii) which is a Subsidiary of a Subsidiary of the Issuer,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

(c) **Set-off and Payment Void**: No Securityholder may exercise, claim or plead any right of set-off, counterclaim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Perpetual Capital Securities. Each Securityholder shall, by acceptance of any Perpetual Capital Security be deemed to have waived all such rights of set-off, counterclaim or retention to the fullest extent permitted by law. If, at any time, any Securityholder receives payment or benefit of any sum in respect of the Perpetual Capital Securities (including any benefit received pursuant to any such set-off, counterclaim or retention) other than in accordance with Clause 7.3.2 of the Trust Deed and the second paragraph of Condition 10(b), the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes and such Securityholder, by acceptance of such Perpetual Capital Security, shall agree as a separate and independent obligation that any such sum or benefit so received shall forthwith be paid or returned in full by such Securityholder to the Issuer upon demand by the Issuer or, in the event of the winding-up of the Issuer, the liquidator of the Issuer, whether or not such payment or receipt shall have been deemed void under the Trust Deed. Any sum so paid or returned shall then be treated for purposes of the Issuer's obligations as if it had not been paid by the Issuer, and its original payment shall be deemed not to have discharged any of the obligations of the Issuer under the Perpetual Capital Securities.

4 Distributions and other Calculations

The amount payable in respect of the aggregate nominal amount of Perpetual Capital Securities represented by a Global Certificate shall be made in accordance with the methods of calculation provided for in the Conditions and the applicable Pricing Supplement, ***save that*** *the calculation is made in respect of the aggregate nominal amount of the Perpetual Capital Securities represented by a Global Certificate together with such other sums and additional amounts (if any) as may be payable under the Conditions.*

(a) **Distribution on Fixed Rate Perpetual Capital Securities**: Subject to Condition 5, each Fixed Rate Perpetual Capital Security confers a right to receive distribution (each a "**Distribution**") on its outstanding nominal amount from and including the Distribution Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Distribution, such Distribution being payable in arrear on each Distribution Payment Date.

The Rate of Distribution in respect of a Fixed Rate Perpetual Capital Security shall be:

(i) (if no Reset Date is specified in the applicable Pricing Supplement) the Initial Distribution Rate; or

(ii) (if a Reset Date is specified in the applicable Pricing Supplement):

(A) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the Initial Distribution Rate; and

(B) for the period from, and including, the First Reset Date and each Reset Date (as specified in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Distribution Rate.

The amount of Distribution payable shall be determined in accordance with Condition 4(e).

For the purposes of this Condition 4(a), "**Reset Distribution Rate**" means the Relevant Rate with respect to the relevant Reset Date plus the Initial Spread.

(b) **Distribution on Floating Rate Perpetual Capital Securities**:

(i) *Distribution Payment Dates*: Subject to Condition 5, each Floating Rate Perpetual Capital Security confers a right to receive distribution (each a "**Distribution**") on its outstanding nominal amount from and including the Distribution Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Distribution, such Distribution being payable in arrear on each Distribution Payment Date. The amount of Distribution payable shall be determined in accordance with Condition 4(e). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Dates or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which falls the number of months or other period shown hereon as the Distribution Period after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

(A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the calendar month in which such date would have fallen had it not been subject to adjustment;

(B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day;

(C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Distribution for Floating Rate Perpetual Capital Securities*: The Rate of Distribution in respect of Floating Rate Perpetual Capital Securities for each Distribution Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Perpetual Capital Securities

Where ISDA Determination is specified hereon as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this paragraph (A), "**ISDA Rate**" for a Distribution Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon; and

(y) the relevant Reset Date is the first day of that Distribution Accrual Period unless otherwise specified hereon.

For the purposes of this paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions and "**ISDA Definitions**" means the latest version of the 2021 ISDA Interest Rate Derivative Definitions, including any Matrices referred to therein, published by the International Swaps and Derivatives Association, Inc. as at the Issue Date of the first Tranche of the Perpetual Capital Securities, unless otherwise specified in the applicable Pricing Supplement, provided that (i) references to a "**Confirmation**" in the ISDA Definitions should instead be read as references to the Perpetual Capital Securities; (ii) references to a "**Calculation Period**" in the ISDA Definitions should instead be read as references to an "**Distribution Accrual Period**".

(B) Screen Rate Determination for Floating Rate Perpetual Capital Securities where the Reference Rate is not specified as being SORA Benchmark or SOFR Benchmark

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Accrual Period will, subject as provided below, be either:

(I) the offered quotation; or

(II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) on the Distribution Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Perpetual Capital Securities is specified hereon as being other than EURIBOR or HIBOR, the Rate of Distribution in respect of such Perpetual Capital Securities will be determined as provided hereon;

(y) If the Relevant Screen Page is not available or if, paragraph (x)(I) above of this Condition 4(b)(iii)(B) applies and no such offered quotation appears on the Relevant Screen Page or if paragraph (x)(II) above of this Condition 4(b)(iii)(B) applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the Distribution Determination Date in question, and such offered quotations shall be notified by the Issuer to the Calculation Agent. If two or more of the Reference Banks provide the Issuer with such offered quotations, the Rate of Distribution for such Distribution Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) If paragraph (y) above of this Condition 4(b)(iii)(B) applies and the Issuer determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Distribution shall be the arithmetic mean as determined by the Calculation Agent of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the relevant Distribution Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Euro-zone interbank market or, if the Reference Rate is HIBOR, the Hong Kong interbank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time), on the relevant Distribution Determination Date, any one or more Reference Banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuer it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone interbank market or, if the Reference Rate is HIBOR, the Hong Kong interbank market, as the case may be, and such offered rates shall be notified by the Issuer to the Calculation Agent *provided that*, if the Rate of Distribution cannot be determined in accordance with the foregoing provisions of this Condition 4(b)(iii)(B), the Rate of Distribution shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Accrual Period, in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period).

(C) Screen Rate Determination for Floating Rate Perpetual Capital Securities where the Reference Rate is specified as being SORA Benchmark

For each Floating Rate Perpetual Capital Security where the Reference Rate is specified as being SORA Benchmark, the Rate of Distribution for each Distribution Accrual Period will, subject as provided below, be equal to the relevant SORA Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The "**SORA Benchmark**" will be determined based on Compounded Daily SORA or SORA Index Average, as follows (subject in each case to Condition 4(i)(iii)):

(x) If Compounded Daily SORA ("**Compounded Daily SORA**") is specified in the applicable Pricing Supplement, the SORA Benchmark for each Distribution Accrual Period shall be equal to the value of the SORA rates for each day during the relevant Distribution Accrual Period (where SORA Lookback or SORA Payment Delay is specified in the applicable Pricing Supplement to determine Compounded Daily SORA) or SORA Observation Period (where SORA Backward Shifted Observation Period is specified in the applicable Pricing Supplement to determine Compounded Daily SORA).

Compounded Daily SORA shall be calculated by the Calculation Agent on the relevant Distribution Determination Date in accordance with one of the formulas referenced below depending upon which is specified in the applicable Pricing Supplement.

(i) Where SORA Lookback is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to a Distribution Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Accrual Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SORA_{i-x\,SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Distribution Accrual Period;

"**d_o**", for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Distribution Accrual Period;

"$_i$", for the relevant Distribution Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Accrual Period to the last Singapore Business Day in such Distribution Accrual Period;

"**Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period;

"**n_i**", for any day "$_i$", is the number of calendar days from and including such day "$_i$" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Distribution Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the first day of such Distribution Accrual Period (and the first Distribution Accrual Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the Distribution Payment Date at the end of such Distribution Accrual Period (or the date falling five Singapore

Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to such earlier date, if any, on which the Perpetual Capital Securities become due and payable);

"**Singapore Business Days**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "i"; and

"**$SORA_{i-x\,SBD}$**" means, in respect of any Singapore Business Day "i" in the relevant Distribution Accrual Period, the reference rate equal to SORA in respect of the Singapore Business Day falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the relevant Singapore Business Day.

(ii) Where SORA Backward Shifted Observation Period is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to a Distribution Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Accrual Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards.

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"**d_o**", for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Observation Period;

"$_i$", for the relevant Distribution Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"**Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period;

"$\mathbf{n_i}$", for any day "i", is the number of calendar days from and including such day "i" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Distribution Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the first day of such Distribution Accrual Period (and the first Distribution Accrual Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the Distribution Payment Date at the end of such Distribution Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to such earlier date, if any, on which the Perpetual Capital Securities become due and payable);

"**Singapore Business Days**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "i"; and

"$\mathbf{SORA_i}$" means, in respect of any Singapore Business Day falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

(iii) Where SORA Payment Delay is specified in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to a Distribution Accrual Period, the rate of return of a daily compound interest investment during such Distribution Accrual Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards.

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SORA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Distribution Accrual Period;

"$\mathbf{d_o}$", for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Distribution Accrual Period;

"$_i$", for the relevant Distribution Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Accrual Period to the last Singapore Business Day in such Distribution Accrual Period;

"**Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Distribution Accrual Period, *provided that* if the Issuer elects to redeem the Perpetual Capital Securities, the Distribution Determination Date with respect to the final Distribution Accrual Period will be the SORA Rate Cut-Off Date;

"**Distribution Payment Date**" shall be the date falling the number of Business Days equal to the Distribution Payment Delay following each Distribution Period End Date; *provided that* if the Issuer elects to redeem the Perpetual Capital Securities, the Distribution Payment Date with respect to the final Distribution Accrual Period will be the redemption date;

"**Distribution Payment Delay**" means five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement);

"$\mathbf{n_i}$", for any day "$_i$", is the number of calendar days from and including such day "$_i$" up to but excluding the following Singapore Business Day;

"**Singapore Business Days**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "i";

"$\mathbf{SORA_i}$" means, in respect of any Singapore Business Day falling in the relevant Distribution Accrual Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

"**SORA Rate Cut-Off Date**" means the date that is a number of Singapore Business Days prior to the end of each Distribution Accrual Period or the relevant redemption date (if the Issuer elects to redeem the Perpetual Capital Securities), as applicable, as specified in the applicable Pricing Supplement.

For the purposes of calculating Compounded Daily SORA with respect to the final Distribution Accrual Period ending on the redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the SORA Rate Cut-Off Date to (but excluding) the relevant redemption date shall be the level of SORA in respect of such SORA Rate Cut-Off Date.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SORA only compounds SORA in respect of any Singapore Business Day. SORA applied to a day that is not a Singapore Business Day *will be taken by applying SORA for the previous Singapore Business Day but without compounding.*

(y) For each Floating Rate Perpetual Capital Security where the Reference Rate is specified as being SORA Index Average ("**SORA Index Average**"), the SORA Benchmark for each Distribution Accrual Period shall be equal to the value of the SORA rates for each day during the relevant Distribution Accrual Period as calculated by the Calculation Agent on the relevant Distribution Determination Date as follows:

$$\left(\frac{SORA\ Index_{End}}{SORA\ Index_{Start}} - 1\right) \times \left(\frac{365}{d_c}\right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards, where:

"$\mathbf{d_c}$" means the number of calendar days from (and including) the SORA $Index_{Start}$ to (but excluding) the SORA $Index_{End}$;

"**Singapore Business Days**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA Index**" means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, *provided that* if the SORA Index does not so appear at the SORA Index Determination Time, then:

(i) if a SORA Index Cessation Event has not occurred, the "**SORA Index Average**" shall be calculated on any Distribution Determination Date with respect to a Distribution Accrual Period, in accordance with the Compounded Daily SORA formula described above in Condition 4(b)(iii)(C)(x)(ii), and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Distribution Accrual Period that is used in the definition of SORA $Index_{Start}$ as specified in the applicable Pricing Supplement; or

(ii) if a SORA Index Cessation Event has occurred, the provisions set forth in Condition 4(i)(iii) shall apply;

"**SORA Index$_{End}$**" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the Distribution Period End Date relating to such Distribution Accrual Period;

"**SORA Index$_{Start}$**" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Distribution Accrual Period; and

"**SORA Index Determination Time**" means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

(z) If, subject to Condition 4(i), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such day "i", SORA in respect of such day "i" has not been published and a SORA Index Cessation Event has not occurred, then SORA for that day "i" will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.

(aa) If the Rate of Distribution cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement), subject to Condition 4(i), the Rate of Distribution shall be:

(i) that determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the applicable Pricing Supplement) relating to the relevant Distribution Accrual Period in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period); or

(ii) if there is no such preceding Distribution Determination Date, the initial Rate of Distribution which would have been applicable to such Series of Perpetual Capital Securities for the first Distribution Accrual Period had the Perpetual Capital Securities been in issue for a period equal in duration to the scheduled first Distribution Accrual Period but ending on (and excluding) the Distribution Commencement Date (but applying the Margin and any Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Accrual Period).

(bb) If the relevant Series of Perpetual Capital Securities becomes due and payable in accordance with Condition 10, the final Distribution Determination Date shall, notwithstanding any Distribution Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Perpetual Capital Securities became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Distribution on such Perpetual Capital Securities shall, for so long as any such Perpetual Capital Security remains outstanding (as defined in the Trust Deed), be that determined on such date.

(D) Screen Rate Determination for Floating Rate Perpetual Capital Securities where the Reference Rate is specified as being SOFR Benchmark

For each Floating Rate Perpetual Capital Security where the Reference Rate is specified as being SOFR Benchmark, the Rate of Distribution for each Distribution Accrual Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The "**SOFR Benchmark**" will be determined based on Compounded Daily SOFR or SOFR Index Average, as follows (subject in each case to Condition 4(i)):

(x) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Distribution Accrual Period shall be equal to the value of the SOFR rates for each day during the relevant Distribution Accrual Period (where "SOFR Observation Lag" or "SOFR Payment Delay" is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR) or SOFR Observation Period (where "SOFR Observation Shift" is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent on the relevant Distribution Determination Date in accordance with the relevant formula referenced below (to be specified in the applicable Pricing Supplement):

(i) SOFR Observation Lag:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-\times USBD} \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

"**d**" means the number of calendar days in the relevant Distribution Accrual Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Distribution Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Distribution Accrual Period (each a "**U.S. Government Securities Business Day(i)**");

"**Lookback Days**" means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

"**n_i**" for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day; and

"**$SOFR_{i\text{-}xUSBD}$**" for any U.S. Government Securities Business Day(i) in the relevant Distribution Accrual Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i).

(ii) *SOFR Observation Shift*:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day(i)**");

"**n_i**" for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of a Distribution Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Distribution Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Distribution Period End Date at the end of such Distribution Accrual Period;

"**SOFR Observation Shift Days**" means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement); and

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i).

(iii) *SOFR Payment Delay*:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

"**d**" means the number of calendar days in the relevant Distribution Accrual Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Distribution Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Distribution Accrual Period (each a "**U.S. Government Securities Business Day(i)**");

"**Distribution Payment Date**" shall be the date falling the number of Business Days equal to the Distribution Payment Delay following each Distribution Period End Date; *provided that* the Distribution Payment Date with respect to the final Distribution Accrual Period will be, if the Issuer elects to redeem the Perpetual Capital Securities, the relevant redemption date;

"**Distribution Payment Delay**" means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

"**Distribution Determination Date**" means the Distribution Period End Date at the end of each Distribution Accrual Period, *provided that* if the Issuer elects to redeem the Perpetual Capital Securities, the Distribution Determination Date with respect to the final Distribution Accrual Period will be the SOFR Rate Cut-Off Date;

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day;

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant Distribution Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i); and

"**SOFR Rate Cut-Off Date**" means the date that is a number of U.S. Government Securities Business Days prior to the end of each Distribution Accrual Period or the relevant redemption date of the Perpetual Capital Securities, as applicable.

For the purposes of calculating Compounded Daily SOFR with respect to the final Distribution Accrual Period (if the Issuer elects to redeem the Perpetual Capital Securities), the level of SOFR for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the relevant redemption date of the Perpetual Capital Securities shall be the level of SOFR in respect of such SOFR Rate Cut-Off Date.

In connection with the SOFR provisions set out in this Condition 4(b)(iii)(D)(x), the following definitions apply:

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means, with respect to any U.S. Government Securities Business Day, the rate determined by the Calculation Agent in accordance with the following provision:

(i) the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Bloomberg Screen SOFRRATE Page, the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Reuters Page USDSOFR=, or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(ii) if the rate specified in sub-paragraph (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(iii) if the rate specified in sub-paragraph (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(i)(ii) shall apply;

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(y) If SOFR Index Average ("**SOFR Index Average**") is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Distribution Accrual Period shall be equal to the value of the SOFR rates for each day during the relevant Distribution Accrual Period as calculated by the Calculation Agent on the relevant Distribution Determination Date as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

"**d_c**" means the number of calendar days from (and including) the SOFR $Index_{Start}$ to (but excluding) the SOFR $Index_{End}$;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFR Benchmark Replacement Date**" means the Benchmark Replacement Date with respect to the then-current SOFR Benchmark;

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark;

"**SOFR Index**" means, in relation to any U.S. Government Securities Business Day, the SOFR Index as published by the SOFR Administrator on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that* if the SOFR Index does not so appear at the SOFR Index Determination Time, then:

(i) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index Average" shall be calculated on any Distribution Determination Date with respect to a Distribution Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 4(b)(iii)(D)(x)(ii) "SOFR Observation Shift", and the term "SOFR Observation Shift Days" shall mean such number of U.S. Government Securities Business Days preceding the first date of a relevant Distribution Accrual Period as is used for the purposes of the definition of "SOFR $Index_{Start}$" and "SOFR $Index_{End}$"; or

(ii) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(i)(ii) shall apply;

"**SOFR $\mathbf{Index_{End}}$**" means the SOFR Index value on the date that is five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement) preceding the Distribution Period End Date relating to such Distribution Accrual Period;

"**SOFR $\mathbf{Index_{Start}}$**" means the SOFR Index value on the date that is five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Distribution Accrual Period; and

"**SOFR Index Determination Time**" means, in relation to any U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day.

(z) If the Rate of Distribution cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement), subject to Condition 4(i), the Rate of Distribution shall be:

(I) that determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the applicable Pricing Supplement) relating to the relevant Distribution Accrual Period in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period); or

(II) if there is no such preceding Distribution Determination Date, the initial Rate of Distribution which would have been applicable to such Series of Perpetual Capital Securities for the first Distribution Accrual Period had the Perpetual Capital Securities been in issue for a period equal in duration to the scheduled first Distribution Accrual Period but ending on (and excluding) the Distribution Commencement Date (but applying the Margin and any Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Accrual Period).

(aa) If the relevant Series of Perpetual Capital Securities becomes due and payable in accordance with Condition 10, the final Distribution Determination Date shall, notwithstanding any Distribution Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Perpetual Capital Securities became due and payable (with corresponding adjustments being deemed to be made to the applicable SOFR Benchmark formula) and the Rate of Distribution on such Perpetual Capital Securities shall, for so long as any such Perpetual Capital Security remains outstanding, be that determined on such date.

(c) **Accrual of Distribution**: Subject to Condition 5, Distribution shall cease to accrue on each Perpetual Capital Security on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event Distribution shall continue to accrue (both before and after judgment) at the Rate of Distribution in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 8).

(d) **Margin, Maximum/Minimum Rates of Distribution and Redemption Amounts and Rounding**:

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Distribution Accrual Periods), an adjustment shall be made to all Rates of Distribution, in the case of (x), or the Rates of Distribution for the specified Distribution Accrual Period(s), in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 4(d)(ii).

(ii) If any Maximum Rate of Distribution or Minimum Rate of Distribution or Redemption Amount is specified hereon, then any Rate of Distribution or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the fifth decimal place (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "**unit**" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(e) **Calculations**: The amount of Distribution payable per calculation amount specified hereon (or, if no such amount is so specified, the Specified Denomination) (the "**Calculation Amount**") in respect of any Perpetual Capital Security for any Distribution Accrual Period shall be equal to the product of the Rate of Distribution, the Calculation Amount, and the Day Count Fraction for such Distribution Accrual Period, unless a Distribution Amount (or a formula for its calculation) is applicable to such Distribution Accrual Period, in which case the amount of Distribution payable per Calculation Amount in respect of such Perpetual Capital Security for such Distribution Accrual Period shall equal such Distribution Amount (or be calculated in accordance with such formula). Where any Distribution Period comprises two or more Distribution Accrual Periods, the amount of Distribution payable per Calculation Amount in respect of such Distribution Period shall be the sum of the Distribution Amounts payable in respect of each of those Distribution Accrual Periods. In respect of any other period for which Distributions are required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which Distributions are required to be calculated.

(f) **Determination and Publication of Reset Distribution Rate**: The Calculation Agent shall, on the second Business Day prior to each Reset Date, calculate the applicable Reset Distribution Rate and cause the Reset Distribution Rate to be notified to the Trustee, the Issuer, each of the Paying Agents, the Securityholders and any other Calculation Agent appointed in respect of the Perpetual Capital Securities that is to make a further calculation upon receipt of such information and, if the Perpetual Capital Securities are listed on a stock exchange and the rules of such exchange or other relevant authority so require, subsequently notified by the Issuer to such exchange or other relevant authority as soon as possible after their determination but in no event later than:

(i) the commencement of the relevant Distribution Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Distribution and Distribution Amount; or

(ii) in all other cases, the fourth Business Day after such determination.

The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of wilful default, bad faith, fraud or manifest error) be final and binding upon all parties.

(g) **Determination and Publication of Rates of Distribution, Distribution Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts**: The Calculation Agent shall, as soon as practicable on each Distribution Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Distribution Amounts for the relevant Distribution Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Distribution and the Distribution Amounts for each Distribution Accrual Period and the relevant Distribution Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Securityholders and any other Calculation Agent appointed in respect of the Perpetual Capital Securities that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than:

(i) the commencement of the relevant Distribution Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Distribution and Distribution Amount; or

(ii) in all other cases, the fourth Business Day after such determination.

If the Perpetual Capital Securities are listed on a stock exchange and the rules of such exchange or other relevant authority so require, the Issuer shall, promptly following receipt of notification from the Calculation Agent, notify such exchange or other relevant authority of the Rate of Distribution and the Distribution Amounts for any relevant Distribution Accrual Period, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount.

Where any Distribution Payment Date or Distribution Period End Date is subject to adjustment pursuant to Condition 4(b)(ii), the Distribution Amounts and the Distribution Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period. If the Perpetual Capital Securities become due and payable under Condition 10, the accrued Distribution and the Rate of Distribution payable in respect of the Perpetual Capital Securities shall nevertheless continue to be calculated as previously in accordance with this Condition 4(g) and notified to the Trustee, the Issuer, each of the Paying Agents and any other Calculation Agent appointed in respect of the Perpetual Capital Securities but no publication to Securityholders of the Rate of Distribution or the Distribution Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of wilful default, bad faith, fraud or manifest error) be final and binding upon all parties.

(h) **Determination or Calculation by an agent of the Issuer**: If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Distribution for a Distribution Accrual Period or any Distribution Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Issuer shall appoint an agent on its behalf to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by such agent of the Issuer pursuant to this Condition 4 shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Benchmark Discontinuation**

(i) Benchmark Discontinuation (General)

Where the applicable Pricing Supplement specifies this Condition 4(i)(i) as applicable:

(A) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, or failing which, an Alternative Rate (in accordance with Condition 4(i)(i)(B)) and, in either case, an Adjustment Spread (in accordance with Condition 4(i)(i)(C)) and any Benchmark Amendments (in accordance with Condition 4(i)(i)(D)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 4(i)(i) shall act in good faith as an expert and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents or the Securityholders for any determination made by it, pursuant to this Condition 4(i)(i).

If:

(i) the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours; or

(ii) the Independent Adviser fails to determine a Successor Rate or, failing which, an Alternative Rate, in accordance with this Condition 4(i)(i)(A) at least ten business days prior to the relevant Distribution Determination Date,

the Rate of Distribution applicable to the next succeeding Distribution Accrual Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Capital Securities in respect of the immediately preceding Distribution Accrual Period. If there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution. Where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Accrual Period shall be substituted in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Distribution Accrual Period only and any subsequent Distribution Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(i)(i)(A).

(B) Successor Rate or Alternative Rate

If the Independent Adviser (in consultation with the Issuer) determines that:

(i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Capital Securities (subject to the operation of this Condition 4(i)(i)); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Capital Securities (subject to the operation of this Condition 4(i)(i)).

(C) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser (in consultation with the Issuer) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread.

(D) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(i)(i) and the Independent Adviser (in consultation with the Issuer) determines:

(i) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"); and

(ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(i)(i)(E), without any requirement for the consent or approval of Securityholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, the Calculation Agent(s) and the Paying Agents of a certificate signed by an Authorised Signatory of the Issuer pursuant to Condition 4(i)(i)(E), the Trustee, the Calculation Agent(s) and the Paying Agents shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or, as the case may be, an agreement supplemental to or amending the Trust Deed and/or the Agency Agreement), provided that the Trustee, the Calculation Agent(s) and the Paying Agents shall not be obliged so to concur if in the opinion of the Trustee, the relevant Calculation Agent or the relevant Paying Agent (as the case may be), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the relevant Calculation Agent or the relevant Paying Agent (as the case may be) in these Conditions or the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or any supplemental agency agreement) in any way.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and/or these Conditions as may be required in order to give effect to this Condition 4(i)(i)(D). Securityholders' consent shall not be required in connection with the effecting of the Successor Rate or the Alternative Rate (as applicable) or such other changes, including the execution of any documents or any steps by the Trustee and/or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent(s), the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

Notwithstanding any other provision of this Condition 4(i)(i)(D), no Agent is obliged to concur with the Trustee, the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4(i)(i)(D) which, in the opinion of the relevant Agent, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the relevant Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 4(i)(i)(D), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Capital Securities are for the time being listed or admitted to trading.

(E) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(i)(i) will be notified promptly by the Issuer to the Trustee, the Calculation Agent(s), the Issuing and Paying Agent and, in accordance with Condition 15, the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

At least seven business days prior to the relevant Distribution Determination Date, the Issuer shall deliver to the Trustee, the Calculation Agent(s) and the Paying Agents a certificate signed by an Authorised Signatory of the Issuer:

(x) confirming:

(I) that a Benchmark Event has occurred;

(II) the Successor Rate or, as the case may be, the Alternative Rate;

(III) the applicable Adjustment Spread; and

(IV) the specific terms of the Benchmark Amendments (if any),

in each case as determined in accordance with the provisions of this Condition 4(i)(i); and

(y) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee, the Calculation Agent(s) and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate, the Alternative Rate, the Adjustment Spread or the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or fraud in the determination of the Successor Rate, the Alternative Rate, the Adjustment Spread or the Benchmark Amendments (if any) and without prejudice to the ability of the Trustee, the Calculation Agent(s) and the Paying Agents to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent(s), the Paying Agents and the Securityholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(i)(i)(A), 4(i)(i)(B), 4(i)(i)(C) and 4(i)(i)(D), the Original Reference Rate and the fallback provisions provided for in Conditions 4(b)(iii)(B), 4(b)(iii)(C) or 4(b)(iii)(D), as applicable, will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any applicable Adjustment Spread, and Benchmark Amendments (if any), in accordance with Condition 4(i)(i)(E).

(G) Definitions:

As used in this Condition 4(i)(i):

"**Adjustment Spread**" means either:

(i) a spread (which may be positive, negative or zero); or

(ii) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(x) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(y) if no such recommendation pursuant to sub-paragraph (x) above has been made, or in the case of an Alternative Rate, the Independent Adviser (in consultation with the Issuer) determines, as being customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(z) if the Independent Adviser (in consultation with the Issuer) determines that no such spread is customarily applied pursuant to sub-paragraph (y) above, the Independent Adviser (in consultation with the Issuer) determines, and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines (in consultation with the Issuer) in accordance with Condition 4(i)(i)(B) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest or distribution (or the relevant component part thereof) for the same distribution period and in the same Specified Currency as the Perpetual Capital Securities.

"**Benchmark Amendments**" has the meaning given to it in Condition 4(i)(i)(D).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will within the following six months cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will within the following six months, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Perpetual Capital Securities, within the following six months; or

(v) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will within the following six months be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(vi) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Securityholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with appropriate expertise selected and appointed by and at the expense of the Issuer under Condition 4(i)(i)(A).

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Distribution (or any component part thereof) on the Perpetual Capital Securities.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:

(w) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

(x) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

(y) a group of the aforementioned central banks or other supervisory authorities; or

(z) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

Where the Original Reference Rate for a Series of Perpetual Capital Securities is EURIBOR, the Successor Rate could include the rate (inclusive of any spreads or adjustments) formally recommended by (i) the working group on euro risk free rates established by the European Central Bank, the Financial Services and Markets Authority, the European Securities and Markets Authority and the European Commission, (ii) the European Money Market Institute, as the administrator of EURIBOR, (iii) the competent authority responsible under Regulation (EU) 2016/1011 for supervising the European Money Market Institute, as the administrator of the EURIBOR, or (iv) the national competent authority designated by each Member State under Regulation (EU) 2016/1011, or (v) the European Central Bank.

(ii) Benchmark Discontinuation (SOFR)

This Condition 4(i)(ii) shall only apply to U.S. dollar-denominated Perpetual Capital Securities where so specified in the relevant Pricing Supplement.

Where the applicable Pricing Supplement specifies this Condition 4(i)(ii) as applicable:

(A) Benchmark Replacement

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Perpetual Capital Securities in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Trustee, the Issuing and Paying Agent and the Calculation Agent shall, at the direction and expense of the Issuer, but subject to receipt by the Trustee, the Issuing and Paying Agent and the Calculation Agent of a certificate signed by an Authorised Signatory of the Issuer confirming that a Benchmark Event has occurred, be obliged to concur with the Issuer in effecting such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 4(i)(ii)(B), *provided that* the Trustee, the Issuing and Paying Agent and the Calculation Agent shall not be obliged so to concur if in the opinion of the Trustee, the Issuing and Paying Agent or the Calculation Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Issuing and Paying Agent or the Calculation Agent in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way. Securityholders' consent shall not be required in connection with the effecting of any such changes, including the execution of any documents or any steps by the Trustee or the Issuing and Paying Agent (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 4(i)(ii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection will be conclusive and binding absent manifest error, will be made in the sole discretion of the Issuer or its designee, as applicable and notwithstanding anything to the contrary in the documentation relating to the Perpetual Capital Securities, shall become effective without consent from the holders of the Perpetual Capital Securities or any other party.

(D) Notices, etc

Any Benchmark Event, its related Benchmark Replacement Date, Benchmark Replacement and the specific terms of any Benchmark Replacement Conforming Changes will be notified promptly by the Issuer to the Trustee, the Calculation Agent(s), the Paying Agents and, in accordance with Condition 15, the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

At least seven business days prior to the relevant Distribution Determination Date, the Issuer shall deliver to the Trustee, the Calculation Agent(s) and the Paying Agents a certificate signed by an Authorised Signatory of the Issuer:

(i) confirming:

  (i) that a Benchmark Event has occurred and its related Benchmark Replacement Date;

  (ii) Benchmark Replacement; and

  (iii) the specific terms of the Benchmark Replacement Conforming Changes (if any),

  in each case as determined in accordance with the provisions of this Condition 4(i)(ii); and

(ii) certifying that the Benchmark Replacement Conforming Changes (if any) are necessary to ensure the proper operation of such Benchmark Replacement.

Each of the Trustee, the Calculation Agent(s) and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement or the Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error or fraud in the determination of the Benchmark Replacement or the Benchmark Replacement Conforming Changes (if any) and without prejudice to the ability of the Trustee, the Calculation Agent(s) and the Paying Agents to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent(s), the Paying Agents and the Securityholders.

(E) Definitions

As used in this Condition 4(i)(ii):

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement (or any daily published component used in the calculation thereof); *provided that* if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

"**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to publish the Benchmark (or such component), permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to publish the Benchmark (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to publish the Benchmark (or such component) permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to publish the Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative of its relevant underlying market;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of:

(x) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(y) the Benchmark Replacement Adjustment; or

(ii) the sum of:

(x) the ISDA Fallback Rate; and

(y) the Benchmark Replacement Adjustment; or

(iii) the sum of:

(x) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated floating rate securities at such time; and

(y) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of distribution, rounding of amounts or tenors and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) in the case of sub-paragraphs (i) or (ii) of the definition of "Benchmark Event", the later of:

(x) the date of the public statement or publication of information referenced therein; and

(y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to publish the Benchmark (or such component); or

(ii) in the case of sub-paragraph (iii) of the definition of "Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**ISDA Definitions**" means the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, published by the International Swaps and Derivatives Association, Inc. as at the Issue Date of the first Tranche of the Perpetual Capital Securities unless otherwise specified in the applicable Pricing Supplement;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means:

(i) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (as defined in Condition 4(b)(iii)(D)(x)) (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or the SOFR Index Determination Time (where SOFR Index Average is specified as applicable in the applicable Pricing Supplement); or

(ii) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(iii) Benchmark Discontinuation (SORA)

This Condition 4(i)(iii) shall only apply to Singapore dollar-denominated Perpetual Capital Securities where so specified in the relevant Pricing Supplement.

Where the applicable Pricing Supplement specifies this Condition 4(i)(iii) as applicable:

(A) Independent Adviser

Notwithstanding the provisions above in this Condition 4(i), if a SORA Index Cessation Event occurs in relation to an Original Reference Rate prior to the relevant Distribution Determination Date when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 4(i)(iii)(B)) and an Adjustment Spread, if any (in accordance with Condition 4(i)(iii)(C)), and any Benchmark Amendments (in accordance with Condition 4(i)(iii)(D)) at least ten business days prior to the relevant Distribution Determination Date.

In making such determination, the Independent Adviser appointed pursuant to this Condition 4(i)(iii) shall act in good faith as an expert and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Issuing and Paying Agent, the Securityholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by it, pursuant to this Condition 4(i)(iii).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser fails to determine a Benchmark Replacement at least ten business days prior to the relevant Distribution Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 4(i)(iii)(B)) and an Adjustment Spread if any (in accordance with Condition 4(i)(iii)(C)) and any Benchmark Amendments (in accordance with Condition 4(i)(iii)(D)).

If the Issuer is unable to determine the Benchmark Replacement at least ten business days prior to the relevant Distribution Determination Date, the Rate of Distribution applicable to the next succeeding Distribution Accrual Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Capital Securities in respect of the immediately preceding Distribution Accrual Period. If there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution. Where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Accrual Period shall be substituted in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Distribution Accrual Period only and any subsequent Distribution Accrual Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 4(i)(iii)(A).

(B) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) shall (subject to adjustment as provided for in Condition 4(i)(iii)(C)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Capital Securities (subject to the operation of this Condition 4(i)(iii)).

(C) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(D) Benchmark Amendments

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines that (i) Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread, and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(i)(iii)(E), without any requirement for the consent or approval of Securityholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, the Calculation Agent(s) and the Paying Agents of a certificate signed by an authorised signatory of the Issuer pursuant to Condition 4(i)(iii)(E), the Trustee, the Calculation Agent(s) and the Paying Agents shall (at the direction and expense of the Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed and/or the Agency Agreement), *provided that* the Trustee, the Calculation Agent(s) and the Paying Agents shall not be obliged so to concur if in the opinion of the Trustee, the Calculation Agent(s) or the Paying Agents doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Calculation Agent(s) or the Paying Agents in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(i)(iii)(D). Securityholders' consent shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including the execution of any documents or any steps by the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or the Independent Adviser with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 4(i)(iii)(D), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Capital Securities are for the time being listed or admitted to trading.

(E) Notices, etc.

Any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(i)(iii) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Issuing and Paying Agent and, in accordance with Condition 15, the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

Provided that such notice is given at least seven business days prior to the relevant Distribution Determination Date, the Issuer shall deliver to the Trustee, the Calculation Agent(s) and the Paying Agents a certificate signed by an Authorised Signatory of the Issuer:

(x) confirming

(i) that a SORA Index Cessation Event has occurred;

(ii) the Benchmark Replacement; and

(iii) where applicable, any Adjustment Spread, and/or the specific terms of the Benchmark Amendments,

in each case as determined in accordance with the provisions of this Condition 4(i)(iii); and

(y) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or any applicable Adjustment Spread.

The Trustee, the Calculation Agent(s) and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement (if any), the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement (if any), the Adjustment Spread (if any) or the Benchmark Amendments (if any) and without prejudice to the Trustee's, the Calculation Agents' and the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents, the Securityholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(i)(iii)(A), 4(i)(iii)(B), 4(i)(iii)(C) and 4(i)(iii)(D), the Original Reference Rate and the fallback provisions provided for in Condition 4(i)(iii) will continue to apply unless and until the Trustee, the Paying Agents and the Calculation Agent have been notified of the Benchmark Replacement, and any applicable Adjustment Spread, and Benchmark Amendments, in accordance with Condition 4(i)(iii)(E).

(G) Definitions:

As used in this Condition 4(i)(iii):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Securityholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

(1) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body;

(2) if no such recommendation pursuant to sub-paragraph (1) above has been made and the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(3) if no such recommendation pursuant to sub-paragraph (1) above has been made and the applicable Benchmark Replacement is not the ISDA Fallback Rate, is determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate; or with the applicable Benchmark Replacement for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution accrual period and in the same currency as the Perpetual Capital Securities;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines in accordance with Condition 4(i)(iii)(B) has replaced the Original Reference Rate in customary market usage in the international or, if applicable, domestic debt capital markets for the purposes of determining rates of interest or distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Capital Securities (including, but not limited to, Singapore Government Bonds);

"**Benchmark Amendments**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of distribution, rounding of amounts or tenors and other administrative matters) that the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be) determines is reasonably necessary;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(i)(iii)(A)) (as the case may be):

(i) the Successor Rate;

(ii) the ISDA Fallback Rate; and

(iii) the Alternative Rate;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or experience in the local or international debt capital markets appointed by and at the expense of the Issuer under Condition 4(i)(iii)(A);

"**ISDA Definitions**" means the latest version of the 2021 ISDA Interest Rate Derivative Definitions, including any Matrices referred to therein, published by the International Swaps and Derivatives Association, Inc. as at the Issue Date of the first Tranche of the Perpetual Capital Securities unless otherwise specified in the applicable Pricing Supplement;

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Original Reference Rate**" means, initially, SORA (being the originally-specified benchmark rate used to determine SORA Benchmark and the Rate of Distribution), *provided that* if a SORA Index Cessation Event has occurred with respect to SORA or the then-current Original Reference Rate, then "**Original Reference Rate**" means the Benchmark Replacement;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored or endorsed by, chaired or co-chaired by or constituted at the request of:

  (x) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

  (y) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

  (z) a group of the aforementioned central banks or other supervisory authorities; or

  (aa) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement of the Original Reference Rate (which rate may be recommended by the Monetary Authority of Singapore or such other administrator).

(iv) Qualification as Additional Tier 1 Capital Securities

Notwithstanding any other provision of Conditions 4(i)(i)(D), 4(i)(ii)(B) or 4(i)(iii)(D) (as applicable), no Successor Rate, Alternative Rate or Benchmark Replacement (as the case may be) will be adopted, nor will the applicable Adjustment Spread or Benchmark Replacement Adjustment (as the case may be) be applied, nor will any Benchmark Amendments or Benchmark Replacement Conforming Changes (as the case may be) be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Perpetual Capital Securities as Additional Tier 1 capital and/or the Perpetual Capital Securities as eligible liabilities or loss absorbing capacity instruments for the purposes of any applicable loss absorption regulations.

(j) **Definitions**: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of Perpetual Capital Securities denominated in a currency other than Euro, Renminbi or Singapore dollars, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in London and in the principal financial centre for such currency; and/or

(ii) in the case of Perpetual Capital Securities denominated in Euro, a day on which T2 is operating (a "**T2 Business Day**") and a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre for such currency; and/or

(iii) in the case of Perpetual Capital Securities denominated in Renminbi:

(A) if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore; and

(B) if cleared through Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; and/or

(iv) in the case of Perpetual Capital Securities denominated in Singapore dollars:

(A) if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore; and

(B) if cleared through Euroclear and Clearstream, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in London and Singapore; and/or

(v) in the case of a currency and/or one or more Financial Centres, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in such currency in the Financial Centre(s) or, if no currency is indicated, generally in each of the Financial Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of Distribution on any Perpetual Capital Security for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Distribution Period or a Distribution Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of:

(A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and

(B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number is 31 and D_1 is greater than 29, in which case D_2 will be 30;

(v) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number is 31, in which case D_2 will be 30;

(vi) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the redemption date (if the Issuer elects to redeem the Perpetual Capital Securities) or (ii) such number is 31, in which case D_2 will be 30; and

(vii) if "**Actual/Actual – ICMA**" is specified hereon:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of:

(x) the number of days in such Determination Period; and

(y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of:

(1) the number of days in such Determination Period; and

(2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of:

(1) the number of days in such Determination Period; and

(2) the number of Determination Periods normally ending in any year,

where:

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Distribution Payment Date(s); and "**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"**Distribution Accrual Period**" means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Period End Date and each successive period beginning on (and including) a Distribution Period End Date and ending on (but excluding) the next succeeding Distribution Period End Date.

"**Distribution Amount**" means:

(i) in respect of a Distribution Accrual Period, the amount of Distribution payable per Calculation Amount for that Distribution Accrual Period and which, in the case of Fixed Rate Perpetual Capital Securities, and unless otherwise specified hereon, shall mean the Fixed Distribution Amount or Broken Amount specified hereon as being payable on the Distribution Payment Date ending the Distribution Period of which such Distribution Accrual Period forms part; and

(ii) in respect of any other period, the amount of Distribution payable per Calculation Amount for that period.

"**Distribution Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date specified as such hereon or, if none is so specified:

(i) the first day of such Distribution Accrual Period if the Specified Currency is Sterling, Hong Kong dollars or Renminbi;

(ii) the day falling two Business Days in the relevant Financial Centre for the Specified Currency prior to the first day of such Distribution Accrual Period if the Specified Currency is not Sterling, Hong Kong dollars, Euro or Renminbi and if the relevant Reference Rate is not SOFR Benchmark or SORA Benchmark;

(iii) the day falling two T2 Business Days prior to the first day of such Distribution Accrual Period if the Specified Currency is Euro;

(iv) (only if the relevant Reference Rate is SOFR Benchmark and "SOFR Observation Lag" or "**SOFR Observation Shift**" has been specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR or where SOFR Index Average has been specified as applicable in the applicable Pricing Supplement) the fifth U.S. Government Securities Business Day (or as otherwise specified in the applicable Pricing Supplement) prior to the last day of each Distribution Accrual Period;

(v) (only if the relevant Reference Rate is SOFR Benchmark and "SOFR Payment Delay" has been specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR) has the meaning given to it in Condition 4(b)(iii)(D)(x)(iii); and

(vi) (only if the relevant Reference Rate is SORA Benchmark) has the meaning given to it in Conditions 4(b)(iii)(C)(x)(i), 4(b)(iii)(C)(x)(ii) or 4(b)(iii)(C)(x)(iii), as applicable.

"**Distribution Period**" means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

"**Distribution Period End Date**" means each Distribution Payment Date unless otherwise specified hereon.

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the treaty establishing the European Community, as amended from time to time.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the treaty establishing the European Community, as amended.

"**Hong Kong dollars**" means the lawful currency of Hong Kong.

"**Rate of Distribution**" means the rate of Distribution payable from time to time in respect of this Perpetual Capital Security and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means:

(i) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market; and

(ii) in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong interbank market,

in each case selected by the Issuer or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any such successor or replacement page, section, caption, column or other party of a particular information service).

"**Relevant Time**" means, with respect to any Distribution Determination Date, the local time in the relevant Financial Centre specified hereon or, if none is specified, the local time in the relevant financial centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in the relevant financial centre or, if no such customary local time exists, 11.00 a.m. in the relevant financial centre and, for the purpose of this definition, "**local time**" means, with respect to the Euro-zone as a relevant financial centre, Central European Time.

"**Renminbi**" or "**CNY**" means the lawful currency of the PRC.

"**SORA Index Cessation Event**" means the occurrence of one or more of the following events:

(i) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences by a specified date within the following six months; or

(v) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date, within the following six months be deemed to be no longer representative; or

(vi) it has become unlawful for the Issuing and Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Securityholder using the Original Reference Rate,

provided that the SORA Index Cessation Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement;

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Perpetual Capital Securities are denominated.

"**Sterling**" means the lawful currency of the United Kingdom.

"**T2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System which was launched on 19 November 2007 or any successor thereto.

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(k) **Calculation Agent**: The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Perpetual Capital Security is outstanding. Where more than one Calculation Agent is appointed in respect of the Perpetual Capital Securities, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Distribution for a Distribution Accrual Period or to calculate any Distribution Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior written notice to the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5 Distribution Restrictions

(a) **Distribution Cancellation**: The Issuer may at its sole discretion elect to cancel any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date by giving notice (such notice, a "**Distribution Cancellation Notice**") of such election to the Securityholders in accordance with Condition 15 and to the Trustee and the Issuing and Paying Agent in writing at least 15 Business Days prior to the relevant Distribution Payment Date (in the case of Perpetual Capital Securities cleared through the CDP System) or 10 Business Days prior to the relevant Distribution Payment Date (in the case of Perpetual Capital Securities not cleared through the CDP System). The Issuer shall have no obligation to pay any Distribution on any Distribution Payment Date if it validly elects not to do so in accordance with this Condition 5(a) and any failure to pay such Distribution shall not constitute a Default (as described in Condition 10).

(b) **Distribution Restrictions**: Notwithstanding that a Distribution Cancellation Notice has not been given, the Issuer will not be obliged to pay, and will not pay, any Distribution on the relevant Distribution Payment Date (and such Distribution will not be considered to be due or payable) if:

(i) the Issuer is restricted by the MAS from making payment of dividends or distributions when due on its Additional Tier 1 Capital Securities;

(ii) the Issuer is unable to make such payment of dividends or other distributions on its Additional Tier 1 Capital Securities without causing a breach of the MAS's consolidated or unconsolidated capital adequacy requirements, including without limitation the requirements set out in MAS Notice FHC-N133 as applicable to GEH, and MAS Notice 133 as applicable to GEL; or

(iii) the aggregate of the amount of the Distribution (if paid in full), together with the sum of any dividends and distributions originally scheduled to be paid (whether or not paid in whole or in part) during the Issuer's then-current fiscal year on the Perpetual Capital Securities or its other Additional Tier 1 Capital Securities, would exceed the Distributable Profits as of the Distributable Profits Determination Date.

The Issuer shall have no obligation to pay any Distribution on any Distribution Payment Date if such non-payment is in accordance with this Condition 5(b) and any failure to pay such Distribution shall not constitute a Default. The Issuer shall notify the Trustee and the Issuing and Paying Agent about such non-payment in accordance with this Condition 5(b) in writing at least 15 Business Days prior to the relevant Distribution Payment Date (if possible, or if not possible, as soon as practicable in advance of such Distribution Payment Date) (in the case of Perpetual Capital Securities cleared through the CDP System) or ten Business Days prior to the relevant Distribution Payment Date (if possible, or if not possible, as soon as practicable in advance of such Distribution Payment Date) (in the case of Perpetual Capital Securities not cleared through the CDP System).

For the purpose of these Conditions:

"**Distributable Profits**" means, at any time, the amounts for the time being available to the Issuer for distribution as a dividend in compliance with Section 403 of the Companies Act 1967 of Singapore, as amended or modified from time to time ("**Available Amounts**") as of the date of the Issuer's latest audited balance sheet lodged with or provided to the MAS in accordance with Section 36 of the Insurance Act 1966 of Singapore or such other audited statements of account provided to the MAS; provided that if the Issuer reasonably believes that the Available Amounts as of any Distributable Profits Determination Date are lower than the Available Amounts as of the date of the Issuer's latest audited balance sheet and are insufficient to pay the dividends and distributions on its Additional Tier 1 Capital Securities on the relevant Distribution Payment Date, then an Authorised Signatory of the Issuer will be required to provide a certificate, on or prior to such Distributable Profits Determination Date, addressed to the Trustee and the Securityholders accompanied by a certificate of the Issuer's auditors for the time being of the Available Amounts as of such Distributable Profits Determination Date (which certificate of the Authorised Signatory of the Issuer will be binding absent manifest error) and "**Distributable Profits**" as of such Distributable Profits Determination Date for the purposes of such Distribution will mean the Available Amounts as set forth in such certificate; and

"**Distributable Profits Determination Date**" means, with respect to any Distribution Payment Date, the day falling two Business Days prior to that Distribution Payment Date.

(c) **Non-cumulative Distribution**: If a Distribution is not paid in accordance with Condition 5(a) and/or Condition 5(b), the Issuer is not under any obligation to pay that Distribution or any other Distributions that have not been so paid. Such unpaid Distributions are non-cumulative and do not accrue interest. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay Distributions pursuant to this Condition 5.

(d) **Distributable Profits**: Any Distribution may only be paid out of Distributable Profits.

(e) **Distribution Stopper**: If Distribution Stopper is specified as being applicable in the applicable Pricing Supplement and on any Distribution Payment Date, payment of Distributions scheduled to be made on such date is not made by reason of this Condition 5, the Issuer shall not:

(i) declare or pay any dividends or distributions in respect of its Junior Obligations (or contribute any monies to a sinking fund for the payment of any dividends or distributions in respect of any such Junior Obligations);

(ii) declare or pay, or permit any Subsidiary (where relevant) of the Issuer to declare or pay, any dividends or distributions in respect of its Additional Tier 1 Capital Securities the terms of which provide that making payments of dividends or distributions in respect thereof are fully at the discretion of the Issuer (or contribute any monies to a sinking fund for the payment of any dividends or distributions in respect of any such Additional Tier 1 Capital Securities); and

(iii) redeem, reduce, cancel, buy-back or acquire or permit any Subsidiary (where relevant) of the Issuer to redeem, reduce, cancel, buy-back or acquire any of its Additional Tier 1 Capital Securities or its Junior Obligations the terms of which provide that the right to redeem such Junior Obligations is fully at the discretion of the Issuer (or contribute any monies to a sinking fund for the redemption, capital reduction, cancellation, buy-back or acquisition of any such Additional Tier 1 Capital Securities or Junior Obligations),

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the GEH Group and/or (2) as otherwise specified in the applicable Pricing Supplement unless and until:

(x) a redemption of all the outstanding Perpetual Capital Securities has occurred;

(y) the next scheduled Distribution has been paid in full (or an amount equivalent to the next scheduled Distribution has been paid, or irrevocably set aside in a separately designated trust account for payment to the Securityholders); or

(z) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed).

(f) **No Default**: Notwithstanding any other provision in these Conditions, the cancellation or non-payment of any Distribution in accordance with this Condition 5 shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 10) on the part of the Issuer.

6 Redemption, Purchase and Options

(a) **No Fixed Redemption Date**: The Perpetual Capital Securities are perpetual securities in respect of which there is no fixed redemption date. The Perpetual Capital Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) **Early Redemption**: The Early Redemption Amount payable in respect of any Perpetual Capital Security, upon redemption of such Perpetual Capital Security pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons**: Subject to Condition 6(j), the Perpetual Capital Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date (if such Perpetual Capital Security is at the relevant time a Floating Rate Perpetual Capital Security) or at any time (if such Perpetual Capital Security is at the relevant time not a Floating Rate Perpetual Capital Security), on giving not less than 30 nor more than 60 days' notice to the Securityholders (in accordance with Condition 15) and to the Trustee and the Issuing and Paying Agent in writing (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b)) together with Distributions accrued but unpaid (if any) to (but excluding) the date fixed for redemption and any Additional Amounts (as defined in Condition 8) then due or which will become due on or before the date fixed for redemption or, if the Early Redemption Amount is not specified hereon, at their nominal amount, together with Distributions accrued but unpaid (if any) to (but excluding) the date fixed for redemption and any Additional Amounts then due or which will become due on or before the date fixed for redemption, if:

(i) where the applicable Pricing Supplement specifies this Condition 6(c)(i) as applicable, the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the Perpetual Capital Securities will not be regarded as "debt securities" for the purposes of Section 43H(4) of the Income Tax Act 1947 of Singapore (the "**Income Tax Act**") and Regulation 2 of the Income Tax

(Qualifying Debt Securities) Regulations or that Distributions on the Perpetual Capital Securities will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "***qualifying debt securities***" under the Income Tax Act; or

(ii) where the applicable Pricing Supplement specifies this Condition 6(c)(ii) as applicable, the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that Distributions on the Perpetual Capital Securities will not be regarded as sums "***payable by way of interest upon any money borrowed***" for the purpose of Section 14(1)(a) of the Income Tax Act for Singapore income tax purposes; or

(iii) (A) the Issuer has or will become obliged to pay Additional Amounts or increase such Additional Amounts; or

(B) if Change to Tax Accounting Treatment is specified as applicable in the applicable Pricing Supplement, payments of Distribution on the Perpetual Capital Securities will or would no longer be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the Income Tax Act or would otherwise be considered as payments of a type that are not deductible for Singapore income tax purposes,

as a result of any change in, or amendment to, the laws, treaties, regulations, rulings or other administrative pronouncements promulgated thereunder of Singapore or any political subdivision or any authority thereof or therein having power to tax (or any taxing authority of any taxing jurisdiction in which the Issuer is a tax resident), or any change in the official application or interpretation of such laws, treaties, regulations, rulings or other administrative pronouncements, which change or amendment is announced and becomes effective on or after the date on which agreement is reached to issue the Perpetual Capital Securities, and the foregoing cannot be avoided by the Issuer taking reasonable measures available to it, *provided that*, where the Issuer has or will become obliged to pay Additional Amounts or increase such Additional Amounts, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Perpetual Capital Securities then due.

Before the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer certifying that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and in the case of Condition 6(c)(iii), an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts or increase such Additional Amounts as a result of such change or amendment, and the Trustee shall be entitled (but shall not be obliged) without further enquiry and without liability to any Securityholder or any other person to accept and rely upon such certificate and/or opinion as conclusive evidence of the satisfaction of the conditions precedent set out above in this Condition 6(c), in which event such certificate and opinion shall be conclusive and binding on Securityholders.

Any redemption of Perpetual Capital Securities by the Issuer is subject to the Issuer obtaining the prior written approval of the MAS.

(d) **Redemption at the option of the Issuer**: Subject to Condition 6(j), and unless otherwise specified in the applicable Pricing Supplement, if Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Securityholders (in accordance with Condition 15) and to the Trustee and the Issuing and Paying Agent in writing, elect to redeem all, but not some only, of the Perpetual Capital Securities on the relevant date(s) specified hereon (which shall not be less than five years from the Issue Date) at their Optional Redemption Amount specified hereon or, if no Optional Redemption Amount is specified hereon, at their nominal amount together with Distributions accrued but unpaid (if any) to (but excluding) the date fixed for redemption in accordance with these Conditions.

All Perpetual Capital Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

Any redemption of Perpetual Capital Securities by the Issuer is subject to the Issuer obtaining the prior written approval of the MAS.

(e) **Redemption for Change of Qualification Event**:

Subject to Condition 6(j), if as a result of

(i) any change or proposed change to the relevant requirements issued by the MAS in relation to the qualification of any Perpetual Capital Securities issued by the Issuer as Additional Tier 1 Capital Securities;

(ii) any change in the application of official or generally published interpretation of such relevant requirements issued by the MAS or any relevant authority (including a ruling or notice issued by the MAS or any relevant authority) regarding the qualification of any Perpetual Capital Securities issued by the Issuer as Additional Tier 1 Capital Securities; or

(iii) any interpretation or pronouncement by the MAS or any relevant authority that provides for a position with respect to such relevant requirements issued by the MAS that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written statements made by any authority regarding the qualification of any Perpetual Capital Securities issued by the Issuer as Additional Tier 1 Capital Securities,

which change or amendment:

(X) becomes, or would become, effective on or after the Issue Date; or

(Y) in the case of a change or proposed change to the relevant requirements issued, or is expected to be issued, by the MAS, if such change is issued by the MAS, on or after the Issue Date,

the relevant Perpetual Capital Securities issued by the Issuer (in whole or in part) would not qualify as Additional Tier 1 Capital Securities (a "**Change of Qualification Event**"), then the Issuer may, having given not less than 30 nor more than 60 days' prior written notice to the Securityholders (in accordance with Condition 15) and to the Trustee and the Issuing and Paying Agent in writing (which notice shall be irrevocable), redeem in accordance with these Conditions on any Distribution Payment Date (if this Perpetual Capital Security is at the relevant time a Floating Rate Perpetual Capital Security) or at any time (if this Perpetual Capital Security is at the relevant time not a Floating Rate Perpetual Capital Security) all, but not some only, of the relevant Perpetual Capital Securities issued by the Issuer, at their Early Redemption Amount or, if no Early Redemption Amount is specified hereon, at their nominal amount together with Distributions accrued but unpaid (if any) to (but excluding) the date of redemption in accordance with these Conditions.

Prior to the publication of any notice of redemption pursuant to this Condition 6(e), the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer certifying that a Change of Qualification Event has occurred and the Trustee shall be obliged without any enquiry or investigation to accept such certificate as conclusive evidence of the satisfaction of the conditions set out above in this Condition 6(e), and such acceptance shall be without liability to any Securityholder or any other person. Such certificate shall be conclusive and binding on the Securityholders.

Any redemption of Perpetual Capital Securities is subject to the Issuer *obtaining the prior written approval of the MAS.*

(f) **Purchases**: The Issuer and any of its Subsidiaries (with the prior written approval of the MAS, for so long as the Issuer is required to obtain such approval) may at any time purchase the Perpetual Capital Securities in the open market or otherwise at any price in accordance with all relevant laws and regulations and, for so long as the Perpetual Capital Securities are listed, the requirements of the relevant stock exchange. The Issuer or any such Subsidiary may, at its option, retain such purchased Perpetual Capital Securities for its own account and/or resell or cancel or otherwise deal with them at its discretion. The Perpetual Capital Securities so purchased, while beneficially held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the holder to vote at any meetings of the Securityholders and shall not be deemed to be outstanding for certain purposes, including for purpose of calculating quorums at meetings of the Securityholders or for the purposes of Condition 10.

(g) **Cancellation**: All Perpetual Capital Securities purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation by surrendering the Certificate representing such Perpetual Capital Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Capital Securities redeemed by the Issuer, be cancelled forthwith. Any Perpetual Capital Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Perpetual Capital Securities shall be discharged.

(h) **No Obligation to Monitor**: Neither the Trustee nor any of the Agents shall be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 6 and none of them will be responsible or liable to the Securityholders for any loss arising from any failure by it to do so. Unless and until the Trustee has notice in writing of the occurrence of any event or circumstance within this Condition 6, it shall be entitled to assume that no such event or circumstance has occurred or exists.

(i) **Calculations**: Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any Early Redemption Amount, any Final Redemption Amount, any Optional Redemption Amount or any other amount payable under any notice of redemption under this Condition 6 and none of them shall be liable to the Securityholders, the Issuer or any other person for not doing so.

(j) **Redemption Conditions of Perpetual Capital Securities**: Any redemption under Conditions 6(c), 6(d), 6(e) or 6(k) is subject to obtaining the prior written approval of the MAS.

(k) **Redemption upon a Change of Ratings Methodology Event:** Where the applicable Pricing Supplement specifies this Condition 6(k) as applicable and subject to Condition 6(j), the Perpetual Capital Securities may be redeemed at the option of the Issuer in whole but not in part at any time on or after five years from the date of issuance of the Perpetual Capital Securities on giving not less than 30 nor more than 60 days' prior written notice to the Securityholders (in accordance with Condition 15) and to the Trustee and the Issuing and Paying Agent in writing (which notice shall be irrevocable), at their Early Redemption Amount, (together with Distributions accrued but unpaid (if any) to (but excluding) the date fixed for redemption), if as of the date fixed for redemption, an amendment, clarification or change has occurred, or will in the Distribution Period immediately following the date fixed for redemption occur, in the equity credit criteria, guidelines or methodology of (i) the Rating

Agency (as defined below) or (ii) any other rating agency of equivalent recognised standing requested from time to time by the Issuer to grant a rating to the Issuer or, as the case may be, the Perpetual Capital Securities, and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results or will result in a lower equity credit for the Perpetual Capital Securities than the equity credit assigned or which would have been assigned on the Issue Date (in the case of such Rating Agency) or assigned at the date when equity credit is assigned for the first time (in the case of any other rating agency) (the "**Change of Ratings Methodology Event**"), provided that, prior to the publication of any notice of redemption pursuant to this Condition 6(k), the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer certifying that a Change of Ratings Methodology Event has occurred and that the Issuer is entitled to effect such redemption and setting out the details of such circumstances, and the Trustee shall be obliged without any enquiry or investigation to accept such certificate as conclusive evidence of the satisfaction of the conditions set out above in this Condition 6(k), and such acceptance shall be without liability to any Securityholders or any other person. Such certificate shall be conclusive and binding on Securityholders.

Any redemption of Perpetual Capital Securities by the Issuer under this Condition 6(k) is subject to the Issuer obtaining the prior written approval of the MAS.

In this Condition 6(k), "**Rating Agency**" means Standard & Poor's Rating Services, and its successors.

7 Payments

(a) **Payments of Principal and Distributions**:

(i) Payments of principal in respect of Perpetual Capital Securities shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(a)(ii) below.

(ii) Distributions on Perpetual Capital Securities shall be paid to the person shown on the Register at the close of business:

(A) in the case of Perpetual Capital Securities denominated in a currency other than Renminbi, on the 15th day before the due date for payment thereof; and

(B) in the case of Perpetual Capital Securities denominated in Renminbi, on the fifth business day before the due date for payment (the "**Record Date**"). Payments of Distribution on each Perpetual Capital Security shall be made:

(X) in the case of a currency other than Renminbi, in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(Y) in the case of Renminbi, by transfer to the registered account of the Securityholder. If a holder does not maintain a registered account in respect of a payment to be made under the Perpetual Capital Securities, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, *provided that* the Issuer shall not have any obligation to make any such arrangements.

In this Condition 7(a):

"**Bank**" means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to T2; and "**registered account**" means the Renminbi account maintained by or on behalf of the Securityholder with a bank in Singapore or Hong Kong, details of which appear on the Register at the close of business on the fifth Business Day before the due date for payment.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, or CDP, as the beneficial holder of a particular nominal amount of Perpetual Capital Securities represented by a Global Certificate must look solely to Euroclear, Clearstream or CDP, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Certificate.

*All payments in respect of Perpetual Capital Securities represented by a Global Certificate (other than a Global Certificate held in CDP) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.*

All payments in respect of Perpetual Capital Securities represented by a Global Certificate in CDP will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the fifth business day before the due date for payment.

(b) **Payments subject to fiscal laws**: Save as provided in Condition 8, payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Securityholders in respect of such payments.

(c) **Appointment of Agents**: The Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Registrars, the Transfer Agents and the Calculation Agent(s) initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Registrars, the Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Securityholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the CDP Paying Agent, any other Paying Agent, the Registrars, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, Registrars, Transfer Agents or Calculation Agents, *provided that* the Issuer shall at all times maintain:

(i) an Issuing and Paying Agent;

(ii) a Registrar;

(iii) a Transfer Agent;

(iv) a CDP Paying Agent in relation to Perpetual Capital Securities accepted for clearance through the CDP System;

(v) one or more Calculation Agent(s) where these Conditions so require;

(vi) a Paying Agent in Singapore, where the Perpetual Capital Securities may be presented or surrendered for payment or redemption, in the event that the Global Certificates are exchanged for definitive Certificates, for so long as the Perpetual Capital Securities are listed on the SGX-ST and the rules of the SGX-ST so require; and

(vii) such other agents as may be required by any other stock exchange on which the Perpetual Capital Securities may be listed, in each case as approved in writing by the Trustee (such consent not to be unreasonably withheld).

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Securityholders.

(d) **Non-Business Days**: If any date for payment in respect of any Perpetual Capital Security is not a business day, the holder shall not be entitled to payment until the next following business day nor to any Distribution or other sum in respect of such postponed payment. In this Condition 7(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such other jurisdictions as shall be specified as "**Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than Euro or Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in Euro) which is a T2 Business Day; or

(iii) (in the case of Renminbi where the Perpetual Capital Securities are cleared through Euroclear or Clearstream) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in London and Hong Kong; or

(iv) (in the case of Renminbi where the Perpetual Capital Securities are cleared through the CDP System or where the Perpetual Capital Securities are in definitive form) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong.

(e) **Renminbi fallback**: Notwithstanding the foregoing and subject to Condition 5 and 6(j), if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not, in its sole and absolute discretion, able to satisfy payments of principal or Distribution in respect of the Perpetual Capital Securities when due in Renminbi (in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream) in Hong Kong, or (in the case of Perpetual Capital Securities cleared through the CDP System) in Singapore, the Issuer shall, on giving not less than 15 nor more than 30 business days' irrevocable notice to the Trustee and the Securityholders prior to the due date for payment, settle any such payment (in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream) in U.S. dollars, or (in the case of Perpetual Capital Securities cleared through the CDP System) in Singapore dollars, on the due date at (in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream) the U.S. Dollar Equivalent, or (in the case of Perpetual Capital Securities cleared through the CDP System) the Singapore Dollar Equivalent, of any such Renminbi denominated amount. The due date for payment shall be the originally scheduled due date or such postponed due date as shall be specified in the notice referred to above, which postponed due date may not fall more than 20 days after the originally scheduled due date. Distributions on the Perpetual Capital Securities will continue to accrue up to but excluding any such date for payment of principal.

In such event, payments of the U.S. Dollar Equivalent or the Singapore Dollar Equivalent (as applicable) of the relevant principal or Distribution in respect of the Perpetual Capital Securities shall be made by:

(i) in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream, transfer to a U.S. dollar denominated account maintained by the holder with a bank in New York City; and the definition of "**business day**" for the purpose of this Condition 7(e) shall mean any day on which banks and foreign exchange markets are open for general business in the relevant place of presentation, and New York City; or

(ii) in the case of Perpetual Capital Securities cleared through the CDP System, transfer to a Singapore dollar denominated account maintained by the payee with a bank in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7(e) by the Calculation Agent will (in the absence of wilful default, bad faith, fraud or manifest error) be binding on the Issuer, the Agents and all Securityholders.

In this Condition 7(e):

"**Determination Business Day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for general business (including dealings in foreign exchange):

(i) in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream, in Hong Kong, in Singapore and New York City; or

(ii) in the case of Perpetual Capital Securities cleared through the CDP System, in Singapore;

"**Determination Date**" means the day which:

(i) in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream, is five Determination Business Days before the due date for payment of the relevant amount under these Conditions; or

(ii) in the case of Perpetual Capital Securities cleared through the CDP System, is 15 Determination Business Days before the due date for payment of the relevant amount under these Conditions;

"**Governmental Authority**" means:

(i) in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream, any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong; or

(ii) in the case of Perpetual Capital Securities cleared through the CDP System, the MAS or any other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore;

"**Illiquidity**" means:

(i) in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream, the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay Distribution or principal in respect of the Perpetual Capital Securities as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the Issuer; or

(ii) in the case of Perpetual Capital Securities cleared through the CDP System, the general Renminbi exchange market in Singapore becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay Distribution or principal in respect of the Perpetual Capital Securities as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the Issuer;

"**Inconvertibility**" means the occurrence of any event that makes it impossible (where it had been previously possible) for the Issuer to convert any amount due in respect of the Perpetual Capital Securities in the general Renminbi exchange market and, in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream, Hong Kong, or, in the case of Perpetual Capital Securities cleared through the CDP System, Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts:

(i) in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream, inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) in Hong Kong and in New York City; or

(ii) in the case of Perpetual Capital Securities cleared through the CDP System, inside Singapore or from an account inside Singapore to an account outside Singapore and outside the PRC or from an account outside Singapore and outside the PRC to an account inside Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**PRC**" means the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan);

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in:

(i) in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream, in Hong Kong; and

(ii) in the case of Perpetual Capital Securities cleared through the CDP System, in Singapore;

"**Singapore Dollar Equivalent**" means the Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date;

"**Spot Rate**" means:

(i) in the case of Perpetual Capital Securities cleared through Euroclear or Clearstream, the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3 or, if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF; or

If such rate is not available, the Calculation Agent will determine the Spot Rate at or around 11.00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means such display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate; or

(ii) in the case of Perpetual Capital Securities cleared through the CDP System, for a Determination Date, means the spot Renminbi/Singapore dollar exchange rate as determined by the Issuer at or around 11.00 a.m. (Singapore time) on such date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the Issuer may determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7(e) by the Calculation Agent will (in the absence of wilful default, bad faith, fraud or manifest error) be binding on the Issuer, the Agents and all Securityholders; and

"**U.S. Dollar Equivalent**" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date as promptly notified to the Issuer and the Paying Agents.

8 Taxation

All payments of principal and Distributions by or on behalf of the Issuer in respect of the Perpetual Capital Securities shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If the Issuer is required to make a deduction or withholding by or within Singapore, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall result in receipt by the Securityholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Perpetual Capital Security:

(a) **Other connection**: to, or to a third party on behalf of, a holder who is:

(i) treated as a resident of or as having a permanent establishment in Singapore for tax purposes; or

(ii) liable to such taxes, duties, assessments or governmental charges in respect of such Perpetual Capital Security by reason of his having some connection with Singapore other than the holding or ownership of the Perpetual Capital Security or receiving income therefrom, or the enforcement thereof; or

(b) **Lawful avoidance of withholding**: to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements concerning the nationality, residence, identity or other attributes of the holder or beneficial owner or by making or procuring that any third party makes a declaration of residence, non-residence or other similar claim for exemption to any tax authority in the place where the relevant Perpetual Capital Security (or the Certificate representing it) is presented for payment; or

(c) **Presentation more than 30 days after the Relevant Date**: where presentation is required or has occurred, presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Amounts on presenting it for payment on or before the 30th such day.

As used in these Conditions, "**Relevant Date**" in respect of any Perpetual Capital Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Securityholders that, upon further presentation of the relevant Perpetual Capital Security (or the Certificate representing it) being made in accordance with these Conditions, such payment will be made, *provided that* payment is in fact made upon such presentation. References in these Conditions to:

(i) "**principal**" shall be deemed to include any premium payable in respect of the Perpetual Capital Securities, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it;

(ii) "**Distribution**" shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it; and

(iii) "**principal**" and/or "**Distribution**" shall be deemed to include any Additional Amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

Notwithstanding any other provision of these Conditions, any amounts to be paid by or on behalf of the Issuer in respect of the Perpetual Capital Securities, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

For the avoidance of doubt, neither the Trustee nor any Agent shall be responsible or liable for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 and none of the Trustee or any of the Agents shall be responsible or liable for (A) determining whether the Issuer or any Securityholder is liable to pay any taxes, duty, charges, withholding or other payment referred to in this Condition; or (B) determining the sufficiency or insufficiency of any amounts so paid. None of the Trustee or the Agents shall be responsible or liable for any failure of the Issuer, any Securityholder, or any other third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), distribution or other amount under or in respect of the Perpetual Capital Securities without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

Where interest (including Distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium is derived from any of the Perpetual Capital Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act shall not apply if such person acquires such Perpetual Capital Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose *interest (including Distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium derived from the Perpetual Capital Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.*

9 Prescription

Claims against the Issuer for payment in respect of the Perpetual Capital Securities shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of Distribution) from the appropriate Relevant Date in respect of them.

10 Default

(a) *Default*: "**Default**", wherever used in this Condition 10, means (except as expressly provided below, whatever the reason for such Default and whether or not it shall be voluntary or involuntary or be effected by the operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) failure to pay principal of or Distribution on any Perpetual Capital Security (which default in the case of principal continues for seven Business Days and in the case of Distribution continues for 14 Business Days) after the due date for such payment.

(b) *Enforcement*: If a Default occurs in relation to the Perpetual Capital Securities and is continuing, the sole remedy available to the Trustee shall be the right to institute proceedings in Singapore (but not elsewhere) for the winding-up of the Issuer. The Trustee shall have no right to enforce payment under or accelerate payment of any Perpetual Capital Security in the case of such Default in payment on such Perpetual Capital Security or a default in the performance of any other covenant of the Issuer in such Perpetual Capital Security or in the Trust Deed except as provided for in this Condition 10 and Clause 7 of the Trust Deed.

Subject to the subordination provisions as set out in Condition 3 and in Clause 5 and Clause 7 of the Trust Deed, if a court order is made or an effective resolution is passed for the winding-up of the Issuer, there shall be payable on the relevant Perpetual Capital Securities, after the payment in full of all claims of all the Relevant Creditors, but in priority to holders of Junior Obligations of the Issuer, such amount remaining after the payment in full of all claims of all the Relevant Creditors up to, but not exceeding, the nominal amount of the relevant Perpetual Capital Securities together with Distribution accrued to the date of repayment.

(c) *Rights and Remedies upon Default*: If a Default in respect of the payment of principal of, or Distribution on, the Perpetual Capital Securities occurs and is continuing, the sole remedy available to the Trustee shall be the right to institute proceedings in Singapore (but not elsewhere) for the winding-up of the Issuer. If the Issuer shall default in the performance of any obligation contained in the Trust Deed or the relevant Perpetual Capital Securities other than a Default specified in Condition 10(a) above, the Trustee and the Securityholders shall be entitled to every right and remedy given hereunder or thereunder or now or hereafter existing at law or in equity or otherwise, provided, however, that the Trustee shall have no right to enforce payment under or accelerate payment of any Perpetual Capital Security except as provided in this Condition 10 and Clause 7 of the Trust Deed. If any court awards money damages or other restitution for any default with respect to the performance by the Issuer of its obligations contained in the Trust Deed, the relevant Perpetual Capital Securities, the payment of such money damages or other restitution shall be subject to the subordination provisions set out herein and in Clause 5 and Clause 7 of the Trust Deed.

(d) *Entitlement of the Trustee*: The Trustee shall not be bound to take any of the actions referred to in Condition 10(b) and Condition 10(c) above or any other actions under these Conditions or Clause 7.3 of the Trust Deed or any other action under the Trust Deed unless (i) it shall have been so requested by an Extraordinary Resolution of the Securityholders or in writing by the holders of at least 25 per cent. in aggregate nominal amount of the relevant Perpetual Capital Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion.

(e) *Rights of holders*: No Securityholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up of the Issuer in Singapore or to prove in any winding-up of the Issuer unless the Trustee, having become so bound to proceed (in accordance with the terms of the Trust Deed and these Conditions) or being able to prove in such winding-up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Securityholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No remedy against the Issuer in respect of the relevant Perpetual Capital Securities, other than as referred to in this Condition 10 and Clause 7 of the Trust Deed, shall be available to the Trustee or any Securityholder whether for the recovery of amounts owing in relation to or arising from the relevant Perpetual Capital Securities and/or, in respect of the relevant Perpetual Capital Securities, the Trust Deed or in respect of any breach by the Issuer of any of its other obligations relating to or arising from the relevant Perpetual Capital Securities and/or, in respect of the relevant Perpetual Capital Securities, the Trust Deed.

11 Meetings of Securityholders, Modification, Waiver and Substitution

(a) **Meetings of Securityholders**: The Trust Deed contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provision of the Trust Deed and/or the Agency Agreement. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee upon the request in writing of Securityholders holding not less than 10 per cent. in aggregate nominal amount of the Perpetual Capital Securities for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than 50 per cent. in nominal amount of the Perpetual Capital Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the nominal amount of the Perpetual Capital Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia:*

(i) to amend the dates of redemption of the Perpetual Capital Securities or any date for payment of Distribution or Distribution Amounts on the Perpetual Capital Securities;

(ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Perpetual Capital Securities;

(iii) to reduce the rate or rates of Distribution in respect of the Perpetual Capital Securities or to vary the method or basis of calculating the rate or rates or amount of Distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Capital Securities (except as a result of any modification contemplated in Condition 4(i));

(iv) if a Minimum Rate of Distribution and/or a Maximum Rate of Distribution, or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Distribution and/or Maximum Rate of Distribution;

(v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount;

(vi) to vary the currency or currencies of payment or denomination of the Perpetual Capital Securities;

(vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply;

(viii) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass the Extraordinary Resolution; or

(ix) to amend the subordination provisions in the Trust Deed or to modify Condition 3 in respect of the Perpetual Capital Securities,

in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate nominal amount of the Perpetual Capital Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Securityholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution (x) in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Perpetual Capital Securities outstanding who for the time being are entitled to receive notice of a meeting of Securityholders under the Trust Deed or (y) passed by Electronic Consent (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

The consent or approval of the Securityholders shall not be required in the case of amendments to these Conditions pursuant to Condition 4(i) to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Distribution Amount in respect of the Perpetual Capital Securities or for any other variation of these Conditions, the Trust Deed and/or the Agency Agreement required to be made in the circumstances described in Condition 4(i), where the requirements of Condition 4(i) have been satisfied (including the provision of a certificate to the Trustee, where applicable).

These Conditions may be amended, modified or varied in relation to any Series of Perpetual Capital Securities by the terms of the applicable Pricing Supplement in relation to such Series.

(b) **Modification of the Trust Deed, etc. and waiver**: The Trustee may (but shall not be obliged to) agree, without the consent of the Securityholders, to:

(i) any modification of any of the provisions of the Trust Deed, the Agency Agreement and/or these Conditions which, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of applicable law or as required by CDP and/or Euroclear and/or Clearstream; and

(ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement and/or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Notwithstanding any other provision of these Conditions or the Trust Deed, no modification to any Condition or any provision of the Trust Deed may be made without the prior written approval of the MAS, to the extent that such modification changes or otherwise affects the eligibility of the Perpetual Capital Securities as Additional Tier 1 Capital Securities.

Any such modification, authorisation or waiver shall be binding on the Securityholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified to the Securityholders as soon as practicable.

(c) **Substitution**: The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Securityholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Perpetual Capital Securities.

(d) **Entitlement of the Trustee**: In connection with the exercise of its functions and/or duties and/or exercise of its rights, powers and/or discretions under the Trust Deed, the Agency Agreement and/or these Conditions (including, but not limited to, those referred to in this Condition 11), the Trustee shall have regard to the interests of the Securityholders as a class and shall not have regard to the consequences of such exercise for individual Securityholders and the Trustee shall not be entitled to require on behalf of any Securityholders, nor shall any Securityholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders.

12 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including, without limitation, provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforce its rights under the Trust Deed, the Agency Agreement, and/or these Conditions and/or in respect of the Perpetual Capital Securities or from taking any other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction and entitling the Trustee to be paid or reimbursed for its fees, costs, expenses and indemnity payments and for any liabilities incurred by it in priority to the claims of the Securityholders.

The Trustee may accept and rely without liability to Securityholders or any other person on a report, confirmation or certificate or any advice or opinion of any legal counsels, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may conclusively (without liability) accept and shall be entitled to rely on such report, confirmation, certificate, advice or opinion and such report, confirmation, certificate, advice or opinion shall be binding on the Issuer, the Trustee and the Securityholders.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Securityholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Securityholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Securityholders or in the event that no direction is given to the Trustee by the Securityholders. None of the Trustee or any Agent shall be liable to any Securityholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Securityholders. The Trustee shall be entitled to rely on any direction, request or resolution of Securityholders given by holders of the requisite principal amount of Perpetual Capital Securities outstanding or passed at a meeting of Securityholders convened and held in accordance with the Trust Deed.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and/or any other person appointed by the Issuer in relation to the Perpetual Capital Securities of the duties and obligations on their part expressed in respect of the same and, unless it has express written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. Neither the Trustee nor any of the Agents shall be under any obligation to ascertain whether any Default (as defined in the Trust Deed), as the case may be, has occurred or may occur or to monitor compliance by the Issuer with the provisions of the Trust Deed, the Agency Agreement and/or these Conditions.

Each Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and its Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Securityholder shall not rely on the Trustee in respect thereof.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer or any person or body corporate associated (directly or indirectly) with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Securityholders and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

13 Replacement of Certificates

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer, the Issuing and Paying Agent and/or the Registrar in respect of such Certificates) and otherwise as the Issuer and/or the relevant Agent may require in their sole discretion. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Further Issues

The Issuer may from time to time without the consent of the Securityholders create and issue further securities either having the same terms and conditions as the Perpetual Capital Securities in all respects (or in all respects except for the first payment of Distribution on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Perpetual Capital Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Capital Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single series with the Perpetual Capital Securities. Any further securities forming a single series with the outstanding securities of any series (including the Perpetual Capital Securities) constituted by the Trust Deed or any deed supplemental to it shall be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Securityholders and the holders of securities of other series where the Trustee so decides.

15 Notices

Notices to the holders of Perpetual Capital Securities shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday, Sunday or gazetted public holiday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Capital Securities shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*) or, so long as Perpetual Capital Securities are listed on the SGX-ST, published on the website of the SGX-ST. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any published notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

So long as the Perpetual Capital Securities are represented by the Global Certificate and the Global Certificate is held on behalf of CDP, Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to Securityholders shall be given by delivery of the relevant notice to CDP (subject to the agreement of CDP), Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions, and shall be deemed to have been given on the date of delivery to such clearing system, except that if the Perpetual Capital Securities are listed on the SGX-ST, and the rules of the SGX-ST so require, notice will in any event be published as provided above.

16 Contracts (Rights of Third Parties) Act

[Without prejudice to the rights of the Securityholders as set out in these Conditions, no person shall have any right to enforce any term or condition of the Perpetual Capital Securities under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Perpetual Capital Securities expressly provide for such Act to apply to any of their terms.][3]

[Without prejudice to the rights of the Securityholders as set out in these Conditions, no person shall have the right to enforce any term or condition of the Perpetual Capital Securities under the Contracts (Rights of Third Parties) Act 2001 of Singapore.][4]

17 Governing Law and Jurisdiction

(a) **Governing Law**: The Trust Deed, [as supplemented by the Singapore Law Trust Deed,][4] the Perpetual Capital Securities and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English law, save that the provisions in relation to subordination, set-off and payment void, default and enforcement are governed by and shall be construed in accordance with Singapore law][3] [Singapore law][4].

(b) **Jurisdiction**: [The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Perpetual Capital Securities, save that the courts of Singapore shall have exclusive jurisdiction to settle any disputes that arise out of or are in connection with the provisions in relation to subordination, set-off and payment void, default and enforcement and accordingly any legal action or proceedings arising out of or in connection with any Perpetual Capital Securities ("**Proceedings**") may be brought in such courts. Insofar that the Proceedings do not arise out of or are in connection with the provisions in relation to subordination, set-off and payment void, default and enforcement, the Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Perpetual Capital Securities and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the

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[3] Include for Perpetual Capital Securities governed by English law.

[4] Include for Perpetual Capital Securities governed by Singapore law.

taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not). Insofar that the Proceedings arise out of or are in connection with the provisions in relation to subordination, set-off and payment void, default and enforcement, all parties irrevocably submit to the exclusive jurisdiction of the courts of Singapore and waive any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.][6]

[The courts of Singapore are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Perpetual Capital Securities and accordingly any legal action or proceedings arising out of or in connection with any Perpetual Capital Securities ("**Proceedings**") shall be brought in such courts. All parties irrevocably submit to the exclusive jurisdiction of the courts of Singapore and waive any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.][5]

(c) [**Service of Process**: The Issuer has in the Trust Deed irrevocably appointed Oversea-Chinese Banking Corporation Limited, London Branch of The Rex Building, 3rd Floor, 62 Queen Street, London EC4R 1EB, United Kingdom as its agent to accept service of documents in connection with proceedings in England and Wales in any Proceedings, service upon whom shall be deemed completed whether or not forwarded to or received by the Issuer. If for any reason Oversea-Chinese Banking Corporation Limited, London Branch ceases to be appointed or is otherwise unable to accept service of process on behalf of the Issuer in England, the Issuer shall immediately appoint a new agent to accept such service of process in England.][6]

18 Headings

Headings are for convenience only and do not affect the interpretation of these Terms and Conditions.

[5] Include for Perpetual Capital Securities governed by Singapore law.

[6] Include for Perpetual Capital Securities governed by English law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a Pricing Supplement to this Offering Circular.

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary or CDP.

Upon the initial deposit of a Global Note with a Common Depositary or CDP, or registration of Registered Notes in the name of, or the name of any nominee for, CDP, Euroclear or Clearstream and delivery of the relevant Global Certificate to the Common Depositary or CDP (as the case may be), CDP or Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the applicable Pricing Supplement) other clearing systems through direct or indirect accounts with CDP and/or Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with CDP, Euroclear, Clearstream or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of CDP, Euroclear, Clearstream or any other permitted clearing system (an "**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to CDP, Euroclear, Clearstream or any such Alternative Clearing System (as the case may be) for his share of each payment made by the relevant Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of CDP, Euroclear, Clearstream or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange

1 Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(a) if the applicable Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "*Summary of the Programme – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and

(b) otherwise, in whole or in part, upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the applicable Pricing Supplement, for Definitive Notes.

2 Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "*Partial Exchange of Permanent Global Notes*", in part for Definitive Notes:

(a) if the Permanent Global Note is held on behalf of the Euroclear or Clearstream or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(b) if the Permanent Global Note is held on behalf of CDP and (a) an Event of Default or a Default, enforcement event or analogous event entitling an accountholder or the Trustee to declare the Notes due and payable as provided in the relevant Conditions has occurred and is continuing, (b) CDP is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (c) CDP announces an intention permanently to cease business and no Alternative Clearing System is available or (d) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the terms and conditions for the provision of depository services and no Alternative Clearing System is available; or

(c) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuing and Paying Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of CDP, Euroclear, Clearstream or Alternative Clearing System.

3 Global Certificates

Global Certificates

If the Pricing Supplement states that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in CDP, Euroclear or Clearstream or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system while they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system. Transfers of the holding of Notes represented by any Global Certificate pursuant to Note Condition 2(b) or, as the case may be, Perpetual Capital Securities Condition 2(a) may be made:

(a) in whole or in part, if the Global Certificate is held on behalf of Euroclear or Clearstream or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(b) in whole or in part, if the Global Certificate is held by or on behalf of CDP and

   (i) an Event of Default or Default, enforcement event or analogous event entitling an accountholder or the Trustee to declare the Notes due and payable as provided in the Conditions has occurred and is continuing,

   (ii) CDP is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise),

   (iii) CDP announces an intention permanently to cease business and no Alternative Clearing System is available, or

(iv) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the terms and conditions for the provision of depository services and no Alternative Clearing System is available,

provided that, in the case of the first transfer of part of a holding pursuant to paragraphs (a) and (b) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Note Conditions (which will be set out in the applicable Pricing Supplement) relating to Partly-Paid Notes.

4 Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the relevant Issuer will:

(a) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange; or

(b) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. Global Notes and Definitive Notes will be delivered outside the United States and its possessions.

In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest (in respect of Notes other than Perpetual Capital Securities) or Instalment Amounts that have not already been paid on the Global Note and, if applicable, a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

5 Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days or in the case of exchange following failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

The Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

(a) **Payments**

Except in the case of Definitive Notes where an applicable Fixed Coupon Amount or, as the case may be, Fixed Distribution Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest or, as the case may be, Rate of Distribution to:

(A) in the case of fixed rate Notes which are represented by Global Notes, the aggregate outstanding nominal amount of the fixed rate Notes represented by such Global Notes (or, if a Note is specified as being partly paid, the aggregate amount paid up); or

(B) in the case of fixed rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made, against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Note Condition 6(h) (in respect of Notes other than Perpetual Capital Securities).

All payments made in respect of Notes represented by a Global Certificate held on behalf of Euroclear or Clearstream will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

All payments made in respect of Notes represented by a Global Certificate held by CDP will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the fifth business day prior to the date of payment.

(b) **Prescription**

Claims against the relevant Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest (in respect of Notes other than Perpetual Capital Securities)) from the appropriate Relevant Date (as defined in Note Condition 7 (in respect of the Notes other than Perpetual Capital Securities)) or in the case of Distribution (in respect of Perpetual Capital Securities) from the appropriate Relevant Date (as defined in Perpetual Capital Securities Condition 8 (in respect of Perpetual Capital Securities)).

(c) **Meetings**

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each minimum integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

(d) **Cancellation**

Cancellation of any Note represented by a Permanent Global Note that is required by the Note Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note.

(e) **Purchase**

Notes represented by a Permanent Global Note may, at any time, only be purchased by the relevant Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest (in respect of Notes other than Perpetual Capital Securities) and Instalment Amounts (if any) thereon.

(f) **Issuer's Option**

Any option of the relevant Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the relevant Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Note Conditions, except that the notice shall not be required to contain the serial numbers of Bearer Notes drawn. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of CDP, Euroclear and/or Clearstream (to be reflected in the records of Euroclear and Clearstream as either a pool factor or a reduction in nominal amount, at their discretion) or any other clearing system (as the case may be).

(g) **Noteholders' Options**

Any option of the Noteholders provided for in the relevant Conditions of any Notes while such Notes are represented by a Permanent Global Note or a Global Certificate may be exercised by the holder of the Permanent Global Note or Global Certificate giving notice to the Issuing and Paying Agent (or, in the case of Notes cleared through CDP, the CDP Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the relevant Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Bearer Notes, or in the case of Registered Notes, shall not be required to specify the nominal amount of Registered Notes and the holder(s) of such Registered Notes, in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note or a Global Certificate to the Issuing and Paying Agent, or, in the case of Notes cleared through CDP, the CDP Paying Agent or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

(h) **Trustee's Powers**

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Global Certificate and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

(i) **Direct Rights in respect of Notes cleared through CDP**

If any Event of Default has occurred and is continuing, the Trustee may state in a notice given to the Issuing and Paying Agent and the relevant Issuer (the "**default notice**") the nominal amount of Notes (which may be less than the outstanding nominal amount of the Global Note or Global Certificate) which is being declared due and payable. Following the giving of the default notice, the holder of the Notes represented by the Global Note or Global Certificate, as the case may be, cleared through CDP may (subject as provided below) elect that direct rights ("**Direct Rights**") under the provisions of the deeds of covenant executed as a deed by the relevant Issuer on 15 March 2024, (and as further amended, restated or supplemented from time to time, the "**CDP Deed of Covenant**") shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the Issuing and Paying Agent and the Registrar in the case of the Global Certificate and presentation of the Global Note or Global Certificate, as the case may be, to or to the order of the Issuing and Paying Agent for reduction of the nominal amount of Notes represented by the Global Note or Global Certificate, as the case may be, by such amount as may be stated in such notice and by endorsement of the appropriate Schedule thereto of the nominal amount of Notes in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Global Note or Global Certificate, as the case may be, shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Exchange Date or the date of transfer in respect of a Global Certificate unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

(j) **Notices**

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system (subject, in the case of the Global Note or Global Certificate held by CDP, to the agreement of CDP) for communication by it to entitled accountholders in substitution for publication as required by the relevant Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate except that if the Notes are listed on the SGX-ST, and the rules of the SGX-ST so require, notice will in any event be published in accordance with the relevant Conditions.

(k) **Partly-Paid Notes**

The provisions relating to Partly-Paid Notes are not set out in this Offering Circular but will be contained in the applicable Pricing Supplement and thereby in the Global Notes or the Global Certificate. While any instalments of the subscription monies due from the holder of Partly-Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly-Paid Notes within the time specified, the Issuers may forfeit such Notes and shall have no further obligation to their holder in respect of them.

Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

(a) each of the relevant Issuer and the Trustee shall be entitled to rely upon approval of a resolution proposed by the relevant Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Trust Deed). None of the relevant Issuer or the Trustee or any of their respective directors, officers, employees, agents or, in the case of the Trustee, Appointees (as defined in the Trust Deed) shall be liable or responsible to anyone for such reliance; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the relevant Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the relevant Issuer and/or the Trustee, as the case may be, by:

(i) accountholders in the clearing system(s) with entitlements to such Global Note or Global Certificate; and/or

(ii) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held.

For the purpose of establishing the entitlement to give any such consent or instruction, the relevant Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by Euroclear, Clearstream, Luxembourg, CDP or any other relevant clearing system (the "**relevant clearing system**") or issued by an accountholder of them or an intermediary in a holding chain as the Trustee in its absolute discretion may require and accept, in each case in relation to the holding of interests in the Notes. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Trustee (a) shall not be responsible for verifying the beneficial ownership of any Notes or the accuracy of any information contained in any such certificate or document and (b) shall be entitled to rely on any such certificate or document. Neither the relevant Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

(c) A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Noteholders and holders of Coupons, Talons and Receipts, whether or not they participated in such Written Resolution and/or Electronic Consent.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be used by each Group for general corporate purposes, funding working capital and future growth plans or such other purpose as may be specified in the relevant Pricing Supplement.

CAPITALISATION OF THE GEH GROUP

The following table sets forth the capitalisation of the GEH Group as at 31 December 2023, based on or derived from the audited consolidated financial statements of the GEH Group unless otherwise indicated.

	As at 31 December 2023 (Audited) S$ million
Liabilities:	
Other creditors	1,912.5
Income tax payable	164.6
Derivative financial liabilities	179.7
Provision for agents' retirement benefits	297.6
Deferred tax liabilities	268.7
Reinsurance contract liabilities	220.1
Insurance contract liabilities	98,001.6
Total Liabilities	**101,044.8**
Equity:	
Share capital	152.7
Total reserves	7,732.8
Shareholders' equity	7,885.5
Non-controlling interests	103.5
Total equity	**7,989.0**

SHARE CAPITAL

The following table sets forth GEH's issued share capital as at 31 December 2023:

	Number of shares	S$ million
Ordinary Shares issued	473,319,069	152.7

CAPITAL ADEQUACY RATIO

The following table sets forth the GEH Group's capital adequacy ratio as at 31 December 2023:

	As at 31 December 2023 (Unaudited) %
Capital adequacy ratio	204.9

CAPITALISATION OF THE GEL GROUP

The following table sets forth the capitalisation of the GEL Group as at 31 December 2023, based on or derived from the audited consolidated financial statements of the GEL Group unless otherwise indicated.

	As at 31 December 2023 (Audited) S$ million
Liabilities:	
Other creditors	1,767.3
Income tax payable	138.8
Derivative financial liabilities	176.3
Provision for agents' retirement benefits	297.6
Deferred tax liabilities	265.5
Reinsurance contract liabilities	166.0
Insurance contract liabilities	97,400.6
Total Liabilities	**100,212.1**
Equity:	
Share capital	97.2
Total reserves	3,470.4
Shareholders' equity	3,567.6
Non-controlling interests	71.7
Total equity	**3,639.3**

SHARE CAPITAL

The following table sets forth GEL's issued share capital as at 31 December 2023:

	Number of shares	S$ million
Ordinary Shares issued	97,175,880	97.2

CAPITAL ADEQUACY RATIO

The following table sets forth GEL's capital adequacy ratio as at 31 December 2023:

	As at 31 December 2023 (Unaudited) %
Capital adequacy ratio	183.6

DESCRIPTION OF THE ISSUERS

For the avoidance of doubt, each reference to the "GEH Group" includes the "GEL Group".

INTRODUCTION

Founded in 1908, Great Eastern is a well-established market leader and trusted brand in Singapore and Malaysia, and has operations in Indonesia and Brunei. GEH is the holding company of the Great Eastern group of companies. As at 31 December 2023, the GEH Group has S$109.0 billion in assets and more than 16 million policyholders, including 13 million from government schemes. Insurance solutions are provided to customers through three distribution channels – a tied agency force, bancassurance and financial advisory firm Great Eastern Financial Advisers ("**GEFA**").

GEL is a registered life insurer and following a restructuring in November 1999, GEL became a wholly-owned life insurance arm of GEH. GEL has been assigned the financial strength and counterparty credit ratings of "AA-" by S&P Global Ratings since 2010, one of the highest among Asian life insurance companies.

The GEH Group adopts a customer-centric approach when developing solutions for its customers. To cater to the diverse needs of its customers, the GEH Group offers a broad range of products and services, ranging from life insurance to health and personal accident insurance, as well as general insurance. In 2023, the GEH Group's Total Weighted New Sales ("**TWNS**")[1] decreased 12 per cent. against the previous year, reflecting lower single premium sales in the Singapore market. The inverted Singapore dollar yield curve has made shorter term interest yielding investments more appealing than single premium products to some customers. Lower sales in single premium products were partially offset by growth in regular premium sales, particularly in protection and whole life plans through the GEH Group's core distribution channels. Further, in 2023, the GEH Group's New Business Embedded Value ("**NBEV**")[2], a measure of long-term economic profitability, fell by 11 per cent. on a comparable basis against the previous year, reflecting lower sales on the whole.

In 2023, the GEH Group's core business lines remain resilient and strong, with steady growth in new customer count. On a full-year basis, Profit Attributable to Shareholders increased by 27 per cent. to S$774.6 million, driven by favourable investment performance in the GEH Group's life insurance business in Singapore and shareholders' fund. Profitability of the GEH Group's insurance business is healthy, although dampened by higher medical claims. The total new customer base grew by over 400,000 in 2023.

GEH is a subsidiary of Oversea-Chinese Banking Corporation Limited ("**OCBC**"), the longest established Singapore bank, formed in 1932. OCBC is the second largest financial services group in Southeast Asia by assets as at 31 December 2023 and one of the world's most highly-rated banks, with an Aa1 rating from Moody's Investors Service and AA- by S&P Global Ratings.

COMPETITIVE STRENGTHS

Trusted brand with long history and heritage

GEL was incorporated on 26 August 1908 and is the oldest licensed local insurer in Singapore. It is a wholly-owned subsidiary of GEH, a company listed on the SGX-ST. With its long history and heritage, GEH Group is a brand trusted by both the private and public sectors. In 2021, GEL was the only private insurer awarded the five-year contract by the Central Provident Fund Board ("**CPF Board**") to administer the Dependants' Protection Scheme ("**DPS**") in a competitive tender. GEL also offers the GREAT SupremeHealth, which is one of the few MediSave-approved plans, to supplement the Singapore Government's national long-term care insurance schemes. GEL's partnership with the public sector has allowed it to reach a wider client base and increase its penetration in the insurance market.

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[1] Total Weighted New Sales ("**TWNS**") = Single Premium x 10% + New Regular Premium x min (premium term x 10%,100%)

[2] New Business Embedded Value ("**NBEV**") is measured by the value of projected shareholder distributable profits from new business sold in the year.

Strong financial and capital position

The GEH Group has a strong asset base, with total assets reaching S$109.0 billion as at 31 December 2023, out of which S$103.8 billion is contributed by GEL Group. Its market capitalisation stands at S$8.3 billion as at 31 December 2023. For 2023, the Capital Adequacy Ratios of the insurance subsidiaries of the GEH Group remained well above their respective minimum regulatory levels under the Risk-based Capital Frameworks established by the Monetary Authority of Singapore ("**MAS**"), Bank Negara Malaysia and Otoritas Jasa Keuangan, Indonesia.

GEL and Great Eastern General Insurance Limited (formerly known as the Overseas Assurance Corporation Limited) ("**GEG**") have been assigned the financial strength and counterparty credit ratings of "AA-" by S&P Global Ratings since 2010, one of the highest among Asian life insurance companies.

Extensive and expansive omnichannel distribution network

The GEH Group has always aimed to connect better with its customers via its omnichannel approach. The GEH Group distributes its products mainly through its subsidiaries GEL, GEG and GEFA. GEH Group provides insurance solutions to customers through its three distribution channels – tied agency force, bancassurance, and financial advisory firm GEFA.

The GEH Group's financial representatives form a core pillar of its distribution network and are the key in delivering its products and services to customers. It has an agency force of over 30,000 financial representatives as its core distribution channel. The GEH Group is also focused on the professional development of its financial representatives, through structured training and competency roadmaps.

Digitalisation is a key aspect of the GEH Group's omnichannel distribution network. It helps the GEH Group's agents, bancassurance channels and other distribution channels to reach out to more customers. For further information, please refer to the section "*Distribution Channels*".

Diversified products portfolio

The GEH Group offers a broad range of insurance products through its subsidiaries to cover its customers across all stages of life. Its life insurance products are offered by GEL, Great Eastern Life Assurance (Malaysia) Berhad ("**GELM**") and PT Great Eastern Life Indonesia ("**GELI**") while its general insurance business is underwritten by GEG, Great Eastern General Insurance (Malaysia) Berhad ("**GEGM**") and PT Great Eastern General Insurance Indonesia ("**GEGI**"). The GEH Group also continues to leverage data analytics and customer research insights to deliver personalised solutions for its different customer segments. Its Centre for Design, Insights and Innovation ("**CDII**") engages with consumers to better understand their needs, attitudes and perspectives. These collective insights have helped the GEH Group to deliver sharper product propositions and customer experiences.

GEL offers products in the following categories: life insurance, health insurance, personal accident insurance, retirement income and wealth accumulation.

GEG offers a wide range of commercial and personal line products and distributes its products through bancassurance, agents, brokers, financial representatives and direct channels. Its comprehensive suite of insurance solutions includes motor, home, travel, personal accident and maid for retail customers, and small and medium business packages and various property and casualty insurance for businesses.

The GEH Group believes that its diversified product suite allows it to capture evolving customer demand under a variety of market conditions. Its long-term track record has also provided the necessary experience and know-how to deliver quality products and services to its customers.

Strong parentage

OCBC was formed in 1932 and is the longest established Singapore bank. It is the second largest financial services group in Southeast Asia by assets as at 31 December 2023 and one of the world's most highly-rated banks, with an "Aa1" from Moody's Investors Service and "AA-" from both S&P Global Ratings and Fitch Ratings. Recognised for its financial strength and stability, OCBC is also consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best SME Bank in Asia Pacific at the Global Finance SME Banking Awards 2023-2024. OCBC's key markets are

Singapore, Malaysia, Indonesia and Greater China. It has a network of more than 420 branches and representative offices in 19 countries and regions, including over 190 branches and offices in Indonesia operated by its subsidiary, PT Bank OCBC NISP Tbk ("**Bank OCBC NISP**").

OCBC owns 88.45 per cent. of GEH as at 31 December 2023. The GEH Group's strong partnership with OCBC is pivotal to the former's business growth across the region. The GEH Group works closely with OCBC to embed its insurance offerings into OCBC's digital touchpoints to reach out to more customers. In 2023, the GEH Group had numerous collaborations with OCBC through its subsidiaries. GELM launched Maximus, a new universal life plan with no medical underwriting. This savings plan is aimed at further penetrating the savings segment targeting new and existing OCBC customers. Great Eastern Takaful Berhad ("**GETB**") launched a new investment-linked Takaful Plan, DualPro-i, with a family-oriented theme for OCBC Al-Amin to complement the existing product suite. This new product is further supplemented by Hospitalisation, Payor Protector and Provider Protect riders.

The GEH Group's long-running partnership with OCBC has allowed it to continuously provide reliable and innovative insurance solutions to its customers.

Experienced management team driving a comprehensive business growth strategy

The expertise of the GEH Group's management team spans across a broad range of areas, from finance and business management to tax and the public sector. Each member is thus able to contribute to the overall effectiveness of the management team and complement the skills, experience and knowledge of one another. The GEH Group is thus well-positioned to respond to challenges and to stay on course in executing its strategic priorities.

STRATEGY

The GEH Group's vision, mission and values

The GEH Group is firmly guided by its vision, mission and values in conducting its business operations.

Vision Statement

To be the leading financial service provider in Asia, recognised for GEH Group's excellence.

Mission Statement

To make life great by providing financial security, and promoting good health and meaningful relationships.

Core values

Integrity

- Maintain the highest standards of integrity.
- Commit to fair dealing as the basis of the business to safeguard customer interests.
- Provide quality holistic financial planning.

Initiative

- Strive for excellence in everything.
- Always be customer-focused.
- Aim to be proactive.
- Improve, innovate and generate new ideas.

Involvement

- Foster a strong sense of belonging for all stakeholders.
- Provide a conducive environment to promote growth and development.
- Adopt a team approach based upon respect and courtesy.
- Be a responsible member of the community.

Focus on customer centricity

Operationally, the GEH Group has set out a three-pronged strategy: to bolster product propositions to address customers' needs across all life stages and segments; to enhance its digital tools to offer a more seamless and intuitive experience; and to strengthen operational services to bring greater value to its customers so as to live up to its refreshed brand identity and promise.

The GEH Group continues to embed customer centricity into the design and delivery of its products and services to deliver efficient and positive customer experiences. Frequent refresh of customer experiences and products are conducted, and are backed by studies and research. For example, with the high interest rate and inverted yield curve environment persisting, customers continued to prefer short-term investment options and to meet this demand, the GEH Group launched a series of Great SP which offers guaranteed returns with a time horizon of one or two years. Following the introduction of the Cancer Drug List for Integrated Shield Plans ("**IPs**") by the Ministry of Health in April 2023, GEL also enhanced its plans to complement these changes to ensure the long term cost of cancer treatments and insurance premiums remain affordable. GEG also launched a new standalone electric vehicle ("**EV**") insurance plan in 2023, the GREAT EV Protect, in tandem with the acceleration of Singapore's transition to an EV-only future.

Digitalisation

Through investments in technology, the GEH Group strives to fully meet the needs of its customers and to deliver a seamless experience for them. These investments include embracing cloud adoption and information technology ("**IT**") modernisation to enable a scalable and safe operating environment to support its host of systems and applications – such as its API gateway, which enables automated interactions between applications, and its customer relationship management system.

The GEH Group views its digitalisation initiatives as a useful tool to help its agents, bancassurance channels and other distribution channels to better understand, reach and serve a wider customer base. Improved technological capabilities can enhance its operational processes and capacity by reducing the time needed to, amongst others, process policy applications, respond to customer enquiries and address claims.

In Singapore, the GEH Group enhanced its mobile application to make it seamless and convenient for customers to purchase or renew policies across its range of life and general insurance offerings. It also rolled out a new online eClaims portal to simplify the submission of travel insurance claims. Since its introduction, half of all travel claims were submitted through this online channel.

In Malaysia, the GEH Group digitised its claims process through eConnect, which covers life, critical illness, and total and permanent disability insurance. In addition to allowing customers to self-help digitally, agents are able to assist and file claims digitally on behalf of their customers, thereby doing away with paper submissions. Customers are now able to view the real time status of their claims anytime and anywhere.

In Indonesia, the GEH Group continued its digitalisation efforts to provide greater servicing convenience to its customers via its GoGreat customer portal. In 2023, 83 per cent. of all eligible service requests and 95 per cent. of all fund switches were done online through the portal.

Building capability in artificial intelligence ("AI")

In 2023, the GEH Group continued to build AI capability across various functions, and to organise and enrich its enterprise data to harness the potential that AI offers. The GEH Group began development of selected AI use cases, including enhanced market conduct surveillance, anti-money laundering, increasing claims automation, streamlining underwriting, and understanding customers' needs.

In Singapore, the GEH Group used AI to accelerate settlement of medical claims through the implementation of its Medical Claims Automation engine. This resulted in 50 per cent. of medical claims under its IPs being approved via Straight-Through Processing ("**STP**"), reducing the turnaround time for claims settlement. The GEH Group also completed the full implementation of the predictive underwriting models for life, critical illness, total and permanent disability, and health applications, achieving a 70 per cent. STP rate and shortening the time taken to reach underwriting decisions.

In Indonesia, GELI launched the GREATLink Intelligence Equity Fund, which uses AI to identify investments that may be overlooked using traditional research methods. The fund, managed by GELI, was ranked amongst top ten by market research firm Infovesta for returns among unit link insurance plans.

Boosting the capabilities of financial representatives

The GEH Group is committed to continuously developing the skillset of its agency force, ensuring that they are well equipped to meet the evolving needs of customers. The curriculum designed for the financial representatives is centred around innovative training programmes led by seasoned in-house trainers and industry professionals. The GEH Group also taps on its enhanced digital tools as enablers for learning and development.

For further information, please refer to the section "*Distribution Channels*".

Strengthening bancassurance partnerships

In 2023, the GEH Group strengthened its unique positioning as the insurance partner of the OCBC group. The GEH Group leveraged the OCBC group's resources, including OCBC group's institutional, retail, investment and private banking footprint, and offered its products and services as part of the OCBC group's wealth management offering. This partnership approach has allowed the GEH Group to develop customised solutions to better meet the holistic financial needs of customers across the OCBC group. In 2023, the GEH Group achieved a 12 per cent. year-on-year growth in new customers from the OCBC group's base in Singapore. Similarly, the GEH Group's strong partnership with OCBC across Malaysia and Indonesia delivered a 62 per cent. and 20 per cent. increase in new customers respectively.

For further information, please refer to the section "*Distribution Channels*".

Extending affinity partnerships

The GEH Group continues to strengthen its partnerships with different external parties to reach out to new customer segments.

In Singapore, the GEH Group continued its digital affinity collaboration with Singtel. In October 2023, it launched the Singtel Home Protect Flexi, a home and contents insurance plan that is linked to the customer's broadband subscription. This provides homeowners with the assurance of seamless protection without having to worry about any lapse in coverage should they change homes, as their new addresses are automatically updated. Through Singtel Travel Protect, the GEH Group continued to experience strong growth for travel insurance as demand picked up in 2023. It also improved its car insurance offerings to earn new sign ups as well as renewals for Singtel Car Protect.

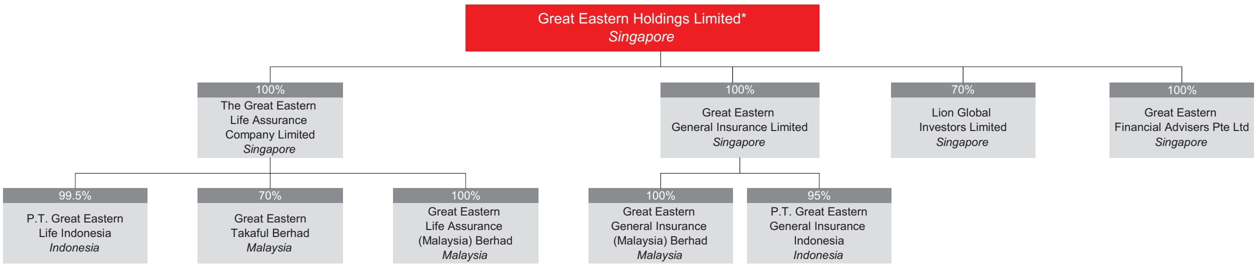
In September 2023, the GEH Group launched a new partnership with loyalty programme "yuu Rewards" as their exclusive insurance partner, providing a platform for the GEH Group to market its range of insurance solutions such as travel, home and personal accident to yuu Rewards' member base of over 1.4 million.

In Indonesia, GEGI expanded its partnership with Indodana, leveraging their offline retail channels to increase electronic and gadget protection plans.

ORGANISATION AND STRUCTURE OF THE GEH GROUP

In Singapore, the GEH Group has four main operating subsidiaries namely, GEL, GEG, Lion Global Investors Limited ("**LGI**") and GEFA.

Simplified Structure Chart of the GEH Group



NOTE

1. This simplified structure chart is as at December 2023.
2. Only active or operating subsidiaries are shown.

*Listed company in Singapore

GEL is a registered life insurer incorporated as a limited liability company in Singapore on 26 August 1908 and has 115 years of operating history in Singapore and Malaysia. GEH was incorporated in 1999 and in November 1999, GEL underwent restructuring to become a wholly-owned life insurance arm of GEH. GEL has operations in Singapore, Malaysia, Indonesia, and Brunei through its subsidiaries GELI, GETB and GELM. GEG was incorporated in 1920 and in 1955, it became a composite insurer dealing in general and life insurance in Singapore. GEG merged with GEH in December 2000 which resulted in GEG becoming a wholly-owned composite insurance subsidiary of GEH. GEGM is a wholly-owned subsidiary of GEG. LGI, the fund management subsidiary of GEH, is one of the largest private sector asset management companies in Southeast Asia. GEFA is a licensed financial advisory firm of the GEH Group in Singapore.

GEH is a majority-owned subsidiary of OCBC. OCBC has a total interest of 88.45 per cent. in GEH as at 31 December 2023.

PERFORMANCE HIGHLIGHTS

The GEH Group has applied SFRS(I) 17 from 1 January 2023. It is a comprehensive new accounting standard for insurance and reinsurance contracts covering recognition, measurement, presentation and disclosure. SFRS(I) 17 replaces SFRS(I) 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023. The nature and effects of the changes in the Group accounting policies upon adoption of SFRS(I) 17 is disclosed on page F-20 of the Index to Financial Information of this Offering Circular.

The GEH Group

2023

In 2023, the value of the GEH Group's total assets amounted to about S$109 billion and its market capitalisation stood at S$8.3 billion.

The key highlights of GEH Group's overall insurance businesses for 2023 are as follows:

- NBEV fell by 11 per cent. to S$762.1 million on a comparable basis to the same period in 2022;
- TWNS declined 12 per cent. to S$1,659.4 million, reflecting lower single premium sales in the Singapore market, partially offset by growth in regular premium sales, particularly in protection and whole life plans through the GEH Group's core distribution channels; and

- Profit Attributable to Shareholders[1] increased 27 per cent. to S$774.6 million, driven by favourable investment performance in the GEH Group's Singapore life insurance business in Singapore and shareholders' fund.

The GEH Group has a well-balanced business portfolio. For 2023, its gross premiums amounted to S$16.3 billion, of which 55 per cent. consisted of new premiums and 45 per cent. consisted of renewal premiums.

The following is a breakdown of the GEH Group's financial statistics across its key markets for 2023:

Singapore

In 2023, TWNS premiums fell by 18 per cent. to SGD1.081 billion and NBEV decreased by 22 per cent. on a comparable basis against the previous year to SGD386 million. The general insurance business in Singapore grew by 10 per cent. to SGD188 million in gross written premiums year-on-year.

Malaysia

TWNS premiums from GELM and GETB increased by 9 per cent. to MYR1,839.6 million compared to 2022, and NBEV similarly grew 9 per cent. on a comparable basis against the previous year to MYR1,239.4 million. Gross written premium from GEGM recorded a 23 per cent. growth to MYR713.6 million year-on-year.

Indonesia

GELI's Total Weighted New Business premiums increased by 14 per cent. to IDR381.1 billion and NBEV rose by 12 per cent. on a comparable basis against the previous year to IDR144.5 billion. Its general insurance business grew by 24 per cent. to IDR729 billion in gross written premiums year-on-year.

2022

In 2022, the value of GEH Group's total assets[2] amounted to about S$108 billion and its market capitalisation stood at S$8.76 billion.

The key highlights of GEH Group's overall insurance businesses for 2022 are as follows:

- NBEV grew by 7 per cent. to S$860.4 million compared to the same period in 2021;

- TWNS declined 4 per cent. to S$1,887.3 million, reflecting lower sales from single premium plans, offset partially by better performance in regular premium sales; and

- Profit Attributable to Shareholders[3] fell 30 per cent. to S$784.2 million largely reflecting the lower valuation of investments given the challenging global investment climate, operating profit from insurance business registered a healthy growth of 4 per cent. for the year.

The GEH Group has a well-balanced business portfolio. For 2022, its gross premiums amounted to S$18.6 billion, of which 62 per cent. consisted of new premiums and 38 per cent. consisted of renewal premiums.

The following is a breakdown of GEH Group's financial statistics across its key markets for 2022:

Singapore

GEL's TWNS premiums fell 8 per cent. to S$1.32 billion while NBEV increased by 7 per cent. to S$492 million. Its general insurance business grew by 8 per cent. to S$171 million in gross written premiums year-on-year.

[1] The 2023 figure for Profit Attributable to Shareholders was prepared in accordance with the newly adopted SFRS(I) 17 accounting standard which came in effect since 1 January 2023.

[2] The 2022 figure for total assets was prepared in accordance with the SFRS(I) 4 accounting standard.

[3] The 2022 figure for Profit Attributable to Shareholders was prepared in accordance with the SFRS(I) 4 accounting standard.

Malaysia

TWNS from GELM and GETB increased by 8 per cent. to RM1,689.6 million compared to 2021, while NBEV grew 10 per cent. to RM1,141.1 million. GEGM's gross written premiums grew 11 per cent. to RM581.3 million year-on-year.

Indonesia

GELI's TWNS increased by 39 per cent. to IDR334.6 billion and NBEV increased by 58 per cent. to IDR129.3 billion. The general insurance business in Indonesia grew by 35 per cent. to IDR585.6 billion in gross written premiums year-on-year.

The GEL Group

2023

In 2023, the value of the GEL Group's total assets amounted to S$103.8 billion and its Profit Attributable to Shareholders was S$615.0 million.[1]

2022

In 2022, the value of the GEL Group's total assets amounted to S$102.7 billion and its Profit Attributable to Shareholders was S$825.0 million.[2]

PRINCIPAL ACTIVITIES OF THE GEH GROUP

The principal activities of the GEH Group are its life insurance, general insurance and fund management businesses.

Life Insurance

The life insurance business of the GEH Group is principally undertaken by GEL, its life insurance arm. For further information, please refer to the section "*Principal Activities of GEL and its Subsidiaries*".

General Insurance

The general insurance business of the GEH Group is underwritten and managed by GEG in Singapore, GEGM in Malaysia and GEGI in Indonesia.

GEG distributes a wide range of commercial and personalised general insurance products through brokers, agents, bancassurance, financial representatives, affinity partners and direct channels. Its comprehensive suite of insurance solutions include motor, home, travel, personal accident, maid for retail customers and small and medium business packages and various property and casualty insurance for businesses.

Fund Management

Launched in September 2005 following the merger of the asset management arms of OCBC and the GEH Group, LGI is one of the largest private sector asset management companies in Southeast Asia, with total assets under management of S$69.9 billion as at 31 December 2023, a majority of which consists of funds placed by the GEH Group. LGI is 70 per cent. owned by GEH and 30 per cent. owned by Orient Holdings Private Limited, a wholly-owned subsidiary of OCBC.

LGI offers a suite of investment products covering all asset classes to statutory boards, educational institutions, public and private companies, charities, non-profit organisations and retail investors. Its core competencies are in managing Asian fixed income, equity and multi-asset strategies for both institutional and retail investors. LGI has also developed global Curated Portfolio Solutions as well as launched a series of thematic exchange-traded funds, focusing on Singapore real estate investment trusts, China technology companies and China leading companies, to meet the evolving needs of its clients.

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[1] The 2023 figures for total assets and Profit Attributable to Shareholders were prepared in accordance with the newly adopted SFRS(I) 17 accounting standard which came in effect since 1 January 2023.

[2] The 2022 figures for total assets and Profit Attributable to Shareholders were prepared in accordance with the SFRS(I) 4 accounting standard.

PRINCIPAL ACTIVITIES OF GEL AND ITS SUBSIDIARIES

The principal activity of GEL is its life insurance business. It has subsidiaries in Malaysia (GELM and GETB) and Indonesia (GELI), and operations in Brunei. GEL and its subsidiaries provide different types of products comprising term assurance, various types of protections and savings products, critical illness cover, medical indemnity and cash cover, personal accident cover, disability cover and annuities across various products classes including participating, non-participating, investment-linked and universal life products.

Operations in Singapore

GEL is a leading insurer in Singapore in terms of new business sales, total business in force and total assets under management. GEL's market leading position is reflected by numerous accolades and awards conferred on it, including the Most Transparent Company Award (Financials) award presented at the SIAS Investors' Choice Awards 2023 and the Most Engaged Workplaces – Singapore award presented by Kincentric 2023. GEL also swept numerous awards at the Insurance Asia Awards 2023, namely the Digital Transformation Initiative Award, the Health Insurance Initiative of the Year – Singapore, and Education Insurance Initiative of the Year – Singapore.

To strengthen its life insurance business, GEL continually leverages data analytics and customer research insights to deliver personalised solutions for its different customer segments. The CDII has engaged over 2,000 consumers to better understand their needs, attitudes and perspectives and these collective insights have helped GEL deliver sharper product propositions and customer experiences.

With the help of customer analytics, GEL launched the GREAT Care Benefit and GREAT Critical Protector to selected customers to help plug their hospitalisation and critical illness coverage gaps, and continued its efforts to help the CPF Board's DPS policyholders enhance their death benefit with GoGreat Term Life.

GEL's sales are generated through its strong agency force comprising more than 5,000 financial representatives and it continues to invest in technology and training to further enhance the advisory capabilities of its financial representatives. The development of the agency force continues to focus on productivity and professionalism with emphasis on meeting customers' needs and providing quality services. For further information, please refer to the section "*Distribution Channels*".

GEL offers a comprehensive range of life insurance products providing life, critical illness, medical and personal accident, disability, annuities and group cover. It participates in various government insurance schemes covering a major proportion of residents in Singapore and has been proactive in introducing new life insurance products into the Singapore market. For example, GEL was the first insurer to launch a green life insurance product in Singapore – the GREAT Green SP – which is a three-year single premium endowment plan with 1.55 per cent. per annum guaranteed yield upon maturity. The plan offers protection against death and total permanent disability, with no medical underwriting needed. GEL donated S$1,000 for every S$1 million raised from the GREAT Green SP proceeds. GEL also expanded and enhanced its offerings of retirement propositions to help meet consumers income and protection needs. It enhanced its flagship retirement plan Prestige Life Rewards to commence earlier payouts, and launched a new single premium variant of its Great Wealth Multiplier endowment plan to enable this to be eligible under the Singapore government's Supplementary Retirement Scheme.

GEL also introduced GREAT Flexi Saver, an innovative single premium plan with an open-ended policy term that provides attractive monthly crediting rates exclusively for customers receiving maturity payments. This provides them with convenience and flexibility whilst they consider their reinvestments.

In the area of operations, GEL has been continuously enhancing its efficiency and quality of service with the use of IT. GEL's continuous investments in digital technology enabled it to deliver higher operational efficiencies and more personalised customer service.

Operations in Malaysia

GELM is one of the leading insurers in Malaysia in terms of new business sales and total business in force. It began its operations in 1908 as a branch office of GEL. Subsequently following the transfer of the branch operations to a locally incorporated public company on 1 January 1999, GELM became a life insurance subsidiary of GEL.

With more than a century of experience, GELM has more than RM92 billion in assets, over 4.0 million policies in force and a network of close to 22,000 financial representatives nationwide, as at 31 December 2023. As of the date of this Offering Circular, GELM has 21 branches nationwide, and its products include life insurance plans, investment-linked plans, mortgage protection, business protection, employee benefits, medical insurance and group health benefit schemes.

GELM's leadership position in the market is also reflected in the numerous accolades and awards it has won over the years. These include the BrandLaureate Nation's Favourite Brand for Insurance Category for four consecutive years from 2019 to 2023 and the Reader's Digest Trusted Brand Award under the category of Life Insurance for twenty consecutive years from 2004 to 2023.

GELM has a widespread distribution network across Malaysia. In 2023, it elevated the productivity of its distribution channels with market-driven products, training programmes and an upgraded point-of-sales ("**POS**") system. GELM's major distribution channel is its agency force, which is one of the largest in the industry in Malaysia. It continues to grow and refine its agency force with active recruitment initiatives and implementation of various initiatives to further enhance its productivity and professionalism.

On the operational front, GELM modernised its IT infrastructure and systems capabilities to enhance the quality of services provided. It invested in and further harnessed digital technology to improve customer experiences and operational efficiency of its distribution channels. By introducing a new online claims submission service, eClaims, the turnaround time for claims processing is reduced by six days, providing increased customer satisfaction and higher efficiency for its financial representatives. As of end-2023, GELM received 40 per cent. of life insurance claims digitally. GELM also made notable improvements to the POS system, enhancing the sales process to be more efficient and convenient for both bankers and customers. Its sales illustration system for credit-related products were revamped to enable more seamless integration with its bank partners and to enhance user experience.

In terms of product propositions, GELM aims to provide financial security to its customers through innovative product solutions to protect, preserve, and grow what matters to them, amidst the landscape of persistent inflation and continuous rise in the cost of living in Malaysia. For instance, GELM launched a multi-generational wealth accumulation insurance plan. The GREAT Multi-Gen Wealth is the first-of-its-kind in Malaysia and allows the policy to be transferred from generation to generation. It also has unique features such as Change of Life Assured, Secondary Life Assured and Alternate Policy Owner in one plan. This limited pay whole life plan comes with investment boosters that will be credited into the total investment value of the policy throughout the policy term, helping customers to grow and transfer the long-term savings across multiple generations. The plan also offers hassle-free enrolment with no medical underwriting required. To cater to the evolving needs of its digital customers, GELM also enhanced its hospitalisation income benefit rider that protects the life assured's income in the event of hospital admission. The rider serves to complement its Group Multiple Benefits Insurance Scheme ("**GMBIS**").

The GEH Group's takaful arm in Malaysia, GETB, is committed to providing health and wealth protection to its customers. It thus launched a new hybrid savings plan in 2023, i-Great Nova, complemented by the Contributor Protection Plus Term rider to provide an affordable yet comprehensive high-coverage Takaful plan with a flexible coverage term for its customers.

In October 2023, GELM and GETB also announced the proposed acquisition of AmMetLife Insurance and AmMetLife Takaful, entering into a 20-year exclusive Bancassurance and Bancatakaful agreement for the distribution of life insurance and family Takaful products to the customers of AmBank (M) Berhad and AmBank Islamic Berhad. The addition of AmBank as a new strategic distribution partner will further strengthen GELM's and GETB's competitive position in Malaysia with an expanded distribution network.

Other Regional Operations of GEL and its subsidiaries

Internationalisation is an integral part of GEL's corporate strategy as it continues to deepen and broaden its presence in Asia over the years, particularly in Malaysia and emerging markets like Indonesia and Brunei.

Indonesia

GEL's 99.5 per cent. owned Indonesia subsidiary, GELI, was established in 1996.

In 2023, GELI's TWNS premiums increased by 14 per cent. to IDR381.1 billion and NBEV rose by 12 per cent. on a comparable basis against the previous year to IDR144.5 billion.

GELI is the first insurance company in Indonesia to offer an investment-linked fund that is powered by AI to manage risks and optimise returns. In the GreatLink Intelligence Equity Fund, AI is used to filter big data of stocks listed on the Indonesia Stock Exchange. The filtered data is then processed using various algorithm models and analysis is carried out to determine which stocks are performing well. From its launch in May to December 2023, the fund outperformed the Jakarta Composite Index ("**JCI**") benchmark, attaining 9.9 per cent. in returns, compared with 8.3 per cent. for JCI.

In the group insurance business, GELI's focus on synergies among business partners, refined product offerings, and streamlined underwriting processes resulted in the launch of the Employee Benefit Quotation System for GREAT Health Guard, a significant milestone to simplify processes for new business and renewals.

In 2023, GELI forged a new bancassurance partnership with Bank Mega Syariah to offer Sharia Credit Life Products. Strengthening its strategic collaboration with OCBC Bank, GELI introduced two new ILPs – GREAT Protection Link and GREAT Investlink Protection to tap new customer segments. In addition to expanding product offerings, GELI further deepened its collaboration with OCBC Bank by expanding its distribution reach to include the workplace, consumer loan and private banking sectors.

Customer-centricity remained at the forefront of GELI's endeavours, as exemplified by the launch of the customer portal GoGREAT! Services which provides customers with a seamless and user-friendly platform for transactions and real-time updates.

On the affinity business front, GELI partnered with Fuse, an Insurtech start-up in Indonesia, to market a one-stop product solution, Asuransi Grea Pro Solutions, that offers personal accident, life, critical illness, and health benefits, via its digital platorm.

In recognition of its performance, GELI was awarded "The Most Innovative Life Insurance Outstanding Provision of Innovative Protection Product" at the Warta Ekonomi-Indonesia Digital Innovation Awards 2023. It also received the "Digital Transformation Initiatives of the Year – Indonesia" and the "ESG Initiatives of the Year - Indonesia" awards at the Insurance Asia Awards 2023.

Brunei

One of GEL's main strategies in Brunei in 2023 was to foster agency growth by developing and empowering its aspiring leaders as it recognises that its agency force is the backbone of its business.

Another key strategy is to enhance GEL's product offerings for the Brunei Life Fund, to provide comprehensive life insurance solutions for its customers

A third key strategy is to enhance customer centricity to provide seamless customer experience. With the implementation of e-receipts, customers can view their receipts online at their convenience whilst reducing the company's carbon footprint.

DISTRIBUTION CHANNELS

The GEH Group distributes insurance products via three main distribution channels – tied agency force, bancassurance and financial advisory firm GEFA.

Tied Agency Force

Tied agency force is a key distribution channel for the GEH Group with its combined agency force of over 30,000 financial representatives in Singapore and Malaysia. As such, the GEH Group has been investing in technology and training to further enhance the advisory capabilities of its agency channel.

For instance, the GEH Group strengthened its collaboration with the Institute of Banking and Finance ("**IBF**"), such that all its training modules are mapped to IBF's competency framework to deliver a more impactful and relevant curriculum. In recognition of this, the GEH Group was awarded the Education Insurance Initiative of the year by Insurance Asia Awards 2023.

The GEH Group is also further enabling its financial representatives to better serve the needs of the affluent customers through The High Net Worth Certification accredited by IBF. This programme equips the financial representatives with deep technical knowledge and specialised financial planning strategies to cater to the needs of this customer segment.

In addition to training programmes, the GEH Group continues to scale up its digital enablement support through the Adviser Digital Portal, with enhanced functions such as content marketing and event resources which opens up additional avenues for its financial representatives to drive customer engagement and sales. The GEH Group also revamped the functionalities and capabilities of GreatPlanner, an online digital tool that helps financial representatives perform everyday tasks more efficiently and to gain deeper insights into their customers.

On the recruitment front, GEL introduced various initiatives, including monthly thematic events, internship programmes for fresh graduates, and profile-segmented recruitment kits tailored to engage with a diverse range of candidate profiles. For example in 2023, GEL hosted a career seminar attended by more than 200 aspiring financial representatives. Such initiatives enabled GEL to attract more mid-career switchers and younger candidates to strengthen its network of over 5,000 financial representatives in Singapore.

In Malaysia, GELM continued to uplift the capabilities of close to 22,000 financial representatives in their sales advisory and services. Its agency training arm, the Centre for Excellence, launched GreatKnowledge, a new cloud-based e-learning platform to enable its financial representatives to learn remotely at their own convenience and to exchange key takeaways through the platform anytime and anywhere.

Bancassurance

GEL was the first insurer in 1992 to establish a bancassurance network in Singapore in an exclusive partnership with OCBC. This bancassurance business was transferred to the then-Overseas Assurance Corporation Limited in December 2000 when GEL became a fully-owned subsidiary of GEH. Since then, GEL's focus has been on strengthening its bancassurance business by collaborating closely with OCBC to embed its insurance offerings into OCBC's digital touchpoints to reach more customers.

GEL further deepened its partnership with OCBC through more extensive collaborations. In 2023, GEL offered CareShield supplementary plans to OCBC's customer base to close the long-term disability protection gap across data analytics and digital marketing platforms.

In Malaysia, following the liberalisation of the financial sector by Bank Negara Malaysia in April 2009, GELM forged a strategic partnership with OCBC to offer bancassurance products in Malaysia. This partnership allows GELM and GETB to tap on 38 branches of OCBC across Malaysia and has resulted in a significant increase in contribution of bancassurance to GELM's business.

In Indonesia, GELI continued to work closely with its core bancassurance partner Bank OCBC NISP. Some areas of collaboration between GELI and OCBC include the launch of a new protection bundle with OCBC mutual fund product, expansion into multiple customer segments among OCBC's customer base, and adding sales resources to support OCBC. As a result of these efforts, in 2023, GELI's bancassurance business grew by 20 per cent. compared to 2022.

The GEH Group's relationship with OCBC enables close partnership and more co-ordinated initiatives in sales management and product development which could be difficult to replicate in other bancassurance partnerships. It continues to work closely with OCBC to identify gaps in the product range and introduce new products to meet customer needs as well as to explore marketing strategies and revenue synergy opportunities to reach out to more customers of OCBC.

GEFA

GEFA is a financial advisory firm wholly-owned by GEH. GEFA is licensed by the MAS to offer financial advisory services. The range of products that it can advise on includes life policies, general insurance and collective investment schemes. GEFA is also the exclusive financial advisory firm distributing Great Eastern Life products.

GEFA has a force of over 3,000 financial representatives. These financial representatives are distinguishable by their accreditation and industry training – most of them hold at least tertiary education, and professional qualifications which include Chartered Financial Consultant and Certified Financial Planner.

PRODUCTS

To serve the evolving needs of its customers at different stages of their lives, the GEH Group continues to expand its broad, diversified product portfolio designed to respond to its wide-ranging customer base. It regularly develops and launches various new and innovative products across its multi-channel distribution platforms.

Descriptions of the GEH Group's key product lines are set out below and they include products offered by GEL:

Consumer business

Life insurance

GEL uses various channels to distribute its life insurance products. These products generally cover death, total permanent disability and terminal illness. One key life insurance policy is the GREAT Life Advantage 3, which is sold together with a multiple claim critical illness rider. It also provides flexible coverage adjustable at various life milestones, as well as a free child cover benefit of S$20,000. In 2023, GEL launched the GREAT Flexi Protect Suite Series as a suite of comprehensive whole life plans that provides customers secure lifelong multiplied coverage.

Health insurance

GEL's health insurance products generally cover hospitalisation, critical illness, disability and maternity. One featured product is GEL's GREAT SupremeHealth + GREAT TotalCare. With this plan, customers can get access to one of the largest panels of medical specialists with Health Connect, benefit from one of the best cancer coverages across GEL's plans, and get covered for up to 95 per cent. of their hospitalisation bills for life. In 2023, GEL launched the GREAT Hospital Cash to provide customers with lump sum cash payouts to cover hospitalisation expenses, complementing customers' existing health coverage.

Personal accident insurance

GEL's personal accident insurance covers fractures, burns, COVID-19, dengue, infectious diseases, medical reimbursements and accidents. One of the key personal accident insurance products is GEL's GREAT Protector Active. It provides up to S$3 million coverage at affordable premiums. Customers can boost their coverage by up to 1.5 times when they are out and about, and get reimbursed for high medical expenses.

Retirement income

In line with GEL's goal of offering products to cover customers across all stages of life, it provides retirement income plans that include monthly cash payouts and a guaranteed income stream. The GREAT Prime Rewards allows customers to receive regular income according to their retirement needs. Customers can also choose to accumulate their annual income for a higher return.

Wealth accumulation

GEL's wealth accumulation plans include regular payout plans for selected terms or lifetime and investment-linked plans.

One plan that GEL offers is the GREAT Wealth Advantage 3 which is a regular premium investment-linked plan. The key benefits include allowing customers to boost their investment with up to 55 per cent. welcome bonus, and giving its customers the freedom to build their wealth the way they want it.

Travel insurance

GEG offers the TravelSmart Premier which provides customers with greater assurance with its extended coverage for COVID-19. The coverage is extended to support cancellations and postponements of trips, and there is an automatic extension of coverage up to 30 days without extra premium if the policyholder is hospitalised or quarantined overseas due to COVID-19.

Other key benefits include comprehensive worldwide protection with extensive medical coverage, protection against unexpected travel cancellation and inconveniences and complimentary benefits at no extra premium for activities such as mountaineering, snowboarding and skydiving.

Car insurance

GEG's Drive and Safe Plus insurance plan provides customers with hassle-free claims processing and car repair services at the customer's workshop of choice in the event of an accident. The plan provides protection for both the car and the customer's personal safety. It offers personal accident coverage of up to S$120,000 which is one of the highest in the market, and medical reimbursement for both the driver and passengers.

In September 2023, GEG launched a motor insurance for EV which covers risks associated with charging an electric vehicle at home. This motor insurance is the first in the market. The plan provides coverage for damage of charging station, including damage to home contents due to fire when charging the car. It also provides coverage for outpatient medical expenses due to electric shock while charging the car.

Home insurance

GEG's home insurance covers renovation claims and accidental loss of home contents. GEG's plans include the HomeGR8 Essential and the HomeGR8 Plus.

In September 2023, Singtel and GEH Group announced the launch of Singtel Home Protect Flexi. The plan is tied to the customer's Singtel broadband subscription, and will be automatically updated with a new address if the customer moves, which provides customers with greater flexibility and value.

Maid insurance

MaidGR8 provides the necessary coverage required by the Ministry of Manpower for helpers while they are in Singapore. There are three comprehensive plans for customers to choose from.

For the helper, there is 24-hour coverage and the plan also covers her remuneration while she is recovering from her accident before she is able to return to work.

In the event of death or permanent disablement due to accident or sickness, a repatriation benefit of up to S$10,000 will help the helper get back home safely.

Corporate business

In addition to personal insurance, GEL also provides corporate solutions for employees and businesses.

Employees

Group insurance

GEL's corporate clients range from SMEs to large multinational corporations. GEL offers the Great Employee Benefits ("**GEB**") package which is a group insurance packaged scheme designed for SMEs. It provides worldwide 24-hour protection for employees, including the cost of hospitalisation and the consequences of illnesses and accidents, whether employees are at work or at home. In 2023, GEL enhanced the GEB package (now known as GEB+) by including the option for supplementary major medical which is an additional benefit for hospitalisation, to meet the evolving needs of SMEs.

In line with Healthier SG, a national initiative by Singapore's Ministry of Health, GEL partnered with vendors to provide comprehensive wellness programmes for corporate clients covering physical health, mental wellbeing, and lifestyle programmes. GEL also introduced a mental wellness helpline staffed by experienced responders, offering real-time professional support to address mental health concerns of employees.

Businesses

GEG has a broad range of business protection plans that provides important coverage to keep businesses protected at all times against the unforeseen.

Business security plays a critical role in ensuring uninterrupted and worry-free operations. Thus, businesses need to anticipate and take the necessary measures to minimise damages and/or losses caused by unforeseen circumstances, such as natural calamities, work-related accidents, liabilities and fraudulent acts by dishonest employees.

GEG recognises the importance of taking preventive measures and thus offers the BizSupreme plan. The plan is designed to protect businesses against a wide array of perilous occurrences such as fire, lightning, flood or any other disasters that can interrupt the smooth running of businesses.

INVESTMENTS

The GEH Group invests the premiums and other income generated from its underlying insurance business in accordance with its investment strategy established by its Group Investment Committee ("**Group IC**").

The Group IC is responsible for overseeing all investment management activities of the GEH Group and ensuring that the interests and rights of policyholders are not compromised. The Group Chief Executive Officer, Group Chief Investment Officer, Group Chief Financial Officer and Group Chief Risk Officer are members of the Group IC.

The investment goal of the GEH Group is to achieve long-term rates of return that meet policyholders' and shareholders' reasonable expectations. The GEH Group believes that long-term sustainable performance can be achieved by capturing multiple sources of returns through prudent diversification across asset classes, geographical regions, active management strategies and investment styles.

The GEH Group's investment strategy is guided by (i) expected return to meet the guaranteed liabilities for each insurance fund and policyholders' and shareholders' reasonable expectations, (ii) GEH Group's overall risk appetite, (iii) return on shareholder's capital and (iv) expected returns and correlation of various asset classes in which the GEH Group is invested. Investment limits are monitored at various levels to ensure that all investment activities are conducted within the GEH Group's risk appetite and in line with the GEH Group's management principles and philosophies.

The GEH Group diversifies its investments broadly through multi-asset strategies. These include varying strategies for fixed income assets, equities and real estate, with the underlying aim to enhance diversification, ensure asset liability matching, and improve the overall risk-return characteristics of the investment portfolio.

AWARDS AND ACCOLADES

Throughout the years, the GEH Group has won a number of accolades and awards across the region. The following are some of the GEH Group's key achievements in 2023:

Singapore

- **Digital Transformation Initiative Award, Health Insurance Initiative of the Year – Singapore, and Education Insurance Initiative of the Year – Singapore**

  Insurance Asia Awards 2023

- **Most Transparent Company Award (Financials)**

  SIAS Investors' Choice Awards 2023

- **Most Engaged Workplaces – Singapore**

  Kincentric 2023

Malaysia

- **Best Takaful Solution Provider 2023**

  Global Islamic Finance Awards (GIFA) 2023

- **Nation's Favourite Brand, Most Valuable Brand – Takaful Solutions, and Most Successful Sustainable Valuable Brand – Malaysia**

  The BrandLaureate BestBrands Awards 2022/2023

- **Most Trusted Life Insurance – Gold and Most Trusted Health Insurance – Gold**

  Reader's Digest Trusted Brand 2023

Indonesia

- **The Most Innovative Life Insurance and Outstanding Provision of Innovative Protection Product**

  Warta Ekonomi – Indonesia Digital Innovation Awards 2023

- **Best and Strongest Life Insurance Companies in Indonesia 2023**

  CNBC Indonesia

- **Digital Transformation Initiatives of the Year – Indonesia and ESG Initiatives of the Year – Indonesia**

  Insurance Asia Awards 2023

ENTERPRISE RISK MANAGEMENT

The Risk Management Committee ("**RMC**") of GEH assists the directors of GEH (the "**GEH Board**") in overseeing risk management and compliance issues which the GEH Group is or may be exposed to (including market, credit, liquidity, insurance, operational, technology, conduct, money laundering and terrorism financing, legal, regulatory, reputational, strategic and environmental risks), so as to manage the financial, operational and reputational impact arising from these risks. Guided by the overall risk appetite and corporate strategy approved by the GEH Board, the RMC reviews the overall risk management philosophy, including the risk profile, risk appetite and tolerance level, and risk and capital management and strategy.

The RMC performs its functions pursuant to its terms of reference which are approved by the GEH Board. Such terms of reference include the review and approval or endorsement of GEH Group's enterprise risk management framework, major policies, charters and strategies for effective risk management (including risks arising from investment management and asset-liability management). The terms of reference also include the review and approval of major risk management initiatives and adequacy of risk management practices for all material risks.

Detailed risk management and oversight activities are undertaken by the following group management committees comprising the Group Chief Executive Officer of the GEH Group and key senior management executives:

- Group Management Committee ("**GMC**")

- Group Investment Committee ("**Group IC**")

- Group Asset-Liability Committee ("**Group ALC**")

- Group Technology Strategy Committee ("**Group TSC**")

- Group Product Management and Approval Committee ("**Group PMAC**")

The GMC is responsible for providing leadership, direction and functional oversight with regard to all matters including the sustainability performance of the GEH Group. In addition to complying with regulatory requirements the GMC is also responsible for ensuring compliance and alignment with the GEH Group's standards and guidelines.

The Group IC is responsible for overseeing all investment management activities of the GEH Group and ensuring that the interests and rights of policyholders are not compromised.

The Group ALC is responsible for balance sheet management. Specifically, the Group ALC reviews and formulates frameworks, policies, processes and methodologies relating to balance sheet management.

The Group TSC is responsible for assisting GMC in providing the overall strategic direction and approval of all IT related issues and initiatives, including the digitalisation and transformation programmes to support the GEH Group's strategic growth into the future.

Group PMAC is responsible for reviewing, approving and managing new and existing products, ensuring the business operates within the risk appetite in delivering the annual business targets.

The Group Risk Management Department ("**GRM**") of GEH spearheads the development and implementation of the Enterprise Risk Management Framework ("**ERM Framework**") for the GEH Group. As outlined in the GRM Charter approved by the RMC, GRM is responsible for the areas of governance, risk management and compliance, and acts as an independent function providing the "second line of defence" for the GEH Group. The GRM Charter also specifies the reporting line of the Group Chief Risk Officer to the Group Chief Executive Officer and to the RMC.

Managing risk is an integral part of the GEH Group's core business. The key principles of the ERM Framework specify that the GEH Group shall:

- operate within parameters and limits that are calibrated to the risk appetite approved by the GEH Board; and

- pursue appropriate risk-adjusted returns.

The objective of risk management is to ensure that risks are properly identified, assessed, managed, controlled, monitored or mitigated, so as to safeguard GEH Group's financial strength and business continuity. GEH Group's strategy is tailored to its organisation and business structure to ensure that it is relevant and effective. The risk management framework is reviewed regularly to ensure that it remains fit for purpose and provides the safeguards and assurances that the business is soundly run. Under the risk management framework, risks are classified under four broad categories which are considered to be central to GEH Group's business:

1. Insurance risk

2. Market, credit and liquidity risk

3. Operational and compliance risk

4. Technology, information and cyber risks

5. Sustainability risk

Insurance risks

The principal activity of the GEH Group is the provision of insurance products and related financial advisory services. The products cover risks such as mortality, morbidity (health, disability, critical illness, personal accident), property and casualty, investment saving protection and wealth accumulation guarantees. GEH Group's underwriting strategy is designed to ensure that risks are well diversified across the types of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes into account current health conditions and family medical history, regular review of actual claims experience, as well as detailed claims handling procedures. Underwriting limits are also established to enforce appropriate risk selection criteria, e.g., the GEH Group has the right to reject renewal of insurance policy, impose deductibles and reject payment of fraudulent claims.

Insurance risks can be further divided into that of life insurance contracts and that of non-life insurance contracts.

Insurance risks of life insurance contracts

Insurance risks arise when the GEH Group underwrites insurance contracts. While insurance risks may not vary significantly across the geographical locations in which the GEH Group currently operates, the types of risks insured, assumptions used in pricing the insurance products and subsequent setting aside of provisions may give rise to potential shortfalls in provision for future claims and expenses when actual claims experience are worse than projections.

The GEH Group utilises reinsurance to manage the mortality and morbidity risks. Its reinsurance management strategy and policy are reviewed annually by RMC and Group ALC. Reinsurance is structured according to the type of risk insured. Catastrophe reinsurance is procured to limit catastrophic losses. In general, reinsurance business will only be given to reinsurers with a minimum credit rating of S&P A- or equivalent. The GEH Group limits its risk to any one reinsurer by ceding different products to different reinsurers or to a panel of reinsurers.

A substantial portion of the GEH Group's life insurance funds is participating in nature. In the event of volatile investment climate and/or unusual claims experience, the insurer has the option of revising the bonus payable to policyholders. For non-participating funds, the risk is that the guaranteed policy benefits must be met even when investment portfolios perform below expectations, or claims experience is higher than expected. For investment-linked funds, the risk exposure for the GEH Group is typically limited to the underwriting aspect as all investment risks are usually borne by the policyholders. Nevertheless, the fees earned by the GEH Group for managing the investment-linked funds would fluctuate with the changes in underlying fund values.

Stress testing is performed at least once a year to assess the solvency of the life insurance fund under various stress scenarios. The stress scenarios include regulatory prescribed scenarios, as well as scenarios depicting changes in key parameters such as new business volume, market volatilities, expense patterns, mortality/morbidity patterns and lapse rates.

Insurance risk of non-life insurance contracts

Risks under non-life insurance policies usually cover a twelve-month duration. The risk inherent in non-life insurance contracts is reflected in the insurance contract liabilities which include the premium and claims liabilities. The premium liabilities comprise reserve for unexpired risks, while the claims liabilities comprise the loss reserves which include both provision for outstanding claims notified and outstanding claims incurred but not reported.

Market, credit and liquidity risk

Market risk arises when market values of assets and liabilities are adversely affected by changes in financial markets. Changes in interest rates, foreign exchange rates, equity prices and prices of alternative investment assets can impact present and future earnings of the insurance operations, as well as shareholders' equity.

The GEH Group is exposed to market risk through its investment portfolios, as well as in the mismatches between assets and liabilities of the insurance funds. In the case of the third-party funds managed by LGI, investment risks are borne by investors and the GEH Group does not assume any liability in the event of occurrence of loss or writedown in market valuations.

Group ALC, Group IC and Local ALCs actively manage market risks through the setting of investment policies and asset allocations, approving portfolio construction, risk measurement methodologies, as well as hedging and alternative risk transfer strategies. Investment limits are monitored at various levels to ensure that all investment activities are conducted within GEH Group's risk appetite and in line with its management principles and philosophies. Compliance with established limits forms an integral part of the risk governance and financial reporting framework. The approach adopted by the GEH Group in managing the various types of risk, including interest rate risk, foreign exchange risk, equity price risk, credit risk, alternative investment risk and liquidity risk, is briefly described below.

Interest rate risk (including asset liability mismatch)

The GEH Group is exposed to interest rate risk through (i) investments in fixed income instruments and (ii) policy liabilities in the insurance funds. Since the GEH Group's shareholders' funds are exposed to investments in fixed income instruments but not to insurance policy liabilities, the GEH Group will incur economic losses when interest rates rise. Given the long duration of policy liabilities and the uncertainties in the cash flows of insurance funds, it is not possible to hold assets with duration that perfectly matches the duration of the policy liabilities. This results in interest rate risk and asset liability mismatch risk, and these risks are managed and monitored by Group ALC and Local ALCs.

Foreign exchange risk

The foreign exchange risk inherent in foreign currency fixed income portfolio is typically hedged using currency forwards and swaps wherever practical and cost-effective. Foreign exchange instruments are also used for efficient portfolio management.

The SGD and RM positions predominately arose from the entities within the GEH Group with the same respective functional currencies. Limits are set on the total amount of foreign currency (net of liabilities) to cap GEH Group's foreign exchange risk.

Equity price risk

Exposure to equity price risk exists in investment assets through direct equity, equity derivatives and fund investments, where GEH Group, through investments, bears all or most of the equity volatility and investment risks. Equity price risk also exists in investment-linked products where the revenues of the insurance operations are linked to the performances of underlying equity funds since this has an impact on the level of fees earned. Limits are set for single security holdings as a percentage of total equity holdings.

Credit spread risk

Exposure to credit spread risk exists in GEH Group's bond investments and credit derivatives. Credit spread is the difference between the quoted yields of a credit and a government bond of the same maturity. Credit spreads widen when the default risk of credit bonds increases. Hence, widening credit spreads will result in mark-to-market losses in GEH Group's bond portfolio.

Alternative investment risk

The GEH Group is exposed to alternative investment risk through investments in real estate that it owns in Singapore and Malaysia, and through real estate funds, private equities, private debt, infrastructure and hedge funds. A monitoring process is established to manage foreign exchange, country and manager concentration risks. This process and the acquisition or divestment of alternative investments are reviewed and approved by RMC and Group IC.

Commodity risk

The GEH Group does not have any exposure to commodity risk.

Liquidity risk

Liquidity risk arises when the GEH Group is unable to meet its cash flow demands, or if the assets backing the liabilities cannot be sold quickly enough without incurring significant losses. For an insurance company, the greatest liquidity needs typically arise from its insurance liabilities. Demands for funds can usually be met through ongoing normal operations via premiums received, sale of assets or borrowings.

Unexpected demands for liquidity may be triggered by surrender of insurance policies due to negative publicity, deterioration of the economy, adverse news on other companies in the same or similar lines of business, unanticipated policy claims, other unexpected cash demands from policyholders or derivative margin requirements.

Expected liquidity demands are managed through a combination of treasury, investment and asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are regularly monitored, and a reasonable amount of liquid assets are maintained 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 these have been quite stable over the past several years.

Unexpected liquidity demands are mitigated through product design, risk diversification, credit facilities investment strategies and systematic monitoring. Surrender penalty in insurance contracts also protects the GEH Group from losses due to unexpected surrender trends and reduces the sensitivity of surrenders to changes in interest rates.

Credit risk

Credit risk is the risk of loss arising from an obligor failing to discharge an obligation. The GEH Group is mainly exposed to credit risk through (i) investments in cash, bonds and credit derivatives, (ii) corporate lending activities and (iii) exposure to counterparty's credit risk in derivative transactions and reinsurance contracts. For all three types of exposures, financial loss may materialise as a result of a downgrading of credit rating or credit default by the borrower or counterparty.

Group-wide credit risk is managed by Group ALC. The GEH Group establishes internal limits by issuer and counterparty according to their investment credit rating which are actively monitored to manage the credit and concentration risk, and are reviewed on a regular basis. The creditworthiness of reinsurers is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available information. The task of evaluating and monitoring credit risk at the subsidiary level is undertaken by Local ALCs.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is mitigated through counterparty limits that are reviewed and approved on an annual basis.

Credit risk arising from customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated.

The GEH Group issues unit-linked policies in which the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the GEH Group has no material credit risk or market risk on unit-linked financial assets.

The loans in the GEH Group's portfolio are generally secured by collateral. The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines on the collateral eligibility have been established, and all collaterals are revalued on a regular basis. Management monitors the market values of collaterals, requests additional collaterals when needed and performs an impairment valuation when applicable.

Concentration risk

An important element of managing market, credit and liquidity risks is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place to manage concentration risk. These limits are reviewed on a regular basis by the respective management committees. GEH Group's exposures are within the concentration limits set by the respective local regulators. It actively manages its investment mix to ensure that there is no significant concentration in market, credit and liquidity risk.

Operational and compliance risk

Operational risk is an event or action that may potentially impact partly or completely the achievement of an organisation's objectives resulting from inadequate or failed internal processes and systems, human factors, or external events.

Compliance risk is any event or action that may potentially impact partly or completely the achievement of an organisation's objectives, as a result of its failure to comply with the following applicable laws, regulations and standards:

- local laws, regulations and rules governing licensed activities undertaken by GEH Group;
- foreign laws, regulations and rules that have extraterritorial jurisdiction over GEH Group's licensed activities;
- codes of practice promoted by industry associations of which the GEH Group is a member of; and
- any other applicable regulations which do not specifically govern the licensed activities undertaken by the GEH Group but can expose it to legal, regulatory or reputational loss.

The day-to-day management of operational and compliance risk is through the maintenance of comprehensive internal control frameworks, supported by an infrastructure of systems and procedures to monitor processes and transactions. GMC reviews operational and compliance issues on a group basis at its monthly meetings while local level issues are managed and monitored by the local senior management team. The internal audit team reviews the systems of internal controls to assess their ongoing relevance and effectiveness, and reports at least quarterly to the Audit Committee.

Technology, information and cyber risks

Technology risk is defined as risk related to any potential adverse outcome, damage, loss, disruption, violation, system/hardware failure, capacity deficiency arising from the use of technologies such as electronic hardware/devices, software, online networks and telecommunications systems. Information risk is defined as risk related to confidentiality, integrity and availability of information (in physical or digital form). Cyber risk is defined as risk related to acts perpetrated by malicious threat actors including internal sabotage, espionage, malicious attacks, hacking incidents, fraudulent conduct using information and communication technologies.

The GEH Group adopts a risk-based approach in managing technology, risks relating to IT disruption, cyber threats, data loss and third parties. The GEH Group has put in place technological and procedural risk controls to defend against external and insider threats. Key risk indicators related to technology, information and cyber risks are reported to the GEH Board on a regular basis. Independent assessment is performed by internal audit on the adequacy and effectiveness of the technology risk controls.

Sustainability risk

Sustainability risk is defined as any environmental, social or governance ("**ESG**") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and enterprise value. The GEH Group has integrated ESG considerations into the investment, underwriting and its own operational activities.

The GEH Group currently manages social and governance-related risk through existing frameworks and policies. In order to build resilience as the world transits to a low-carbon economy, it has formalised the Group Environmental Risk Management Policy which sets forth guiding principles and minimum standards in managing environmental risk within the GEH Group. Environmental risk arises from the potential adverse impact of changes in the environment on economic activities and human well-being. Environmental issues that are of concern include climate change, loss of biodiversity, pollution and changes in land use. Environmental risk can manifest in three dimensions of risk, namely physical, transition and liability.

The GEH Group's risk assessment considers the financial and non-financial impacts from physical and transition risks arising from climate change. With this, it has put in place processes, methodology, and both qualitative and quantitative tools to identify and assess environmental risk for investment and underwriting portfolios. For underwriting portfolio, risk transfer tool such as reinsurance is used to assist in managing environmental risk. For investment portfolio, the objective is to build resilient investment portfolios whilst striking a balance between ESG considerations, impact and financial returns.

The GEH Group made its first disclosures on climate-related risks aligned to the Task Force on Climate-related Financial Disclosures ("**TCFD**") in May 2021 as part of GEH Sustainability Report 2021. The report provided some insights into GEH Group's governance approach, strategy and risk management, as well as key metrics and targets for climate-related financial risks.

CAPITAL MANAGEMENT AND CAPITAL ADEQUACY

The objectives of the GEH Group's capital management policy are to create shareholder value, deliver sustainable returns to shareholders, maintain a strong capital position with sufficient buffer to meet policyholders' obligations and regulatory requirements and make strategic investments for business growth.

The GEH Group had no significant changes in the policies and processes relating to its capital structure in 2023.

The GEH Group's approach to capital management aims to maintain an adequate level of capital to meet regulatory requirements, including any additional amounts required by the regulators of the GEH Group and its insurance subsidiaries. This involves managing asset, liability decisions and the associated risks in a coordinated way by assessing and monitoring the available and required capital (by each regulated entity) on a regular basis and, where appropriate, taking appropriate actions to adjust the asset liability position of the GEH Group and/or its subsidiaries in light of changes in economic conditions and risk characteristics.

The primary sources of capital of the GEH Group are shareholders' equity. The GEH Group defines available capital as the amount of assets in excess of liabilities measured in accordance with the insurance regulations of the respective jurisdictions in which the insurance subsidiaries operate.

The GEH Group and its insurance subsidiaries are required to comply with the capital requirements prescribed by the insurance regulations of the jurisdictions in which they operate.

Both the GEH Group and GEL are required to comply with the regulatory capital requirement prescribed in the Insurance (Valuation and Capital) Regulations 2004 under the Insurance Act. Under the current Risk-based Capital Framework regulation set by MAS ("**RBC 2**"), which was effective on 31 March 2020, insurance companies are required to satisfy a minimum capital adequacy ratio of 100 per cent. In addition, licensed insurance companies must also ensure that at all times: (a) where it is an insurer incorporated in Singapore, the Common Equity Tier 1 ("**CET1**") Capital ratio which is determined as the ratio of the CET1 Capital over the sum of total risk requirements (excluding the risk requirements of participating funds) is not less than 60 per cent.; and (b) the Tier 1 Capital ratio which is determined as the ratio of the Tier 1 Capital over the sum of total risk requirements (excluding the risk requirements of participating funds) is not less than 80 per cent. The MAS has stated that the RBC 2 review is not intended to result in a significant overhaul to the existing framework. Instead, it seeks to improve the comprehensiveness of the risk coverage and the risk sensitivity of the framework, as well as to define more specifically the MAS's supervisory approach with respect to the solvency intervention levels. The MAS has also stated that the objective of RBC 2 is to ensure that the framework for assessing capital adequacy is more aligned to an insurer's business activities and risk profiles. On 28 February 2020, MAS concluded the RBC 2 review by issuing the Insurance (Valuation and Capital) (Amendment) Regulations 2020 and the MAS Notice 133 – "*Notice on Valuation and Capital Framework for Insurers*" ("**MAS Notice 133**"). The Insurance (Valuation and Capital) (Amendment) Regulations 2020 and the MAS Notice 133 have come into effect on 31 March 2020, which together, specify fund solvency requirements and capital adequacy requirements for a licensed insurer. MAS Notice 133 was last updated on 8 December 2023 to reflect revisions in the illiquidity premium as part of the MAS regular review on the illiquidity premium calibration and credit spread movements. On 15 November 2023, the MAS issued MAS Notice FHC-N133 that applies to all designated financial holding companies ("**DFHCs**") that have a subsidiary that is a licensed insurer incorporated, formed or established in Singapore. MAS Notice FHC-N133 sets out the valuation and capital requirements for a DFHC of a licensed insurer based on the RBC 2 consolidation approach. MAS Notice FHC-N133 came into effect on 1 January 2024. For further information, please refer to the section "*Supervision and Regulation – Capital Requirement*".

Furthermore, pursuant to Section 17(4) of the Insurance Act, the MAS may by notice in writing, if it considers it appropriate in the particular circumstances of a licensed insurer having regard to the risks arising from the activities of the insurer and such other factors as the MAS considers relevant, direct that the insurer satisfy fund solvency requirements or capital adequacy requirements other than those that the insurer is required to maintain under Section 17 of the Insurance Act. In the Consultation Paper on Review of Risk-Based Capital Framework for Insurers in Singapore – Third Consultation, MAS stated, in clarifying MAS' expectation of the additional capital buffer that insurers would have to maintain, that under RBC 2, additional capital requirements imposed on systemically important insurers will still be relevant, but additional capital requirements imposed as a result of limitations in the RBC 1 framework or deficiencies in an insurer's risk management and internal controls are not expected to be significant.

On 21 September 2023, the MAS published its framework for designating domestic systemically important insurers ("**D-SII**") and the inaugural list of four D-SIIs. GEL has been designated as a D-SII under the D-SII framework which came into effect on 1 January 2024. The focus of the D-SII framework is to identify insurers whose individual distress or disorderly failure would cause significant disruption to Singapore's financial system and economic activity. Insurers whose failures are assessed to have a significant impact on the financial system and broader economy in Singapore will be formally designated as D-SIIs and subject to additional supervisory measures to address the negative externalities which they pose. The D-SII framework adopts an indicator-based approach based on four factors – size, interconnectedness, substitutability and complexity – to assess an insurer's systemic importance. The MAS will assess an insurer's systemic importance on an annual basis. A D-SII will be subject to more intensive supervision and additional policy measures which include, amongst others, higher capital requirements. In terms of capital requirements, a D-SII will be subject to a 25 per cent. capital surcharge, which will increase a D-SII's higher and lower supervisory intervention levels, as well as Common Equity Tier 1 (CET1) and Tier 1 capital requirements. As a D-SII designated under the D-SII framework, GEL will therefore be subject to higher capital requirements.

EMPLOYEES

As at 31 December 2023, the GEH Group had 5,250 permanent employees. The GEH Group recognises that the quality and professionalism of its employees are critical to its success. It seeks to attract, motivate, reward, train and retain quality employees and foster a performance-oriented culture across the organisation. The total compensation package for employees comprises basic salary, fixed and variable bonuses, as well as other staff benefits. GEH does not have any share option scheme or share plan in place. The GEH Group performs regular market benchmarking with respect to its compensation packages.

Employee engagement in the GEH Group has also risen in 2023, with the group being named as one of Kincentric's Most Engaged Workplaces in Singapore, and its Malaysia arm being awarded the "HR Asia Best Companies to Work For in Asia" award for the 8th consecutive year.

The GEH Group recognises that the physical environment has an impact on the well-being of its employees and shapes the way they work. With the aim of elevating the experience of its employees and bolstering their productivity, the GEH Group transformed its workspaces with features like agile workspaces and lockers, to facilitate greater collaboration and to encourage a new way of working. Programmes and policies are also in place to help employees succeed in both their careers and personal lives, such as the flagship Life Programme in Singapore that organises various activities prioritising the four pillars of physical, mental, financial, and social well-being.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

The GEH Group is committed to ensuring the well-being of its employees, customers and communities by addressing ESG issues. It embeds these considerations into its business practices and operations.

The GEH Group is committed to achieving net zero carbon emissions by 2050 to support the delivery of long-term sustainable value for its customers, stakeholders, and its communities. It supports the net zero transition through innovative insurance solutions, stewardship of investments, and minimising the direct environmental impact of its operations.

The GEH Group made progress in 2023 as it prepared its investments, insurance, and operations portfolios to achieve net zero carbon emissions by 2050. Some of the interim targets that support its long-term ambition include:

(a) 40 per cent. reduction in carbon footprint across the listed equity and 45 per cent. reduction for the corporate bonds portfolios by 2030 (baseline year: 2020);

(b) 30 per cent. reduction in carbon emissions for retail motor insurance on a per gross written premiums basis by 2030; and

(c) Deliver on its operational net zero target by 2025 and minimise the direct environmental impact of its operations where viable.

To protect the environment and communities, the GEH Group engages its customers, employees and financial representatives through environmental initiatives, such as tree-planting and upcycling activities. It also drives community programmes across the region to promote financial literacy, environmental awareness and cancer prevention among the members of the public. One initiative the GEH Group has been organising in Singapore to engage with the community is the Great Eastern Women's Run which returned on a full-scale in 2023. A total of S$260,000 was raised amongst the GEH Group's staff and financial representatives for Daughters Of Tomorrow and Singapore Cancer Society. In Malaysia, the Malaysian government has pledged to unconditionally reduce carbon emissions by 45 per cent. by 2030. In support of the government's pledge, the GEH Group began the development of green products such as motor insurance catered towards electric vehicles, and extensions to home insurance products to support solar power adopters.

A robust, sustainable governance system holds the GEH Group to the highest degree of sustainability oversight and accountability. It regularly reviews its governance structure with regard to material ESG factors and climate-related risks to achieve long-term sustainable growth.

The GEH Group remains focused on creating long-term business value while accelerating its efforts in advancing the interests and well-being of its customers, staff, communities and its planet. As of January 2023, the GEH Group is now a member of the Asia Investor Group on Climate Change. As it continues to engage its stakeholders, the GEH Group looks forward to making a positive contribution to the push for real-world transition.

BOARD OF DIRECTORS OF GEH

Soon Tit Koon, Chairman

Mr Soon was first appointed to the Board of GEH on 1 January 2016 and was last re-elected as GEH's Director on 21 April 2023. He took over the role of Chairman on 22 April 2023.

Mr Soon was also appointed as the Chairman of GEH's principal insurance subsidiaries, namely GEL and GEG on 22 April 2023.

Mr Soon held a series of senior positions in OCBC from 2002 to December 2011 before he retired from the bank. He was the Chief Financial Officer of OCBC from September 2002 to June 2008, and from April 2010 to November 2011. He was the Head of Group Investments of OCBC from June 2008 to April 2010. Prior to joining OCBC, Mr Soon was the Chief Financial Officer of Wilmar Holdings Pte Ltd from 2000 to 2002. From 1983 to 2000, he worked in Citicorp Investment Bank (Singapore) Limited and was Managing Director from 1993 to 2000.

Lee Fook Sun

Mr Lee was first appointed to the Board of GEH on 1 August 2017 and was last re-elected as GEH's Director on 21 April 2023.

Mr Lee was previously the Chairman of Building and Construction Authority, Deputy CEO and President of Defence Business of Singapore Technologies Engineering Ltd and the President of Singapore Technologies Electronics Limited. He was with the Singapore Technologies Engineering Group for 17 years until he retired in June 2017. Prior to this, he served in the Ministry of Defence ("**MINDEF**"). He held various key appointments as Director of Joint Intelligence Directorate, Director of Military Security Department and Assistant Chief of General Staff (Logistics).

Kyle Lee Khai Fatt

Mr Lee was first appointed to the Board of GEH on 1 July 2014 and was re-elected as GEH's Director on 19 April 2022. He is also a Director of GEL.

Mr Lee trained as a Chartered Accountant in London, and in his professional career spanning 36 years, he had worked in both the United Kingdom and Singapore. He was a partner of Price Waterhouse and PricewaterhouseCoopers LLP ("**PwC**") until 2010, holding leadership positions at firm, practice, industries and sector levels.

As a non-executive independent Director of other public and private companies, Mr Lee held Chairmanship of Board, Audit Committee and Nominating Committee positions.

Andrew Lee Kok Keng

Mr Lee was first appointed to the Board of GEH on 30 April 2023. He is currently the Chairman of OCBC.

Mr Lee is a veteran banker with more than 30 years of financial services experience in Standard Chartered Bank, OCBC, GEL and BCS Information System as its Executive Chairman.

George Lee Lap Wah

Mr Lee was first appointed to the Board of GEH on 1 May 2023.

Mr Lee is an experienced banker with extensive knowledge of the Malaysian market, and he was an advisor to the CEO and Management Committee of OCBC Bank (Malaysia) Berhad from April 2016 to July 2017. Mr Lee served as an Executive Vice President and Head of Global Corporate Banking at OCBC from February 2012 until his retirement in April 2016. Prior to this, since 2002, he was Executive Vice President and Head of Group Investment Banking of OCBC. Mr Lee started his career as a Finance Officer in the Group Treasury Department of Keppel Shipyard in 1978 and joined Marine Midland Bank in 1982 as Assistant Vice President. Subsequently, Mr Lee held managerial positions at various merchant banking units based in Singapore. In 1989, he was appointed Country Manager of Security Pacific Bank. In 1993, he joined Credit Suisse Singapore as Head of Corporate Banking for Southeast Asia and left as Director, Corporate Lending of Credit Suisse First Boston in 1998 before joining OCBC.

Ng Chee Peng

Mr Ng was first appointed to the Board of GEH on 1 March 2021 and was last re-elected as GEH's Director on 16 April 2021.

Mr Ng served as the CEO of the CPF Board from 2015 to 2019. He began his career with the SAF, and held various key appointments in MINDEF and SAF, including Chief of Staff-Joint Staff, Fleet Commander and MINDEF's Director (Policy). Mr Ng served as the Chief of the Republic of Singapore Navy from 2011 to 2014. He has also served on the Boards of various companies and statutory boards, including the Maritime and Port Authority of Singapore, SPRING Singapore, Defence Science and Technology Agency, DSO National Laboratories, ST Engineering (Electronics) Ltd. and Raffles Health Insurance Pte. Ltd.

Tam Chee Chong

Mr Tam was first appointed to the Board of GEH on 1 May 2023.

Mr Tam has more than 38 years of extensive experience in corporate and financial advisory and is well versed in merger and acquisitions, corporate restructuring and insolvency, forensic accounting and investigations, valuations, dispute resolution and litigation support. He was previously the Group Chief Financial Officer of Fullerton Healthcare Corporation Limited and has held various senior management positions within Deloitte including as Regional Managing Partner – Financial Advisory Services and Leader – Family Enterprise Consulting for Deloitte Southeast Asia, and Deputy Managing Partner – Markets for Deloitte Singapore. He also served on their boards and on their Southeast Asia and Singapore executive committees. He also has experience with various Big 4 accounting firms (Deloitte, KPMG, PwC and Andersen) in London, Hong Kong and Singapore across a wide range of industries and portfolios.

Teoh Lian Ee

Mrs Teoh was first appointed to the Board of GEH on 1 August 2017 and was last re-elected as GEH's Director on 21 April 2023.

Mrs Teoh has extensive experience in the fields of tax law and trust law. She started her law career as a public officer in the Legal Division of the IRAS where she served 14 years, including her scholarship bond of 8 years. She then entered private law practice and was the Head of the Tax and Trust Practice in Drew & Napier LLC when she retired in 2008. After retiring from Drew & Napier LLC, Mrs Teoh rejoined IRAS as a part-time Consultant for 6 years. She was also a Consultant with Rajah & Tann LLP, and had also served on the boards of non-profit organisations. She was a Director of Tsao Foundation, a Director of The Community Foundation of Singapore and was the Honorary General Secretary of the Singapore Girl Guides Association.

Helen Wong Pik Kuen

Ms Wong was first appointed to the Board of GEH on 30 April 2021 and was last re-elected as GEH's Director on 19 April 2022.

Ms Wong is the Group CEO and Executive Director of OCBC and sits on the boards of OCBC's major subsidiaries. She has more than 38 years of banking experience, having started out as a Management Trainee in OCBC and was its first China Desk Manager, based at the Hong Kong Branch. She has vast experience in Greater China, covering a wide range of roles in capital markets, syndicated finance and corporate banking. Before returning to OCBC, Ms Wong spent 27 years at The Hong Kong and Shanghai Banking Corporation Limited, where her last role was as its Chief Executive for Greater China, which she was appointed to in 2015. She became the President and CEO of HSBC China based in Shanghai in 2010, and was promoted to be Group General Manager in 2011 to recognise her responsibility for the business operations and strategic expansion in China. She also held non-executive directorships at Baoshan Iron & Steel from 2012 to 2015, and at Bank of Communications from 2016 to 2019.

Chong Yoke Sin

Dr Chong was first appointed to the Board of GEH on 22 January 2024. She is also appointed as a Director of GEL and GEG on the same date.

Dr Chong is currently the Managing Partner of iGlobe Partners Pte Ltd, a leading Asia-Pacific venture capital firm with interest in smart cities, fintech, biotech startups and early growth companies. She has a long and distinguished career in deep tech, biotech, fintech, AI, Internet of Things, cybersecurity, digital platform business, digitising and transforming technology for healthcare, and digital platform investments for venture capital firms. She was previously the Chief of Enterprise Business at Starhub and the founding CEO of Integrated Health Information Systems ("**IHiS**"), a subsidiary of Singapore's Ministry of Health Holdings. Prior to IHiS, she was the CEO of National Computer Systems.

Lim Kuo Yi

Dr Lim was first appointed to the Board of GEH on 22 January 2024.

Dr Lim is the Co-founder and Managing Partner at Monk's Hill Ventures, a leading early-stage venture capital firm in Southeast Asia. Dr Lim has extensive experience in venture capital, fund management, tech entrepreneurship and strategy consulting. Dr Lim was formerly the CEO of Infocomm Investments Pte Ltd, a venture subsidiary of the Infocomm & Media Development Authority. He is also the founder and early employees of several startups, including SportsHook, Encentuate and Reputation Technologies. He started his career as a consultant with The Boston Consulting Group. He is a graduate of MIT with degrees in electrical engineering.

BOARD OF DIRECTORS OF GEL

Soon Tit Koon, Chairman

Please refer to page 222 for the business and working experience of Mr Soon.

Lee Boon Ngiap

Mr Lee was first appointed to the Boards of GEL and GEG on 16 April 2022. Mr Lee is a member of the Securities Industry Council ("**SIC**"), a council appointed by the Minister-in-charge of MAS to administer and enforce the Singapore Code on Takeovers and Mergers.

Mr Lee is an experienced banking, insurance and capital markets regulator with more than 20 years in senior management roles at the MAS. He was previously a Board Member, Audit and Risk Committee Member, and Human Resources and Finance Committee Member, of the Accounting and Corporate Regulatory Authority. He was also a Board Member and Chair of the Investment Committee of the Civil Aviation Authority of Singapore, and a member of the Corporate Governance Council. During his time with MAS, he represented MAS in various international forums, including the Board of the International Organisation of Securities Commissioners, and on several committees and working groups of the Financial Stability Board and Basel Committee on Banking Supervision. Before his retirement in March 2021, he held the position of Assistant Managing Director, Group Head, Capital Markets Group in MAS where he was in charge of the regulation and supervision of capital markets.

Kyle Lee Khai Fatt

Please refer to page 222 for the business and working experience of Mr Lee.

Leo Mun Wai

Mr Leo was first appointed to the Boards of GEL and GEG on 15 April 2016. He is an independent consultant and an Independent Non-Executive Director of CapitaLand Integrated Commercial Trust Management Limited.

Mr Leo was previously a Managing Director and Advisor of State Street Bank & Trust, Singapore and a Senior Partner of Capelle Consulting Singapore. He was a Director of Tri Sector Associates Ltd, a Director and Audit Committee Member of Casino Regulatory Authority from 2008 to 2012, and a member of SIC from 2010 to 2012. Mr Leo was previously with the MAS for 20 years until 2012 in various capacities including Assistant Secretary of SIC, Senior Deputy Director of Supervisory Policy, Director of Human Resource Department, Executive Director of External Department, Executive Director of Banking Supervision, his last appointment being Assistant Managing Director of Capital Markets Group.

Quah Wee Ghee

Mr Quah was first appointed to the Boards of GEL and GEG on 1 March 2012 and 1 January 2014 respectively. Mr Quah is a Partner of Avanda LLP and a Director of Avanda Investment Management Pte. Ltd., Cypress Holdings Private Limited and Grand Alpine Enterprise Ltd. He is an Advisor of the Investment Committee of Wah Hin & Company Pte Ltd.

Mr Quah was previously the Chairman of SLF Strategic Advisers Private Limited, a Director of EDBI Pte. Ltd., OCBC, Bank of Singapore Limited, Singapore Exchange Limited and Singapore Labour Foundation, a member of Board of Trustees of Singapore University of Technology and Design, Managing Director and President of GIC Asset Management Private Limited, the Chairman of the Investment Committee and a member of the Evaluation Committee of MOH Holdings Pte Ltd, and Advisor to the Executive Committee of Government of Singapore Investment Corporation Pte Ltd.

Chong Yoke Sin

Please refer to page 224 for the business and working experience of Dr Chong.

MANAGEMENT TEAM OF THE GEH GROUP IN SINGAPORE

Khor Hock Seng (Group Chief Executive Officer)

Dato Koh Yaw Hui (Chief Executive Officer, Great Eastern Life Assurance (Malaysia) Berhad)

Clement Lien (Chief Executive Officer, PT Great Eastern Life Indonesia)

Ronnie Tan (Group Chief Financial Officer)

Jeffrey Lowe (Group Chief Internal Auditor)

Chua Keng Hong (Group Chief Investment Officer)

Kate Chiew (Group Chief Risk Officer)

Jennifer Wong Pakshong (Group Company Secretary and General Counsel)

Colin Chan (Managing Director, Group Marketing)

Gary Teh (Managing Director, Group Information Technology)

James Lee (Managing Director, Group Human Capital)

Jimmy Tong (Managing Director, General and Group Insurance)

Patrick Kok (Managing Director, Group Operations)

Patrick Peck (Managing Director, Regional Agency / FA and Bancassurance)

Ryan Cheong (Managing Director, Group Customer and Digital)

Zhao Jingyuan (Group Chief Data Officer)

Jesslyn Tan (Chief Executive Officer, Great Eastern Financial Advisers)

Tan Eng Yau (Appointed Actuary, Great Eastern Life and Great Eastern General)

Toh Yun Ying (Certifying Actuary, Great Eastern General)

SUPERVISION AND REGULATION

SINGAPORE

Overview

The MAS regulates and supervises licensed insurers in Singapore. The insurance regulatory framework in Singapore consists mainly of the Insurance Act 1966 of Singapore (the "**Insurance Act**") and its related regulations, as well as the relevant notices, guidelines, circulars and practice notes issued by the MAS. This section sets out certain key regulations applicable to licensed insurers in the conduct of their insurance business, and does not address the regulatory framework applicable to insurance intermediaries (whether or not agents or employees of licensed insurers) whether in respect of life or non-life policies.

The holding company of a Singapore licensed insurer could also be subject to regulation if the holding company is designated as a designated financial holding company ("**DFHC**") under section 4 of the Financial Holding Companies Act 2013 of Singapore (the "**FHC Act**"). The FHC Act, which took effect from 30 June 2022, was introduced to establish the regulatory framework for designated Singapore-incorporated financial holding companies with one or more Singapore-incorporated bank or insurance subsidiaries. The salient provisions in the FHC Act relate to:

(a) a requirement to provide the MAS with information requested by the MAS for supervision purposes;

(b) restrictions on the use of the name, logo and trademark of a DFHC;

(c) restrictions on the activities of a DFHC;

(d) restrictions on the shareholding and control of a DFHC;

(e) limits on exposures and investments;

(f) minimum asset requirements;

(g) minimum capital and capital adequacy requirements;

(h) leverage ratio requirements;

(i) supervision and reporting requirements; and

(j) approval requirements for the appointment of directors and chief executives.

The FHC Act provides for transition periods for DFHCs to comply with various provisions in the specific provisions and a general power for the Minister to prescribe by regulations, for a period of two years from the commencement of operation of any provision, transitional provisions consequent on the enactment of that provision.

GEH has been designated as a DFHC under section 4 of the FHC Act, specifically a Tier 1 DFHC (Licensed Insurer) under the Financial Holding Companies (Corporate Governance of Designated Financial Holding Companies with Licensed Insurer Subsidiary) Regulations 2022, and is therefore subject to the requirements thereunder relating to DFHCs. GEL is incorporated with limited liability in Singapore and is a direct insurer licensed to carry on life insurance business under the Insurance Act. GEG is incorporated with limited liability in Singapore and is a licensed direct insurer under the Insurance Act and holds a composite licence to carry on both life insurance business and general insurance business. GEG currently only sells general insurance.

GEL is included by the Central Provident Fund ("**CPF**") Board as an insurer under the CPF Investment Scheme, where CPF monies may, subject to certain conditions, be used by CPF members to purchase investment-linked insurance policies issued by GEL if such policies are also included under the CPF Investment Scheme.

Exempt Financial Adviser Status of GEL

As a company licensed under the Insurance Act, GEL is an exempt financial adviser under the Financial Advisers Act 2001 of Singapore ("**FAA**") in relation to (a) advising others (other than advising on corporate finance within the meaning of the Securities and Futures Act 2001 of Singapore ("**SFA**")) either directly or through publications or writings, and whether in electronic, print or other form, concerning life policies, (b) advising others by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning life policies and (c) arranging of any contract of insurance in respect of life policies. As an exempt financial adviser, GEL is subject to certain conduct of business and other requirements applicable under the FAA and its related regulations, notices, guidelines, practice notes, circulars and information papers.

Supervisory Powers of the Monetary Authority of Singapore

Under the Insurance Act, the MAS has, among other things, the power to impose conditions on a licensed insurer and may add to, vary or revoke any existing conditions of the licence. In addition, the MAS may issue such directions as it may consider necessary for carrying into effect the objects of the Insurance Act and may at any time vary, rescind or revoke any such directions. The MAS may also issue such directions to an insurer as it may consider necessary or assume control of and manage such of the business of the insurer as it may determine, or appoint one or more persons as statutory manager to do so, where, among other things, it is satisfied that the affairs of the insurer are being conducted in a manner likely to be detrimental to the public interest or the interests of the policy owners or prejudicial to the interests of the insurer. The MAS is also empowered to cancel the licence of an insurer on certain grounds.

Systemically Important Insurers in Singapore

On 21 September 2023, the MAS published its framework for designating domestic systemically important insurers ("**D-SII**") and the inaugural list of four D-SIIs. GEL has been designated as a D-SII under the D-SII framework which came into effect on 1 January 2024. The focus of the D-SII framework is to identify insurers whose individual distress or disorderly failure would cause significant disruption to Singapore's financial system and economic activity. Insurers whose failures are assessed to have a significant impact on the financial system and broader economy in Singapore will be formally designated as D-SIIs and subject to additional supervisory measures to address the negative externalities which they pose. The D-SII framework adopts an indicator-based approach based on four factors – size, interconnectedness, substitutability and complexity – to assess an insurer's systemic importance. The MAS will assess an insurer's systemic importance on an annual basis. A D-SII will be subject to more intensive supervision and additional policy measures which include, amongst others, higher capital requirements. In terms of capital requirements, a D-SII will be subject to a 25% capital add-on, which will increase a D-SII's higher and lower supervisory intervention levels, as well as Common Equity Tier 1 (CET1) and Tier 1 capital requirements.

For recovery and resolution preparedness, the MAS has issued MAS Notice 134 on Recovery and Resolution Planning for Insurers ("**MAS Notice 134**") which will take effect on 1 January 2025. MAS Notice 134 sets out the requirements that a notified insurer will have to comply with in its recovery and resolution planning. This includes preparing a recovery plan in line with the requirements set out in MAS Notice 134 as well as maintaining information for the purposes of resolution planning, resolvability assessment and the conduct of resolution. The MAS has stated in the Response to Feedback Received on New Notice for Recovery and Resolution Planning for Insurers that the MAS only intends for the D-SIIs to be notified insurers for the purposes of MAS Notice 134 given their systemic impact.

Capital Requirements

A licensed insurer is required at all times to maintain a minimum level of paid-up ordinary share capital. A licensed insurer incorporated in Singapore must obtain the prior written approval of the MAS to reduce its paid-up ordinary share capital or redeem any preference share. Further, a licensed insurer which is incorporated in Singapore is required to notify the MAS of its intention to issue any preference share or certain instruments prior to the date of issue of the preference share or instrument.

The MAS issued the RBC 2 Review on 22 June 2012 followed by a second and third consultation paper on 26 March 2014 and 15 July 2016 respectively. First introduced in 2004, the risk-based capital framework:

(a) adopts a risk-focused approach to assessing capital adequacy and seeks to reflect the relevant risks that insurers face;

(b) prescribes minimum capital which serves as a buffer to absorb losses; and

(c) provides clearer information on the financial strength of insurers and facilitates early and effective intervention by MAS, where necessary.

The MAS has stated that the RBC 2 Review is not intended to result in a significant overhaul to the existing framework. Instead, it seeks to improve the comprehensiveness of the risk coverage and the risk sensitivity of the framework as well as define more specifically the MAS' supervisory approach with respect to the solvency intervention levels. The MAS has also stated that insurers in Singapore are well-capitalised and the objective of RBC 2 is therefore not to raise the industry's overall regulatory capital requirements, but to ensure that the framework for assessing capital adequacy is more aligned to an insurer's business activities and risk profiles. On 28 February 2020, the MAS concluded the RBC 2 Review by issuing the Insurance (Valuation and Capital) (Amendment) Regulations 2020 (which amend the existing Insurance (Valuation and Capital) Regulations 2004) and the new MAS Notice 133 on Valuation and Capital Framework for Insurers ("**MAS Notice 133**"). The Insurance (Valuation and Capital) (Amendment) Regulations 2020 and MAS Notice 133, which specify fund solvency requirements and capital adequacy requirements for a licensed insurer, came into effect on 31 March 2020. MAS Notice 133 was last updated on 8 December 2023 to reflect revisions in the illiquidity premium as part of the MAS regular review on the illiquidity premium calibration and credit spread movements.

According to the Insurance (Valuation and Capital) Regulations 2004 and MAS Notice 133, a licensed insurer must at all times maintain its fund solvency requirement at the adjusted fund level and the capital adequacy requirement at the insurer level.

Under regulation 4(1) of the Insurance (Valuation and Capital) Regulations 2004 and MAS Notice 133, the fund solvency requirement in respect of an insurance fund established and maintained by a licensed insurer under the Insurance Act is that the total assets of the fund must not at any time be less than the total liabilities of the fund. The fund solvency requirement of an adjusted fund is that the financial resources of the adjusted fund must not at any time be less than:

(a) the amount of the total risk requirement of the adjusted fund at the higher solvency intervention level, where the total risk requirement, also referred to as the prescribed capital requirements ("**PCR**"), are calibrated at 99.5% Value-at-Risk ("**VaR**") over a one-year period; and

(b) the amount of the total risk requirement of the adjusted fund at the lower solvency intervention level, where the total risk requirement, also referred to as the minimum capital requirements ("**MCR**"), are determined at 90.0% VaR over a one-year period. MCR is set as 50% of PCR.

An adjusted fund is:

(a) a participating fund established and maintained by a licensed insurer under the Insurance Act that relates to Singapore policies;

(b) a participating fund established and maintained by a licensed insurer under the Insurance Act that relates to offshore policies;

(c) the aggregate of the following insurance funds (if any) established and maintained by a licensed insurer under the Insurance Act that relate to Singapore policies:

    (i) a non-participating fund;

    (ii) an investment-linked fund; and

    (iii) a general fund; or

(d) the aggregate of the following insurance funds (if any) established and maintained by a licensed insurer under the Insurance Act that relate to offshore policies:

(i) a non-participating fund;

(ii) an investment-linked fund; and

(iii) a general fund.

A licensed insurer is also required always to satisfy its capital adequacy requirement, which is that its financial resources must not at any time be less than:

(a) the higher of the following:

(i) the amount of the total risk requirement of the licensed insurer at the higher solvency intervention level, where the total risk requirement, also referred to as the PCR, is calibrated at 99.5% VaR over a one-year period; and

(ii) S$5 million; and

(b) the higher of the following:

(i) the amount of the total risk requirement of the licensed insurer at the lower solvency intervention level, where the total risk requirement, also referred to as the MCR, is determined at 90.0% VaR over a one-year period. MCR is set as 50% of PCR; and

(ii) S$5 million.

A licensed insurer must also ensure that at all times: (a) where it is an insurer incorporated in Singapore, the Common Equity Tier 1 ("**CET1**") Capital ratio which is determined as the ratio of the CET1 Capital over the sum of total risk requirements (excluding the risk requirements of participating funds) is not less than 60%; and (b) the Tier 1 Capital ratio which is determined as the ratio of the Tier 1 Capital over the sum of total risk requirements (excluding the risk requirements of participating funds) is not less than 80%.

The fund solvency requirement and capital adequacy requirement must be met at two supervisory solvency intervention levels, namely the higher solvency intervention level and the lower solvency intervention level. Each of the "financial resources" of an insurer and insurance fund, the "higher solvency intervention level", "lower solvency intervention level" and the "total risk requirement" is determined, and assets and liabilities are valued, in accordance with the requirements of the Insurance (Valuation and Capital) Regulations 2004, the MAS Notice 133 on Valuation and Capital Framework for Insurers, the MAS Guidelines on the Preparation of Actuarial Investigation Report and the MAS Guidelines on Use of Internal Models for Liability and Capital Requirements for Life Insurance Products Containing Investment Guarantees with Non-Linear Payouts, where applicable.

The total risk requirement of an adjusted fund of an insurer, or (in the case of a licensed insurer incorporated in Singapore) arising from assets and liabilities of an insurer that do not belong to any insurance fund established and maintained by the insurer under the Insurance Act (including assets and liabilities of any of the insurer's branches located outside Singapore) is to be calculated in accordance with MAS Notice 133 and currently comprises the following components:

(a) Component 1 (C1) requirement relating to insurance risks of the insurer's life and general businesses;

(b) Component 2 (C2) requirement relating to market risks, credit risks and risks arising from the mismatch, in terms of interest rate sensitivity and currency exposure, of the assets and liabilities of the insurer;

(c) the risk requirement relating to operational risk of the insurer as described in MAS Notice 133.

The total risk requirement of a licensed insurer is the aggregate of the total risk requirements of every adjusted fund of the insurer and, where the insurer is a licensed insurer incorporated in Singapore, the total risk requirement arising from assets and liabilities of the insurer that do not belong to any insurance fund established and maintained by the insurer under the Insurance Act (including assets and liabilities of any of the insurer's branches located outside Singapore).

In the case of a licensed insurer incorporated in Singapore, in determining the total risk requirement arising from assets and liabilities of an insurer that do not belong to any insurance fund established and maintained by the insurer under the Insurance Act, the value of such assets and liabilities (including that arising from insurance business) is to be determined in accordance with Parts IV and V of the Insurance (Valuation and Capital) Regulations 2004.

A licensed insurer is required to immediately notify the MAS when it becomes aware that the fund solvency requirement or the capital adequacy requirement is not satisfied or is not likely to be satisfied in accordance with section 17(1) of the Insurance Act. The MAS has the authority to direct that the insurer satisfy fund solvency or capital adequacy requirements other than those that the insurer is required to maintain under the Insurance Act if the MAS considers it appropriate. The MAS also has the power to impose directions on the insurer, and direct the insurer to carry on its business in such manner and in accordance with such conditions as imposed by the MAS in the event that it is notified of any failure or likely failure, or is aware of any inability, of the insurer to comply with the fund solvency or capital adequacy requirements described above.

The MAS also has the general power to impose asset maintenance requirements.

Under Section 35 of the FHC Act, a DFHC is required to have a minimum paid-up ordinary share capital and capital funds of not less than the highest amount of the paid-up capital, which any of its subsidiaries that is a licensed insurer incorporated, formed or established in Singapore is required to hold under the Insurance Act, subject to any other amount as may be required by the MAS. In addition, a DFHC must obtain the prior written approval of the MAS to reduce its paid-up capital, or purchase or otherwise acquire shares issued by the DFHC if such shares are to be held as treasury shares.

On 15 November 2023, the MAS issued MAS Notice FHC-N133 that applies to all DFHCs that have a subsidiary that is a licensed insurer incorporated, formed or established in Singapore. MAS Notice FHC-N133 sets out the valuation and capital requirements for a DFHC of a licensed insurer ("**DFHC (Licensed Insurer)**") based on the RBC 2 consolidation approach. MAS Notice FHC-N133 comprises both mandatory requirements and guidelines on the capital adequacy requirement, valuation of assets and policy liabilities in respect of life business and general business, and the calculation of the total risk requirements and financial resources for a financial holding company group. MAS Notice FHC-N133 came into effect on 1 January 2024.

Policy Owners' Protection Scheme

The Singapore Deposit Insurance Corporation Limited ("**SDIC**") administers the Policy Owners' Protection Scheme (the "**PPF Scheme**") in accordance with the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 of Singapore ("**DIPOPS Act**") for the purposes of compensating (in part or whole) or otherwise assisting or protecting insured policy owners and beneficiaries in respect of the insured policies issued by PPF Scheme members and for securing the continuity of insurance for insured policy owners as far as reasonably practicable. PPF Scheme members essentially comprise direct insurers licensed to carry on life business under the Insurance Act (other than captive insurers) and direct insurers licensed to carry on general business under the Insurance Act (other than captive insurers or specialist insurers), in each case, which are not exempted from the requirement to be a PPF Scheme member.

There are two funds established under the PPF Scheme, namely the Policy Owners' Protection Life Fund (the "**PPF Life Fund**") to cover insured policies comprised in insurance funds established and maintained under section 16 of the Insurance Act by direct insurers licensed to carry on life business and the Policy Owners' Protection General Fund (the "**PPF General Fund**") to cover insured policies comprised in insurance funds established and maintained under section 16 of the Insurance Act by direct insurers licensed to carry on general business.

As PPF Scheme members, each of GEL and GEG is required to pay a levy for any premium year or part thereof in respect of the insured policies issued by it. The levy rates for the purposes of computing the levies payable by PPF Scheme members are assessed and determined by the MAS. Where the MAS is of the opinion that there are insufficient moneys in the PPF Life Fund or the PPF General Fund, as the case may be, to pay any compensation due to insured policy owners or beneficiaries, or to fund any transfer or run-off of the insurance business of any failed PPF Scheme member under the DIPOPS Act, the MAS may, with the concurrence of SDIC, require PPF Scheme members to pay additional levies for any premium year or part thereof and determine the levy rate(s) for the purposes of computing the additional levies.

On 7 December 2023, the MAS published the Consultation Paper on Proposed Enhancements to the Policy Owners' Protection Scheme in Singapore setting out recommendations to enhance the PPF Scheme. The proposals are aimed at enhancing the coverage of the PPF Scheme, simplifying its design and improving its operational efficiency. These proposals are part of MAS' regular reviews to ensure that the PPF Scheme remains up to date with market developments. As part of the proposals, the MAS has provided clarifications pertaining to the coverage under the PPF Life Fund and the PPF General Fund as well as addressed issues relating to the operationalisation of the PPF Scheme under different payout scenarios. The MAS has also published proposals intended to align, where useful and practicable, with the DI Scheme. The MAS has stated that there will be a subsequent consultation on the legislative changes to the Deposit Insurance and Policy Owners' Protection Schemes Act to effect the proposals.

Major Stake and Investment Restrictions

Under section 34 of the Insurance Act and section 31 of the FHC Act, no licensed insurer that is established or incorporated in Singapore or DFHC shall acquire or hold, directly or indirectly, a major stake in any corporation without the prior approval of the MAS and any approval granted by the MAS may be subject to such conditions as determined by the MAS, including any condition relating to the operations or activities of the corporation. A "major stake" means:

(a) any beneficial interest exceeding 10% of the total number of issued shares (or, in the case of an umbrella VCC, either exceeding 10% of the total number of issued shares in the umbrella VCC that are not in respect of any of its sub-funds, or exceeding 10% of the total number of issued shares in the umbrella VCC in respect of any one of its sub-funds) or such other measure corresponding to shares in a corporation as may be prescribed by the MAS;

(b) control of over more than 10% of the voting power (or, in the case of an umbrella VCC, either more than 10% of the voting power in the umbrella VCC that is not in respect of any of its sub-funds, or more than 10% of the voting power in the umbrella VCC in respect of any one of its sub-funds) or such other measure corresponding to voting power in a corporation as may be prescribed by the MAS; or

(c) any interest in a corporation, where the directors of the company or VCC are accustomed or under an obligation, whether formal or informal, to act in accordance with the licensed insurer or DFHC's directions, instructions or wishes, or where the insurer or DFHC is in a position to determine the policy of the corporation.

However, section 34 of the Insurance Act does not apply to the acquisition or holding of the prescribed interests set out in the Insurance (Prescribed Interests under Section 34(6)) Regulations 2023 which includes: (i) any interest acquired, directly or indirectly, using any policy asset of an insurance fund established and maintained under the Insurance Act by a direct insurer licensed to carry on life business for its participating policies; (ii) any interest held, directly or indirectly, as a policy asset of an insurance fund mentioned in sub-paragraph (i); (iii) any interest that is acquired, directly or indirectly, using any underlying asset of an insurance fund established and maintained under the Insurance Act by a direct insurer licensed to carry on life business for its investment-linked policies; and (iv) any interest that is held, directly or indirectly, as an underlying asset of an insurance fund mentioned in sub-paragraph (iii).

Similarly, section 31 of the FHC Act does not apply to any major stake in any company that is acquired or held indirectly through a DFHC's subsidiary, which is a licensed insurer incorporated, formed or established in Singapore if the licensed insurer has obtained MAS' approval under section 34 of the Insurance Act to acquire or hold a major stake in the company or the acquisition or holding of a major stake by the licensed insurer in the company has been excluded from the operation of section 34 of the Insurance Act. With the FHC Act entering into force, in accordance with section 31(3) of the FHC Act, the approval of the MAS in respect of the acquisition or holding of major stakes held by GEH is deemed to have been granted with effect from 1 July 2022 and is subject to the approval conditions set out by MAS.

Asset Management

MAS Notice 125 on Investments of Insurers sets out the basic principles that govern the oversight of investment activities of an insurer and the investments of its insurance funds, and in the case of an insurer that is incorporated or established in Singapore, the investments of both its insurance funds and its shareholders' funds. It contains requirements relating to, among other things, the oversight by the board of directors and senior management, the various reports to be made by the investment committee to the board of directors at the prescribed frequency, duties of the investment committee, asset-liability management and permitted derivatives activities. Appendix A of MAS Notice 125 sets out the main elements that have to be included in the written investment policy of an insurer. With effect from 1 January 2023, Appendix A of MAS Notice 125 was amended to include an additional element which will require an insurer to consider whether the formulation of a counterparty risk appetite statement will be necessary and the factors to take into account for such consideration. MAS Notice FHC-N125 on Investment Activities similarly sets out the requirements and principles that govern the DFHC of a licensed insurer's ("**DFHC (Licensed Insurer)**") oversight over the investment activities within the DFHC (Licensed Insurer) group, including the investments of any entity that is not regulated by the MAS within the FHC group. These requirements are similar to the requirements under MAS Notice 125.

MAS Notice 105 on Insurer's Appointment of Custodians, requires a licensed insurer to ensure that every custodian and, where applicable, sub-custodian, which holds any asset of its insurance fund established and maintained under section 16 of the Insurance Act ("**insurance fund asset**"), is licensed, approved, registered or otherwise regulated for its business or activity of providing custodial services by the relevant authority in the jurisdiction where the respective custody account or sub-custody account is maintained. A licensed insurer must also ensure:

(a) that insurance fund assets held by a custodian or sub-custodian, as the case may be, are kept separate from the assets of the custodian or the sub-custodian, respectively;

(b) that the extent of the custodian's liability in the event of any loss caused by fraud, wilful default or negligence on the part of the custodian, its sub-custodians or its agents is agreed upon in writing with the insurer;

(c) that any material or systemic breach of the custody agreement between the custodian and the insurer must be brought to the insurer's attention as soon as possible; and

(d) that, except as agreed in writing with the insurer, a custodian or a sub-custodian, with whom the insurance fund assets are held in a custody account or subaccount, does not:

    (i) withdraw any of the insurance fund assets; or

    (ii) take any charge, mortgage, lien or other encumbrance over, or in relation to any of the insurance fund assets.

MAS Notice 320 on Management of Participating Life Insurance Business ("**MAS Notice 320**") requires a direct life insurer which has established or will be establishing a participating fund to put in place an internal governance policy on the management of its participating life insurance business. The internal governance policy must contain the items in Appendix A of MAS Notice 320 and must be approved by the board of directors of the insurer. The insurer must, among other things, ensure that the participating fund is managed in accordance with the rules and guiding principles set out in the internal governance policy.

Separate Insurance Funds

Every licensed insurer is required to establish and maintain a separate insurance fund (a) for each class of insurance business carried on by the insurer that (i) relates to Singapore policies and (ii) relates to offshore policies; (b) in the case of a direct insurer licensed to carry on life insurance business, for its investment-linked policies and for its non-investment-linked policies; and (c) if, in the case of a direct insurer licensed to carry on life insurance business, no part of the surplus of assets over liabilities from the insurer's non-participating policies is allocated by the insurer by way of bonus to its participating policies, in respect of its non-investment-linked policies (i) for its participating policies and (ii) for its non-participating policies.

MAS Notice 101 on Maintenance of Insurance Funds and MAS Guidelines on Implementation of Insurance Fund Concept provide further guidance and requirements on, among other things, the establishment and maintenance of insurance funds and the segregation of the assets of licensed insurers in Singapore as required under the Insurance Act. The Insurance Act also prescribes requirements relating to, among other things, withdrawals from the insurance funds, and insurance funds consisting wholly or partly of participating policies.

All receipts of the insurer properly attributable to the business to which an insurance fund relates (including the income of the fund) must be paid into that fund, and the assets in the insurance fund shall apply only to meet such part of the insurer's liabilities and expenses as is properly so attributable.

Reinsurance

MAS Notice 114 on Reinsurance Management sets forth the mandatory requirement for direct insurers to submit annual returns pertaining to their outward reinsurance arrangements and exposures to their top 10 reinsurance counterparties as well as the guiding principles relating to the oversight of the reinsurance management process of insurers (which includes the principle that the board of directors and senior management of an insurer should develop, implement and maintain a reinsurance management strategy appropriate to the operations of the insurer to ensure that the insurer has sufficient resources to meet obligations as they fall due), the classification of a contract as a reinsurance contract, and the assessment of significant insurance risk transfer. In addition, the MAS has issued MAS Guidelines on Risk Management Practices for Insurance Business – Core Activities (as last revised on 10 January 2024) (the "**Insurance Business Guidelines**"), which provide further guidance on risk management practices in general, relating to, among other things, reinsurance management.

Regulation of Products

A direct insurer licensed to carry on life business may only issue a life policy or a long-term accident and health policy if the premium chargeable under the policy is in accordance with rates fixed with the approval of an appointed actuary or, where no rates have been so fixed, is a premium approved by the actuary.

A direct life insurer is required under MAS Notice 302 on Product Development and Pricing ("**MAS Notice 302**") to exercise prudent management oversight on the pricing and development of insurance products and investment-linked policy sub-funds, and to, before offering certain new products, either obtain the approval of, or notify, the MAS, as the case may be. Such request for approval or notification shall include information on, among other things, the tables of premium rates. MAS Notice 302 also sets forth prohibited payout features and requirements relating to disclosure to policyholders and persons entitled to payment of the policy moneys under a policy who have exercised a certain settlement option. MAS Notice 302 has been amended to take into account the approval requirements which apply to the Direct Purchase Insurance Products ("**DPIs**"). In relation to DPIs, the MAS issued MAS Notice 321 on Direct Purchase Insurance Products ("**MAS Notice 321**") on 13 May 2016 which imposes specific obligations on a direct life insurer in respect of DPIs and also requires insurers to obtain written approval from the MAS before offering any new or re-priced DPI for sale to the public. On 19 March 2021, amendments were made to MAS Notice 302 and 321 to replace the hardcopy submission requirements for new or revised products, including DPIs with electronic submission (via email) requirements.

In addition, in the Insurance Business Guidelines, further guidance on risk management practices relating to the core activities of an insurer in relation to product development, pricing, underwriting, claims handling and reinsurance management have been set out.

There are also mandatory requirements and non-mandatory standards which would apply under MAS Notice 307 on Investment-Linked Policies to investment-linked policies relating to, among other things, disclosure, investment guidelines, borrowing limits and operational practices. Licensed insurers are required to provide for a free-look period for life policies, and accident and health policies with a duration of one year or more. On 28 June 2021, amendments were made to MAS Notice 307 on the Investment-Linked Policy's ("**ILP**") fees and charges and came into effect on 1 July 2021. For any ILP that is issued on or after 8 October 2021, an insurer shall:

(a) consolidate the fees and charges, other than charges for insurance coverage, that are imposed upfront, where such fees or charges are deducted from premiums that are paid on the ILP or deducted via a cancellation of units in an ILP sub-fund ("**upfront deductions**");

(b) disclose the upfront deductions as a single charge, and term it as a "premium charge" in any such disclosure that the insurer is required by the MAS to make or when referring to it in an advertisement or any other communication made to policyholders; and

(c) not use the term "premium allocation rate" in any such disclosure that the insurer is required by the MAS to make or when referring to it in any advertisement.

Market Conduct Standards

MAS Notice 306 on Market Conduct Standards for Life Insurers Providing Financial Advisory Services as Defined under the Financial Advisers Act ("**MAS Notice 306**") imposes certain requirements on direct life insurers which provide financial advisory services under the FAA relating to, among other things, training and competency requirements, prohibition against subsidised loans to representatives out of life insurance funds, establishing a compliance unit, taking disciplinary action against representatives for misconduct, and allocation/non-allocation of income and expenses to the life insurance funds. With effect from 22 February 2021, MAS Notice 306 was amended and an insurer is no longer required to submit information on its provision of financial advisory services annually to the MAS.

MAS Notice 318 on Market Conduct Standards for Direct Life Insurer as a Product Provider ("**MAS Notice 318**") also imposes certain requirements on direct life insurers as product providers of life policies relating to, among other things, standards of disclosure and restrictions on the sales process and the replacement of life policies.

The MAS has also issued the Guidelines on the Online Distribution of Life Policies with No Advice (the "**Distribution Guidelines**") which applies to all direct life insurers. The Distribution Guidelines sets out the MAS' expectations on the safeguards that direct life insurers should put in place for the online distribution of life policies without the provision of advice.

MAS Notice 211 on Minimum and Best Practice Training and Competency Standards for Direct General Insurers ("**MAS Notice 211**") requires direct general insurers to only enter into insurance contracts arranged by agents or staff with requisite registration and minimum qualification requirements (unless exemptions apply), and requires direct general insurers to ensure that staff of certain agents who sell or provide sales advice on the insurers' products are adequately trained and that front-end operatives meet the qualification requirements (unless exemptions apply) before they are allowed to provide sales advice on or sell general insurance products or handle claims. MAS Notice 211 was also revised as of 6 July 2015 to (among other things) clarify that the requirements similarly apply to outsourced claims handlers, with the amendments taking effect on 20 July 2015. MAS Notice 211 was further revised as of 28 October 2021 to (among other things) exempt trade specific agents from minimum academic qualifications requirement and to include additional accepted qualifications in Annex 1 of the Notice.

Non-mandatory best practice standards apply to direct general insurers to implement training and competency plans for front-end operatives. The MAS Guidelines on Market Conduct Standards and Service Standards for Direct General Insurers set out the standards of conduct expected of direct general insurers as product providers of insurance policies.

In respect of health insurance products, direct insurers must ensure, among other things, that any individual employed by them or who acts as their insurance agent or appointed representative pass the examination requirements specified in MAS Notice 117 on Training and Competency Requirement: Health Insurance Module (unless exemptions apply) and are prohibited from accepting business in respect of any health insurance product from any individual whom they employ or who acts as their insurance agent and who has not met such requirements. MAS Notice 120 on Disclosure and Advisory Process Requirements for Accident and Health Insurance Products ("**MAS Notice 120**") sets out both mandatory requirements and best practice standards on the disclosure of information and provision of advice to insureds for accident and health policies and life policies that provide accident and health benefits. In 2015, the MAS reviewed the regulatory framework for accident and health insurance products and amended MAS Notices 117 and 120. The changes largely pertain to Medisave-approved Integrated Shield Plans ("**IPs**") but extend in part to all accident and health policies. The changes include enhanced disclosure requirements, stronger protection measures for policyholders, and improved quality of conduct of intermediaries selling accident and health insurance. Amendments were made to MAS Notice 120 to grant temporary exemption of paragraph 24A thereof (i.e. no closure of sale of any Medisave-approved policy over the telephone) for the period from 13 April 2020 to 30 September 2022. On 2 February 2024, the MAS issued a Consultation Paper on Proposals to Simplify Requirements and Facilitate Access to Simple and Cost-Effective Insurance Products proposing to allow financial institutions to collect a reduced set of client information when making recommendations on selected life of long-term accident and health insurance policies in accordance with the rules of thumb in the Basic Financial Planning Guide subject to certain safeguards. The proposal seeks to promote the adoption of the Basic Financial Planning Guide by the financial advisory industry, and enable consumers to more easily purchase simple and cost-effective insurance policies to meet their needs which can help narrow insurance protection gaps in Singapore. To implement the proposal, MAS is proposing to amend MAS Notice 120 to set out an exemption for financial institutions which make recommendations on insurance policies made in accordance with the Basic Financing Planning Guide from the full information collection requirements currently set out in MAS Notice 120, subject to certain safeguards.

MAS Notice 320 on Management of Participating Life Insurance Business ("**MAS Notice 320**") requires a direct life insurer to comply with certain disclosure requirements for product summaries, and annual bonus updates, in relation to its participating policies. On 16 November 2020, MAS Notice 320 was amended to implement proposals relating to insurers' charging of expenses to the participating fund and to allow insurers to send its policy owner the annual bonus update in electronic form unless the policy owner specifically requests for hardcopy.

The Insurance (Remuneration) Regulations 2015, which came into force on 1 January 2016, set out certain requirements in connection with the payment of remuneration in relation to the provision of any financial advisory service in connection with any life policy, or the sale of any life policy following the provision of any financial advisory service.

The MAS implemented financial advisory industry review ("**FAIR**") initiatives such as a web aggregator, which allows consumers to compare life insurance products from various companies using a web portal, and direct channel purchase in April 2015. The re-issuance of MAS Notice 322 on Information to be Submitted Relating to the Web-Aggregator took effect on 1 January 2016, specifically detailing the information required to be submitted for the purposes of the web-aggregator. On 27 November 2023, MAS Notice 322 was amended to reflect that information for the purposes of the web-aggregator will have to be submitted through compareFIRST Insurer Facilitator.

Various industry codes of practice also apply to insurers, including codes/guidelines issued by the Life Insurance Association of Singapore ("**LIA**") and the General Insurance Association of Singapore ("**GIA**").

In addition, there are rules in the Insurance Act and the relevant regulations, notices, guidelines and circulars relating to the granting of loans, advances and credit facilities by insurers, which insurers have to comply with if they conduct such activities.

Under Section 60(1) of the FHC Act, the MAS may give directions or impose requirements on or relating to the operations or activities of, or the standards to be maintained by, the DFHC.

Corporate Governance

All direct insurers which are incorporated in Singapore (other than marine mutual insurers) are subject to the Insurance (Corporate Governance) Regulations 2013. Among other things, these regulations require an insurer which is established or incorporated in Singapore and in the case of a:

(a) direct life insurer, whose latest annual audited statement of financial position shows that it has total assets of at least S$5 billion or its equivalent in any foreign currency;

(b) direct general insurer or a reinsurer, whose latest annual audited statement of profit and loss shows that it has gross premiums of at least S$500 million or its equivalent in any foreign currency in its insurance funds and Overseas (Branch) Operations (defined as the income and outgoings of the operations of all branches of the insurer located outside Singapore); and

(c) direct composite insurer, who satisfies the requirements in sub-paragraph (a) above in respect of its total assets or in sub-paragraph (b) above in respect of gross premiums for its general business,

(each a "**Tier 1 insurer**") to, subject to certain exceptions, have a board of directors comprising at least a majority of directors who are "independent directors", establish various committees with prescribed responsibilities, and obtain the MAS' prior approval for the appointment of the members of the nominating committee, chief financial officer and chief risk officer. "Independent directors" are directors who are independent from any management and business relationship with the insurer and from any substantial shareholder of the insurer and who have not served on the board of directors of the insurer for a continuous period of nine years or longer. GEL and GEG are both Tier 1 insurers.

The Financial Holding Companies (Corporate Governance of Designated Financial Holding Companies with Licensed Insurer Subsidiary) Regulations 2022 (the "**DFHC (Licensed Insurer) Corporate Governance Regulations**"), which apply to a DFHC (Licensed Insurer) such as GEH, set out similar corporate governance requirements. A DFHC (Licensed Insurer) which:

(a) holds, directly or indirectly, any share in one or more insurance companies carrying on life business, and the consolidated total assets of the FHC group of the DFHC (Licensed Insurer) is S$20 billion or more in value or its equivalent in any foreign currency;

(b) all insurance companies in the FHC group of the DFHC (Licensed Insurer) carry on only general business, and the consolidated total gross premium of the FHC group of the DFHC (Licensed Insurer) is S$2 billion or more in value or its equivalent in any foreign currency; or

(c) the DFHC (Licensed Insurer) has at least one subsidiary that is a Tier 1 insurer;

will be considered a Tier 1 DFHC (Licensed Insurer). GEH is a Tier 1 DFHC (Licensed Insurer). A Tier 1 DFHC (Licensed Insurer) is, subject to certain exceptions, required to have a board of directors comprising at least a majority of directors who are "independent directors" and to establish various committees whose composition is in line with the requirements under the DFHC (Licensed Insurer) Corporate Governance Regulations. In addition, a DFHC (Licensed Insurer) is subject to MAS Notice FHC-N106 Appointment of Director, Chairperson, Member of Nominating Committee, and Key Executive Person which sets out the requirements and guidelines for all DFHC (Licensed Insurer) to seek MAS approval for the appointment of any director, chairperson or key executive person, notify MAS of any additional directorship or key executive person role taken up by a key executive person, and ensure that the proposed appointees for the appointment of directors and key executive persons are fit and proper to fulfil their roles and responsibilities.

Direct insurers that are incorporated in Singapore, as well as all DFHCs, are subject to the MAS Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are Incorporated in Singapore. These guidelines have been updated as of 9 November 2021, and provide guidance on good corporate governance practices that certain financial institutions, including direct insurers that are incorporated in Singapore, should observe in relation to their corporate governance (the "**2021 Guidelines**"). The MAS has incorporated the Code of Corporate Governance as last revised in 2018 into the 2021 Guidelines and shifted certain provisions in the previous guidelines (that was issued in 2013 and which has been superseded and replaced by the 2021 Guidelines) which it considers to be baseline expectations on corporate governance into the Insurance (Corporate Governance) Regulations 2013 for mandatory compliance. The 2021 Guidelines also include additional guidelines added by the MAS to take into account the unique characteristics of the business of insurance in light of the diverse and complex risks undertaken by financial institutions conducting insurance business and the responsibilities to policyholders. The guidelines that relate to disclosures have taken effect from 1 January 2022 and apply to annual reports covering financial years commencing from that date, while the other guidelines took effect from 1 April 2022.

Asset and Liability Exposures

MAS Notice 122 on Asset & Liability Exposures for Insurers ("**MAS Notice 122**") sets forth various asset and liability exposures reporting requirements and prescribes the form in which the relevant reports are to be made.

A licensed insurer is required to file, among other things, the following in their prescribed formats with the MAS (i) for each quarter, the breakdown of equity securities, breakdown of debt securities, breakdown of loans, breakdown of cash and deposits, breakdown of derivatives, turnover volume of derivatives, breakdown of foreign currency exposure for assets and liabilities and top 10 broker groups with the highest outstanding premiums due, and (ii) annually, the breakdown of assets managed by head office/ parent/outsourced entity, breakdown of insurance exposure of Singapore Insurance General Fund, breakdown of insurance exposure of Offshore Insurance (Life and General) Fund and breakdown of assets held by custodian.

On 5 November 2021, the MAS issued a Consultation Paper on Proposed Changes to Notice 122 on Assets and Liabilities Exposures for Insurers and its Implementation proposing to remove certain reporting requirements on the Turnover Volume of Derivatives by Notional Principal Amount with a view to collect data on a risk proportionate basis, a restructuring in the manner which custodian information relating to equity, debt, loans, cash and deposits and derivatives are reported and the collection of additional information including those relating to the breakdown of underlying assets of collective investment schemes, investment-linked policies sub-funds, currency reserve and unit reserves of investment-linked business amongst others. The MAS has proposed that the enhanced data collected will be using a new platform called the Data Collection Gateway. On 27 May 2022, the MAS published the Response to Feedback Received on Proposed Changes to Notice 122 on Assets and Liabilities Exposures for Insurers and its Implementation stating that it will simplify a number of the proposals in view of the feedback received (the "**Response Paper**"). On 30 November 2023, the MAS issued a revised MAS Notice 122 which has been amended in line with the responses set out in the Response Paper. The amendments to MAS Notice 122 took effect on 1 January 2024.

Risk Management and Fit and Proper Person

Broadly, the MAS has issued risk management guidelines applicable to insurers specifically and to financial institutions generally. The risk management guidelines which are of general application, and which apply to licensed insurers, provide guidance on sound risk management practices and cover credit, market, liquidity, operational, technology, internal controls and the role of a financial institution's Board of Directors and senior management.

MAS Notice 126 on Enterprise Risk Management ("**ERM**") for Insurers sets out ERM requirements and guidelines on how insurers are to identify and manage interdependencies between key risks, and how they are translated into management actions related to strategic and capital planning matters. With effect from 1 January 2023, MAS Notice 126 was amended to include new requirements for an insurer to identify and address concentration risk in its ERM framework, to perform stress testing on material counterparty exposures as part of the insurers' annual Own Risk and Solvency Assessment ("**ORSA**"), to perform macroeconomic stress testing and liquidity stress testing as part of their ORSA stress testing process and to establish a liquidity contingency funding plan setting out the strategy for addressing liquidity shortfalls. MAS Notice FHC-N126 similarly sets out the ERM requirements and guidelines which apply to a DFHC (Licensed Insurer) which includes establishing an ERM framework for the FHC group and performing the ORSA at the group level. The ORSA conducted at the group level must be performed at least annually.

MAS Notice 123 on Reporting of Suspicious Activities and Incidents of Fraud sets out requirements for insurers to report suspicious activities and incidents of fraud which are material to the safety, soundness or reputation of the insurer. The MAS has also issued the Guidelines on Risk Management Practices for Insurance Business – Insurance Fraud Risk (as last updated on 10 January 2024) (the "**Insurance Fraud Risk Guidelines**") setting out risk management practices to identify and mitigate insurers' exposure to the risk of insurance fraud. The Insurance Fraud Risk Guidelines sets out broad principles that should be embedded in a risk management framework established by the insurer covering strategy, organisational structure, policies and procedures for managing insurance fraud risk.

MAS Notice 127 on Technology Risk Management sets out requirements relating to technology risk management for licensed insurers. These include requirements for the insurer to have in place a framework and process to identify critical systems, to make all reasonable effort to maintain high availability for critical systems, to establish a recovery time objective of not more than four hours for each critical system, to notify the MAS of a system malfunction or IT security incident, which has a severe and widespread impact on the insurer's operations or materially impacts the insurer's service to its customers, to submit a root cause and impact analysis report to the MAS and to implement IT controls to protect customer information from unauthorised access or disclosure.

MAS Notice 132 on Cyber Hygiene sets out cyber security requirements on securing administrative accounts, applying security patching, establishing baseline security standards, deploying network security devices, implementing anti-malware measures and strengthening user authentication. Similarly, MAS Notice FHC-1119 sets out cyber security requirements which apply to a DFHC (Licensed Insurer).

MAS Technology Risk Management Guidelines ("**TRM Guidelines**") set out risk management principles and best practice standards to guide financial institutions (including licensed insurers) in respect of (a) establishing a sound and robust technology risk management framework, and (b) maintaining cyber resilience. The TRM Guidelines were revised in January 2021 to include new guidance on effective cyber surveillance, secure software development, adversarial attack simulation exercise, and management of cyber risks posed by emerging technologies. It also provides additional guidance on the roles and responsibilities of the board of directors and senior management, including the requirement that the board of directors and senior management to have members with the knowledge to understand and manage technology risks, which include risks posed by cyber threats.

Under the MAS Guidelines on Fit and Proper Criteria (FSG-G01), the following persons, among others, are required to be "fit and proper" persons: a substantial shareholder of a licensed insurer, a principal officer or director of a licensed insurer, a person having effective control of a licensed insurer, a person having control of a licensed insurer, an appointed actuary, a certifying actuary, and an exempt financial institution and its representatives in relation to activities regulated by the MAS under the FAA. Broadly, the MAS will take into account, among other things, the following criteria in considering whether a person is fit and proper: (i) honesty, integrity and reputation; (ii) competence and capability; and (iii) financial soundness.

On 14 May 2021, MAS published a Consultation Paper on Proposals to Mandate Reference Checks proposing to require financial institutions to perform reference checks and respond to reference check requests, based on a set of minimum mandatory information within a specified period of time. This is intended to mitigate the risk of "rolling bad apples", where individuals who engage in misconduct in one firm, move on to another firm without disclosing their earlier misconduct to the prospective employer. The financial institutions which the MAS has proposed for the requirements to apply to includes licensed insurers. On 12 December 2023, the MAS published its Response to Feedback Received on Proposals to Mandate Reference Checks stating that it will proceed with the proposal to require all financial institutions in the categories listed in Annex A of the response paper (which includes licensed insurers) to conduct and respond to reference checks. In terms of the employees within scope, the MAS has said that this will be aligned with the scope of relevant functions under the harmonised and expanded power to issue prohibition orders under section 6 of the Financial Services and Markets Act 2022 ("**FSM Act**") but a risk-based approach will be adopted such that reference checks are only required on senior managers and material risk personnel performing relevant functions under section 6 of the FSM Act. In terms of implementation, the MAS intends to impose the requirements via Notices issued to the relevant financial institution to conduct and respond to reference checks on a minimum set of standardised information. The MAS has stated that it will be consulting on the draft Notices in due course.

Appointment of Chairman, Directors and Key Executive Persons

A licensed insurer established or incorporated in Singapore must, prior to appointing a person as its chairman, director or key executive person (such persons include the chief executive, deputy chief executive, appointed actuary, certifying actuary, chief financial officer of a Tier 1 insurer, chief risk officer of a Tier 1 insurer and such other person holding an appointment in the licensed insurer as may be prescribed), satisfy the MAS that the person is a fit and proper person to be so appointed and obtain the MAS' approval for the appointment. Without the prior written consent of the MAS, a licensed insurer which is established or incorporated in Singapore must not permit a person to act as its executive officer or director if the person, among other things, has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty, is an undischarged bankrupt, or had a prohibition order under the Insurance Act of Singapore, FAA or SFA made against him that remains in force, whether in Singapore or elsewhere.

MAS Notice 106 on Appointment of Director, Chairman and Key Executive Person ("**MAS Notice 106**") sets out mandatory requirements and guidelines relating to the appointment of a director, chairman and key executive person of a licensed insurer. In addition, MAS Notice 106 prescribes the application form for the appointment of directors, chairman and key executive persons, and the form for licensed insurers to notify the MAS of changes in the roles and responsibilities or reporting structure of directors and key executive persons. MAS Notice 106 was amended on 24 September 2021 to remove the requirement for insurers to notify MAS of any proposed arrangement (including an arrangement resulting in a director or key executive person taking on additional executive officer position or directorship) relating to a director or key executive person at least one month before it takes effect, to allow insurers to notify MAS as soon as practicable in the event that it is not possible for the insurer to be aware of the additional appointment at least one month before it takes effect.

If at any time it appears to the MAS that (a) a key executive person, the chairman or a director of a licensed insurer which is established or incorporated in Singapore has failed to perform his functions or is no longer a fit and proper person to be so appointed and (b) it is necessary in the public interest or for the protection of policy owners of a licensed insurer, the MAS may direct the licensed insurer to remove the key executive person, chairman or director, as the case may be, from his office, appointment or employment.

Under Section 63 of the FHC Act and MAS Notice FHC-N106, a DFHC (Licensed Insurer) is required to seek MAS approval for the appointment of any director, chairperson, member of nominating committee (in the case of a Tier 1 DFHC (Licensed Insurer) or key executive person (defined to mean the chief executive, deputy chief executive, chief financial officer of a Tier 1 DFHC (Licensed Insurer) or chief risk officer of a Tier 1 DFHC (Licensed Insurer)) using a prescribed form at least one month before the proposed date of appointment. In addition, the DFHC (Licensed Insurer) is required to notify MAS of any additional directorship or key executive person role taken up by a key executive person and ensure that the proposed appointees for the appointment of directors and key executive persons are fit and proper to fulfil their roles and responsibilities.

Financial Reporting Requirements

The MAS Notice 129 on Insurance Returns (Accounts and Statements) ("**MAS Notice 129**") sets forth various reporting requirements and prescribes the form in which the relevant statements of account and other statements of a licensed insurer are to be made. On 15 March 2021, amendments were made to the Independent Auditor's Report and Independent Auditor's Supplementary Report in MAS Notice 129 to take into account revisions on the Singapore Standards on Auditing ("**SSAs**").

A licensed insurer is required to file with MAS, all applicable forms (including all applicable annexes to such forms) and documents as specified in the relevant appendix of MAS Notice 129, in the form and manner specified in such appendix.

Under MAS Notice FHC-N129, a DFHC (Licensed Insurer) is similarly required to file with MAS, all applicable forms (including all applicable annexes to such forms) and documents as specified in the relevant appendix of MAS Notice FHC-N129, in the form and manner specified in such appendix. On 7 December 2023, the MAS issued a revised MAS Notice FHC-N129 which sets out amendments to revise the reporting requirements for a DFHC (Licensed Insurer). The amendments, which are intended to take into account the valuation and capital requirements under MAS Notice FHC-N133, took effect on 1 January 2024.

MAS Notice 318 requires direct life insurers to submit information on their businesses and sources of businesses to the MAS annually.

MAS Notice 306 previously required direct life insurers to submit information on their businesses to the MAS annually. This requirement has since been removed with effect from 22 February 2021.

Appointment of auditors

Under section 39(1) of the FHC Act and section 94(4) of the Insurance Act, a DFHC and licensed insurer (other than a captive insurer and a marine mutual insurer) are required to appoint an auditor annually for the purposes of preparing and lodging with the MAS the requisite statements of accounts and other statements relating to its business. No person shall act as auditor for a DFHC and licensed insurer unless, among other things, the insurer has obtained the approval of the MAS to appoint that person as an auditor.

Actuaries

Under section 95(1) of the Insurance Act, a licensed insurer carrying on life and general business is also required, for each accounting period, to have an investigation made by an actuary approved by the MAS into the financial condition of each class of business that it carries on. Actuaries must be approved by the MAS. A direct insurer licensed to carry on life and general business shall have appointed an actuary and a certifying actuary, in each case, who is responsible for, among other things, reporting to the chief executive of the insurer on various matters including matters which in the actuary's opinion have a material adverse effect on the financial condition of the insurer in respect of its life or general business, or both, as the case may be. If the appointed actuary or certifying actuary, as the case may be, is of the opinion that the insurer has failed to take appropriate steps to rectify any matter reported by the actuary within a reasonable time, the actuary is required to immediately send a copy of his report to the MAS and notify the board of directors of the insurer that he has done so.

Public Disclosure

Licensed insurers are subject to MAS Notice 124 on Public Disclosure Requirements ("**MAS Notice 124**") which sets out requirements for an insurer to disclose relevant, comprehensive and adequate information on a timely basis in order to give a clear view of its business activities, performance and financial position. MAS Notice 124 requires an insurer to disclose quantitative and qualitative information on its profile, governance and controls, financial position, technical performance and the risks to which it is subject. From 1 January 2023, the public disclosure requirements in MAS Notice 124 have been enhanced to require insurers to publicly disclose quantitative and qualitative information on liquidity risk, including quantitative information on sources and uses of liquidity (considering liquidity characteristics of both assets and liabilities), and qualitative information on liquidity risk exposures, management strategies, policies and processes. Insurers are also now required to publicly disclose quantitative and qualitative information on investment risk, including quantitative information on currency risk, market risk, credit risk and concentration risk, and qualitative information on the management of investment risk exposures, use of derivatives for hedging investment risks and internal policies on the use of derivatives.

Resolution Powers

Under the Monetary Authority of Singapore Act 1970 of Singapore (the **"MAS Act**"), FHC Act and the Insurance Act, the MAS has resolution powers in respect of Singapore licensed insurers. Broadly speaking, the MAS has powers to (amongst other things) assume control of an insurer, impose moratoriums, temporarily stay termination rights of counterparties, order compulsory transfers of business or shares and impose requirements relating to recovery and resolution planning.

On 11 May 2022, the Financial Services and Markets Act 2022 ("**FSM Act**") was gazetted. The FSM Act is an omnibus statute for the sector-wide regulation of financial services and markets. The FSM Act is being implemented in phases, with the first phase having commenced on 28 April 2023. The remaining phases are targeted to be implemented in 2024. When the FSM Act fully comes into force, the resolution powers of the MAS under the MAS Act will be moved over to the FSM Act.

The MAS has published MAS Notice 134 on Recovery and Resolution Planning for Insurers which sets out the requirements on recovery and resolution planning for insurers notified by the MAS and which will take effect on 1 January 2025. While MAS expects all insurers to have a recovery plan in place to identify actions that can be taken to restore its financial position and viability under situations of severe stress, the MAS focus will be on D-SIIs given their systemic impact. The notified insurers will therefore be the D-SIIs as a start. The recovery plan which a notified insurer will be required to prepare must include (a) a framework of recovery triggers that identifies the points at which appropriate recovery options may be taken; (b) an escalation process upon the occurrence of a trigger event, to facilitate prompt assessment of the impact, and decision on the appropriate course of action; (c) a menu of recovery options which are available in situations of severe stress to address capital shortfalls and liquidity pressures; and (d) a communication plan to ensure timely communication with internal and external stakeholders. The notified insurers will be required to review and test the feasibility and effectiveness of the recovery plan to ensure it remains relevant and up-to-date.

The MAS has also proposed to extend the statutory bail-in regime under the MAS Act to Singapore-incorporated licensed insurers and designated insurance holding companies. The statutory bail-in regime will be applied to equity instruments (except ordinary shares), unsecured subordinated liabilities and certain types of unsecured senior liabilities, issued or contracted after the effective date of the relevant legislative amendments specifying the bail-inable instruments for the insurance sector. In addition, the MAS has proposed to extend the restrictions on eligible instruments and disclosure requirements under regulations 25 and 26 of the Monetary Authority of Singapore (Resolution of Financial Institutions) Regulations 2018 to the statutory bail-in regime for the insurance sector.

Inspection and Investigative Powers

The MAS' inspection and investigative powers are set out under section 98 to section 101 of the Insurance Act which allow the MAS to: (a) inspect, under conditions of secrecy, the books of a licensed insurer or any branch or subsidiary outside Singapore of a licensed insurer established or incorporated in Singapore or an insurance subsidiary; and (b) conduct any investigation that is considers necessary or expedient to perform their duties under the Insurance Act or to determine the truth of an alleged or suspected contravention of the Insurance Act or any direction issued under it.

On 2 July 2021, the MAS published the Consultation Paper on Proposed Amendments to MAS' Investigative and Other Powers under the Various Acts proposing amendments under the Financial Institutions (Miscellaneous Amendments) Bill (the "**FIMA Bill**") to various pieces of legislation including the Insurance Act. The proposals aim to enhance the MAS' evidence-gathering powers and to facilitate greater inter-agency coordination. Amongst the proposed amendments to the Insurance Act include granting the MAS the power to require any person to provide information for the purposes of investigation, requiring any person to appear for examination and allowing the MAS to enter premises without warrant and be able to transfer evidence between the MAS and other agencies. On 16 February 2024, the MAS published its Response to Feedback Received on Proposed Amendments to MAS' Investigative and Other Powers under the Various Acts. The MAS has stated that it will be proceeding with the proposals to enhance the supervision and enforcement powers of the MAS under the relevant legislation and provided further clarification on the scope of application of the enhanced supervision and enforcement powers it will be able to exercise. The FIMA Bill was passed by the Singapore Parliament on 7 March 2024. When it comes into effect, the MAS will have enhanced supervision and enforcement powers over licensed insurers.

In addition, when the remaining phases of the FSM Act come into effect, it will, amongst others, introduce a harmonised and expanded power for the MAS to issue prohibition orders against persons who are not fit and proper from engaging in financial activities regulated by the MAS or performing any key roles of functions in the financial industry that are prescribed, in order to protect a financial institution's customers, investors or the financial sector. This broadens the categories of persons who may be subject to prohibition orders and widens the scope of prohibition to cover functions critical to the integrity and functions of financial institutions. The MAS has stated that it will continue to exercise its prohibition order powers judiciously taking into account the nature and severity of each misconduct, and its actual and potential impact on trust in the financial sector. These expanded powers apply to persons working in insurers in Singapore.

Priority of liabilities in winding up

Section 123(1) of the Insurance Act provides that, where a licensed insurer becomes unable to meet its obligations or becomes insolvent, the assets of the licensed insurer, subject to section 16(12) of the Insurance Act, must be available to meet all liabilities in Singapore of the licensed insurer specified in section 123(3) of the Insurance Act, including liabilities which are properly attributable to the business to which an insurance fund relates (the "**Specified Liabilities**"). The Specified Liabilities will have priority over all unsecured liabilities of the insurer, other than the preferential debts specified in section 203(1) of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore.

Under section 123(3) of the Insurance Act, the Specified Liabilities are (and in the event of a winding up of an insurer will rank in the following order of priority notwithstanding the provisions of any written law or any rule of law relating to the winding up of companies):

(a) firstly, any levy due and payable by the licensed insurer under the DIPOPS Act;

(b) secondly, protected liabilities incurred by the licensed insurer, up to the amount paid or payable out of any of the PPF Funds (i.e. the PPF Life Fund or the PPF General Fund) by SDIC under the DIPOPS Act in respect of such protected liabilities and, if applicable, the amount paid or payable out of any of the PPF Funds by SDIC under the DIPOPS Act to fund any transfer or run-off of the business of the licensed insurer or the termination of insured policies issued by the licensed insurer;

(c) thirdly, any liabilities incurred by the licensed insurer in respect of direct policies which are not protected under the DIPOPS Act;

(d) fourthly, any liabilities incurred by the licensed insurer in respect of reinsurance policies; and

(e) fifthly, any sum claimed by the trustee of a resolution fund (within the meaning of section 98 of the MAS Act) from the licensed insurer under section 103, 104, 105 or 106 of the MAS Act.

As between Specified Liabilities of the same class referred to in sub-paragraphs (a) to (e) above, such Specified Liabilities rank equally between themselves and are to be paid in full unless the assets of the licensed insurer are insufficient to meet them in which case they are to abate in equal proportions between themselves.

Anti-money Laundering / Countering the Financing of Terrorism ("AML/CFT") Requirements

Licensed insurers in Singapore are subject to AML/CFT requirements which are both of general application and applies to all persons in Singapore as well as those of sectoral application which applies only to financial institutions in Singapore. The AML/CFT requirements which are of general application are set out in the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 of Singapore ("**CDSA**") and Terrorism (Suppression of Financing) Act 2002 of Singapore ("**TSOFA**") and applies to all persons in Singapore, including an insurer licensed in Singapore and a DFHC.

Separately, as a financial institution regulated by the MAS, an insurer licensed in Singapore as a life insurer is subject to AML/CFT requirements issued by the MAS which are of sectoral application. A life insurer such as GEL is required to implement robust controls to detect and deter the flow of illicit funds through Singapore's financial system. The MAS has issued MAS Notice 314 (as last revised on 1 March 2022) on Prevention of Money Laundering and Countering the Financing of Terrorism – Life Insurers and their relevant guidelines which sets out the AML/CFT requirements applies to all direct life insurers in relation to their life policies. This includes performing customer due diligence on all customers before and after establishing business relations with any customer, conducting regular account reviews, performing record keeping and reporting any suspicious transactions to the Suspicious Transaction Reporting Office, Commercial Affairs Department of the Singapore Police Force.

In addition, the MAS gives effect to targeted financial sanctions under the UN Security Council Resolutions ("**UNSCR**") through regulations issued under the FSM Act (the "**FSM Regulations**") which apply to all financial institutions in Singapore. Broadly, the FSM Regulations require financial institutions to (a) immediately freeze funds, other financial assets or economic resources of designated individuals and entities; (b) not enter into financial transactions or provide financial assistance or services in relation to: (i) designated individuals, entities or items; or (ii) proliferation, nuclear or other sanctioned activities; and (iii) inform MAS of any fact or information relating to the funds, other financial assets or economic resources owned or controlled, directly or indirectly, by a designated individual or entity.

In response to Russia's invasion of Ukraine, the Singapore Government has imposed financial measures targeted at designated Russian banks, entities and activities in Russia, and fund-raising activities benefiting the Russian government. These measures apply to all financial institutions in Singapore including a life insurer and a DFHC. These financial measures are set out in MAS Notice SNR-N01 on Financial Measures in Relation to Russia and MAS Notice SNR-N02 on Financial Measures in Relation to Russia – Non-prohibited Payments and Transactions which were both published and took effect on 14 March 2022.

Outsourcing

Licensed insurers are subject to the MAS' Guidelines on Outsourcing (as last revised on 5 October 2018) which sets out the MAS' expectations of a financial institution that has entered into any outsourcing arrangement or is planning to outsource is business activities to a service provider. The Guidelines on Outsourcing requires a financial institution to enter into an outsourcing agreement with the service provider and for such outsourcing agreement to contain certain specified provisions including in relation to performance, operational, internal control and risk management standards, confidentiality and security, business continuity management, monitoring and control, notification of adverse developments, dispute resolution, default termination and early exit, sub-contracting as well as providing for audit and inspection rights.

On 11 December 2023, the existing MAS' Guidelines on Outsourcing were amended and renamed as the "Guidelines on Outsourcing (Financial Institutions other than Banks)". The updated Guidelines on Outsourcing (Financial Institutions other than Banks) will take effect from 11 December 2024. Amongst the amendments, include the removal of references to banks and merchant banks, the addition of an annex of "exempted outsourced services" and amendments relating to business continuity management.

Digital Advisory Services

On 8 October 2018, the MAS issued the Guidelines on Provision of Digital Advisory Services, which applies to all financial institutions (including licensed insurers) offering or seeking to offer digital advisory services in Singapore. Digital advisers seeking to offer their platforms to investors in Singapore will have to be licensed for fund management or dealing in capital markets products under the SFA and/or providing financial advisory services on investment products under the FAA. The type of licensing depends on the operating model of the digital adviser. The Guidelines set out the MAS' expectations on the board of directors and senior management to address the risks posed covering governance and supervision of algorithms, and clarifies the applicability of existing requirements to digital advisers, such as those relating to technology risk management, prevention of money laundering and countering the financing of terrorism, suitability of advice, disclosure of information, applicability of the balanced scorecard framework, as well as advertisements and marketing.

Environment Risk Management

On 8 December 2020, the MAS issued the Guidelines on Environmental Risk Management for Insurers ("**ERM Guidelines**") which applies on a group basis for Singapore-incorporated insurers. The ERM Guidelines set out MAS' expectations on environmental risk management for all insurers and covers governance and strategy, risk management, underwriting, investment and disclosure of environmental risk information. The board of directors and senior management of the insurer is expected to maintain effective oversight of the insurer's environmental risk management and disclosure, including the policies and processes to assess, monitor and report such risk, and oversee the integration of the insurer's environmental risk exposures into the insurer's enterprise risk management framework. Insurers were given up to June 2022 to implement the expectations set out in the ERM Guidelines and demonstrate evidence of implementation progress.

On 18 October 2023, the MAS published the Consultation Paper on Guidelines on Transition Planning (Insurers) setting out MAS' proposed Guidelines on Transition Planning to supplement the ERM Insurer Guidelines and provide additional granularity in relation to insurers' transition planning processes. Transition planning for insurers refers to the internal strategic planning and risk management processes undertaken to prepare for both risks and potential changes in business models associated with the transition. The proposed Guidelines on Transition Planning (Insurers) (the "**Insurer TPG**") sets out the MAS expectation for insurers to have a sound transition planning process to enable effective climate change mitigation and adaptation measures by their customers in the global transition to a net zero economy and the expected physical effects of climate change. It is proposed that the Insurer TPG will be applicable to insurers providing insurance coverage to corporate customers, insurer's underwriting and investment activities as well as any other activities that expose the insurer to material environmental risk. For Singapore-incorporated insurers, the Insurer TPG will be applicable on a group basis.

Individual Accountability and Conduct

With effect from 10 September 2021, financial institutions regulated by the MAS should implement appropriate policies and processes to achieve five accountability and conduct outcomes ("**Outcomes**") set out in the MAS Guidelines on Individual Accountability and Conduct issued on 10 September 2020. These five Outcomes and the specific guidance underpinning each Outcome aim to reinforce financial institutions' responsibilities in the following three key areas:

(a) to promote the individual accountability of senior managers;

(b) to strengthen oversight over material risk personnel; and

(c) to reinforce conduct standards among all employees.

Fair Dealing

As an exempt financial adviser, GEL is subject to the Guidelines on Fair Dealing - Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers (the "**Fair Dealing Guidelines**") which applies to the selection, marketing and distribution of investment products, which includes life insurance policies. The Fair Dealing Guidelines set out the responsibilities of the board of directors and senior management for delivering fair dealing outcomes to customers.

The Fair Dealing Guidelines sets out five fair dealing outcomes which financial institutions should aim to achieve as well as practical steps which financial institutions can implement for this purpose. These five fair dealing outcomes are:

(a) Outcome 1: Customers have confidence that they deal with financial institutions where fair dealing is central to the corporate culture.

(b) Outcome 2: Financial institutions offer products and services that are suitable for their target customer segments.

(c) Outcome 3: Financial institutions have competent representatives who provide customers with quality advice and appropriate recommendations.

(d) Outcome 4: Customers receive clear, relevant and timely information to make informed financial decisions.

(e) Outcome 5: Financial institutions handle customer complaints in an independent, effective and prompt manner.

On 14 December 2022, the MAS published a Consultation Paper on Revisions to Guidelines on Fair Dealing – Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers proposing to widen the scope of its application to include all products and services offered by all financial institutions to their customers. The MAS has also proposed to incorporate key principles and guidance on fair treatment of customers at various stages of the customer journey to strengthen financial institutions fair dealing practices. These key principles are (i) transparency; (ii) consideration of customer interests; and (iii) accountability and product governance and will be applicable to all products and services offered by all financial institutions.

Proposed amendments to the Insurance Act

The MAS has on 4 November 2022 published a Consultation Paper on Amendments to the Insurance Act and the Insurance (Intermediaries) Regulations proposing amendments to the Insurance Act to take into account regulatory and market developments, as well as to align where appropriate, the regulatory framework for insurance with other financial activities regulated by the MAS. The MAS has proposed to introduce a policy to regulate the conduct of and investment in insurance and non-insurance businesses by insurers in Singapore (the "**anti-commingling policy**"). The anti-commingling policy is intended to ensure insurers remain focused on their core insurance business and competencies and to avoid potential contagion from the conduct of non-insurance businesses. The general thrust of the anti-commingling policy will be to prohibit insurers from: (a) directly undertaking businesses other than insurance business and permissible businesses; (b) using or sharing their names, logos or trademarks on or with physical infrastructure or any other entities; and (c) acquiring or holding a major stake in any corporation with the prior approval of the MAS. The MAS has also proposed to introduce powers in the Insurance Act to strengthen its oversight of outsourcing arrangements of insurers and to require insurers to restitute their insurance funds for participating and investment-linked policies.

Malaysia

Overview

The key operating entities of GEL in Malaysia are GELM and GETB (which is a subsidiary of I Great Capital Holdings Sdn. Bhd. ("**i-Great**")). Both GELM and i-Great are subsidiaries of Great Eastern Capital (Malaysia) Sdn. Bhd., which in turn is a wholly-owned subsidiary of GEL. GELM is principally engaged in the underwriting of life and investment-linked insurance while GETB is principally engaged in the underwriting of takaful products based on Shariah principles. GEGM, which is a wholly-owned subsidiary of GEG, is principally engaged in the underwriting of all classes of general insurance business.

GELM and GEGM are licensed and regulated under the Financial Services Act 2013 while GETB is licensed and regulated under the Islamic Financial Services Act 2013.

Licences held by GELM, GEGM and GETB

The branch operations of GEL was granted a licence to carry on life insurance and personal accident business in Malaysia on 27 June 1997. Upon the transfer of the branch operations of GEL to a locally incorporated public company, the life insurance and personal accident licence was issued to GELM on 1 January 1999. Subsequently, following the acquisition of the life insurance business of GEGM by GELM, the personal accident licence of GELM was revoked and GELM was issued with a life insurance licence on 5 November 2001.

The branch operations of GEG was granted a licence to carry on life and general insurance business in Malaysia on 27 June 1997. Upon the transfer of the branch operations of GEG to a locally incorporated public company, the life and general insurance licence was issued to GEGM on 1 January 1999. Subsequently, upon the sale of the life insurance business of GEGM to GELM, the life insurance licence of GEGM was revoked and GEGM was issued with a general insurance licence on 5 November 2001.

i-Great, along with its joint venture partner, Koperasi Angkatan Tentera Malaysia Berhad (on a 70:30 equity participation basis), received an approval for a family takaful licence from Bank Negara Malaysia (Central Bank of Malaysia) ("**BNM**") on 1 September 2010 and GETB was subsequently incorporated on 29 September 2010.

Bank Negara Malaysia and Industry Associations

The insurance industry in Malaysia is regulated by two key pieces of legislation, namely the Financial Services Act 2013 which governs conventional insurance businesses, and the Islamic Financial Services Act 2013 which governs takaful businesses. Established under the Central Bank of Malaysia Act 2009, BNM is the statutory body responsible for administering both the Financial Services Act 2013 and the Islamic Financial Services Act 2013 and regulating the conventional insurance and takaful industries. BNM has broad powers, which include the power to examine any documents of an insurer or takaful operator, examine and take any action against the directors, employees and agents of an insurer or takaful operator, issue guidelines, circulars or notices relating to the insurance and takaful industries, make regulations for the insurance industry with the approval of the Minister of Finance, direct an insurer or takaful operator to submit new products for review, recall any product offered, establish and maintain separate insurance and takaful scheme funds and utilise the monies therein to, among others, meet the liabilities to consumers, modify the terms and conditions of any product offered, impose additional capital charges and publish details of corrective actions taken against an insurer.

GELM, GEGM and GETB are members of the Life Insurance Association of Malaysia, the General Insurance Association of Malaysia and the Malaysian Takaful Association respectively. The Life Insurance Association of Malaysia, the General Insurance Association of Malaysia and the Malaysian Takaful Association are self-regulated bodies.

Capital Requirements

BNM has on 17 December 2018 issued the Risk-Based Capital Framework for Insurers ("**RBC Framework**") and Risk-Based Capital Framework for Takaful Operator ("**RBCT Framework**") to ensure that a licensed insurer or a licensed takaful operator, as the case may be, maintains a capital adequacy level that is commensurate with its risk profile at all times. Each insurer/takaful operator is required to determine the adequacy of the capital available in its insurance and shareholders' funds to support the total capital required by the insurer/takaful operator. This serves as a key indicator of the insurer/takaful operator's financial resilience and will be used to determine any supervisory interventions by BNM.

Under the RBC Framework and the RBCT Framework, each of GELM, GEGM and GETB, as license holders, are therefore required to set a target capital level that reflects each of their respective risk profile and risk management practices, which must be higher than the benchmark target capital level of 130% set by BNM for all licensed insurers and takaful operators. Each of GELM, GEGM and GETB has introduced the Internal Capital Adequacy Assessment Process ("**ICAAP**") Framework which came into effect on 1 September 2012 for licensed insurers and 1 January 2017 for licensed takaful operators. Under the ICAAP Framework, each of GELM, GEGM and GETB has to ensure that there is adequate capital to meet each of their respective capital requirements on an ongoing basis. The key elements supporting the ICAAP Framework include board of directors and senior management oversight, comprehensive risk assessment, individual target capital level and stress testing, sound capital management as well as ongoing monitoring, reporting and review of capital position.

Capital management and contingency policies have been further developed and refined under the ICAAP Framework to outline the approaches and principles under which each of GELM's, GEGM's and GETB's capital will be monitored and managed, as well as the corrective actions to be implemented at various critical capital levels. In addition, a risk appetite statement has been established to outline each of GELM's, GEGM's and GETB's capacity to take on risks to achieve each of their respective business objectives while managing the expectations of key stakeholders.

Reserve Requirements

The RBC Framework requires the appointed or signing actuary of an insurer to determine the required amount of policy reserves for the insurance liabilities of the insurer's business to ensure that such insurance liabilities are at the required level with explicit prudential margins. With respect to liabilities arising from an insurer's life and general insurance businesses, the determination of the required amount of policy reserves is based on prescribed actuarial methodologies provided in the RBC Framework.

The RBCT Framework requires a takaful operator carrying on family takaful business to value its family takaful fund liabilities and expense liabilities in accordance with the Guidelines on Valuation Basis for Liabilities of Family Takaful Business.

Separate Accounts Requirements

Pursuant to the Management of Insurance Funds Policy Document issued by BNM on 17 December 2018, insurers licensed under the Financial Services Act 2013 are required to establish and maintain separate insurance funds for their policies. An insurer is required to pay into the applicable insurance fund all money received in respect of polices of a class to which the insurance fund relates, keep the assets of its insurance fund separate from its other assets and maintain assets of equivalent or higher value than the liabilities of that insurance fund. An insurer may apply the assets of an insurance fund only to meet such of its liabilities and expenses as are properly attributable to that insurance fund.

An insurer may withdraw from a general insurance fund where there is a surplus of assets over liabilities at the end of a fiscal year. Upon the actuarial valuation and recommendation by the appointed actuary, the surplus from a life insurance fund must only be distributed by way of any or a combination of (a) a transfer out of that life insurance fund to the shareholders' funds; and/or (b) a bonus paid to policyholders for that life insurance fund relating to participating policies.

BNM has on 7 July 2023 issued a revised Management of Insurance Funds Policy Document which will come into effect on 1 July 2024. One of the changes introduced by the new policy document is that surplus from a life insurance fund may be distributed, in addition to the two modes of distribution mentioned in the above paragraph, in such manner as may be specified by BNM in the case of any excess estate.

Asset Management

Under the RBC Framework and the RBCT Framework, an insurer/takaful operator's investment of an insurance/takaful fund in foreign assets in jurisdictions with sovereign ratings at least equivalent to that of Malaysia is currently capped by BNM at 10% of total assets of each individual insurance/takaful fund. BNM has also imposed other investment guidelines relating to the investment of an insurer/takaful operator's assets.

Reinsurance

A licensed insurer/takaful operator's reinsurance/retakaful arrangements must be consistent with sound insurance principles. The general principles to be observed in a reinsurance/retakaful arrangement are the appropriateness of retention level, security of reinsurers/retakaful operators, spread of reinsurers/retakaful operators and appropriateness of reinsurance/retakaful treaties. An insurer/takaful operator is required both to design its reinsurance/retakaful programme in line with its exposure and portfolio of business, taking into account, among other things, its insurance/takaful risk profile and the concentration of its business and to ensure that its reinsurance/retakaful arrangements provide adequate protection for all classes of business underwritten to enable it to pay its liabilities as they become due.

In placing reinsurance/retakaful in respect of general insurance/takaful, an insurer/takaful operator must accord priority to local reinsurers/retakaful operators up to such local reinsurers/retakaful operators' full retention capacity before securing reinsurance/retakaful support from foreign insurers/takaful operators.

Regulation of Products

All life insurers are required to adhere to the prescribed minimum content requirements for product design, proposal form, nomination form, life policy contract, marketing materials, sales illustrations, policy information statements and annual statements as set out by BNM. All insurers are also required to be transparent with respect to their products and to make relevant disclosures on products to policyholders.

Islamic Law in respect of GETB

The general operational framework of a takaful operator is similar to that of a conventional insurer. A takaful operator is, however, also required to comply with applicable Islamic law. The operations of a takaful operator must therefore be consistent with principles of Islamic law applicable to its business.

The Shariah Advisory Council ("**SAC**"), established by BNM under Section 51 of the Central Bank of Malaysia Act 2009 in May 1997, is the highest Shariah authority in Islamic finance in Malaysia. The SAC was accorded the status of the sole authoritative body on Shariah matters relating to Islamic banking, takaful and Islamic finance and the rulings of the SAC shall prevail over any contradictory ruling given by a Shariah body or committee constituted in Malaysia. The courts of Malaysia are also required to refer to the rulings of the SAC for any proceedings relating to Islamic banking, takaful and Islamic finance and such ruling shall be binding.

Each takaful operator is required under the Islamic Financial Services Act 2013 to establish a Shariah committee as part of its internal governance in order to ensure compliance with the Shariah. The main duties and responsibilities of the Shariah committee are:

- to advise the board of directors of the takaful operator on Shariah matters in its business operations;
- to endorse Shariah compliance manuals and relevant documents;
- to assist and advise related parties on Shariah matters;
- to advise on matters to be referred to the SAC and to assist the SAC on matters referred for advice; and
- to provide written Shariah opinions.

An effective Shariah compliance review process is required to be in place during the pre- and post-launch stages of any new product offering.

Restrictions on Foreign Insurers

A licensed foreign insurer and a licensed foreign takaful operator must maintain in Malaysia a surplus of assets over liabilities of such amount as may be prescribed by BNM.

The limit imposed by BNM on foreign equity participation in insurance companies and takaful operators is 70%. Based on a press release issued by BNM on 27 April 2009, a higher foreign equity limit beyond 70% will be considered on a case-by-case basis for insurance companies or takaful operators which are able to facilitate the consolidation and rationalisation of the insurance and takaful industries. Existing foreign insurers that participate in the process will be accorded flexibility in meeting the divestment requirement.

Financial Reporting Requirements

In general, insurers and takaful operators are required to submit each of the following to BNM within a specified timeframe: (a) audited annual accounts; (b) an auditor's report and certificate; (c) an appointed actuary's report and certificate; (d) a report on the action taken by the board of directors on the auditor's report; (e) the board of directors' report on its operations; and (f) quarterly returns of each fiscal year. BNM has also issued guidelines which require an insurer/takaful operator to submit additional reports which, among other things, relate to such insurer/takaful operator's investments, claims, reinsurance, solvency and capital adequacy.

TAXATION

The following summary of certain Singapore income tax consequences of the purchase, ownership and disposition of the Notes is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Notes should consult their own tax advisers concerning the application of Singapore income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS and the IRAS in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis, including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities ("**QDS**") scheme for early redemption fee (as defined in the Income Tax Act) and redemption premium (as such term has been amended by the Income Tax Act). These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuers, the Arranger and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

The disclosure below is on the assumption that the IRAS regards each tranche of the Notes which are Perpetual Capital Securities or Subordinated Notes as "debt securities" for the purposes of the Income Tax Act and eligible for the QDS scheme, Distributions or interest payments made under such Notes will be regarded by the IRAS as interest payable on indebtedness for the purposes of the Income Tax Act and holders thereof may enjoy the tax exemptions and concessions available for QDS, provided the other conditions for the QDS scheme are satisfied.

If any tranche of the Notes which are Perpetual Capital Securities or Subordinated Notes is not regarded as "debt securities" for the purposes of the Income Tax Act, Distributions or interest payments made under such Notes are not regarded by the IRAS as interest payable on indebtedness for the purposes of the Income Tax Act or holders thereof are not eligible for the tax exemptions or concessions under the QDS scheme, the tax treatment to holders may differ. Investors and holders of any tranche of such Notes should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of such Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is:

  (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or

  (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is currently 24%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

As the Programme as a whole is arranged by Oversea-Chinese Banking Corporation Limited, which is a Specified Licensed Entity (as defined below), any tranche of the Notes ("**Relevant Notes**") issued under the Programme during the period from the date of this Offering Circular to 31 December 2028 and regarded as debt securities under the Income Tax Act would be QDS for the purposes of the Income Tax Act, to which the following treatment shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require and the inclusion by the relevant Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person's operations through the Singapore permanent establishment), interest (including Distributions which are regarded as interest for Singapore income tax purposes), discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively the "**Qualifying Income**") from the Relevant Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;

(b) subject to certain conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the Income Tax Act) in Singapore is subject to income tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

  (i) the relevant Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the Income Tax Act; and

  (ii) the furnishing by the relevant Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

  payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the relevant Issuer.

Notwithstanding the foregoing:

(a) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, such Relevant Notes would not qualify as QDS; and

(b) even though a particular tranche of Relevant Notes is QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Qualifying Income derived from such Relevant Notes held by:

  (i) any related party of the relevant Issuer; or

  (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the relevant Issuer,

  shall not be eligible for the tax exemption or concessionary rate of tax described above.

Pursuant to the Income Tax Act, the reference to the term “**Specified Licensed Entity**” above means:

(i) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(i) a finance company licensed under the Finance Companies Act 1967 of Singapore; or

(iii) a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities: advising on corporate finance or dealing in capital markets products.

The terms “**early redemption fee**”, “**redemption premium**” and “**related party**” in this Singapore tax disclosure are defined in the Income Tax Act as follows:

(a) “**early redemption fee**”, in relation to debt securities and QDS, means any fee payable by the issuer of the securities on the early redemption of the securities;

(b) "**redemption premium**", in relation to debt securities and QDS, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities; and

(c) "**related party**", in relation to a person (*A*), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person.

Where interest (including Distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the Income Tax Act (as mentioned above and if applicable) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including Distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium derived from the Relevant Notes is not exempt from tax (including for the reasons described above) is required to include such income in a return of income made under the Income Tax Act.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard ("**FRS**") 109 or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) ("**SFRS(I) 9**") (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 109 and SFRS(I) 9 for Singapore Income Tax Purposes".

Adoption of FRS 109 and SFRS(I) 9 for Singapore Income Tax Purposes

Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Section 34AA of the Income Tax Act should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or before the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). If additional notes (as described under "*Conditions — Further Issues*") that are not distinguishable from such previously issued grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in a dealer agreement dated on or about 15 March 2024 (the "**Dealer Agreement**") among the Issuers, the Programme Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuers to the Programme Dealers. However, the Issuers have reserved the right to issue Notes directly on their own behalf to Dealers that are not Programme Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuers through Dealers, acting as agents of the Issuers. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission as agreed between such Issuer and the relevant Dealer in respect of Notes subscribed by it. The Issuers have agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. Each Issuer may also from time to time agree with the relevant Dealer(s) that it may pay certain third parties commissions (including, without limitation, rebates to private banks).

The Issuers have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they may make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

In order to facilitate the offering of any Tranche of the Notes, one or more Dealers named as Stabilisation Coordinators (or persons acting on behalf of any Stabilisation Coordinator) in the applicable Pricing Supplement, to the extent permitted by applicable laws and regulations, may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the relevant Tranche. Specifically, such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the relevant Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to whether such stabilisation activities will take place at all or the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Stabilisation activities are subject to certain prescribed time limits in certain jurisdictions. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

See "*Clearing and Settlement*" with respect to the settlement of any Notes issued.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes within the United States, except as permitted by this Offering Circular. The Notes are being offered and sold outside of the United States in reliance on Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 (the "**Code**") and regulations thereunder. The applicable Pricing Supplement will identify whether either TEFRA C or TEFRA D or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code apply or whether TEFRA is not applicable.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

This Offering Circular has been prepared by the Issuers for use in connection with the offer and sale of the Notes outside the United States. The Issuers, the Arranger and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any person outside the United States to any person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuers of any of its contents to any such person within the United States, is prohibited.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year;

 (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

 (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Hong Kong

In relation to each Tranche of Notes issued by an Issuer, each Dealer has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered for a public offering in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell the Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

These selling restrictions may be supplemented or modified by the agreement of the Issuers and any Dealers, following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any supplemental Offering Circular or Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge and belief, comply with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular, any other offering material or any Pricing Supplement and neither the Issuers nor any other Dealer shall have responsibility therefor.

All Dealers are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Each of the Programme Dealers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services (including hedging services) for the Issuers, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, all Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuers. Certain of the Programme Dealers may from time to time also enter into swap and other derivative transactions with the either of the Issuers and their affiliates. The Programme Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

None of the Issuers nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Dealer (as described in the Offering Circular) or any affiliate of a Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or such affiliate on behalf of the Issuers in such jurisdiction.

FORM OF PRICING SUPPLEMENT RELATING TO NOTES OTHER THAN PERPETUAL CAPITAL SECURITIES

Pricing Supplement dated [●]

[GREAT EASTERN HOLDINGS LIMITED
Legal Entity Identifier: 875500VP8E4GKG3B1P45] /

[THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED
Legal Entity Identifier: XILNWRPRTWRS0ELWD465]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the S$2,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (as defined below) set forth in the Offering Circular dated on or about 15 March 2024 [and the supplemental [Offering Circular] dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented]. [This Pricing Supplement, together with the information set out in Schedule [●] to this Pricing Supplement, supplements the Offering Circular and supersedes the information in the Offering Circular to the extent inconsistent with the information included therein.]

[The following language applies if any tranche of the Notes is intended to be "qualifying debt securities" (as defined in the Income Tax Act 1947 of Singapore):

Where interest, discount income, early redemption fee or redemption premium is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions and if applicable) under the Income Tax Act 1947 of Singapore (the "**Income Tax Act**") shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under Offering Circular with an earlier date*:

Terms used herein shall be deemed to be defined as such for the purposes of the Note Conditions (the "**Conditions**") set forth in the Offering Circular dated on or about 15 March 2024. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated on or about 15 March 2024 [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated on or about 15 March 2024 and are attached hereto.]

Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.

[**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the

Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][1]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA]; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][2]

[**SINGAPORE SFA PRODUCT CLASSIFICATION –** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes [are] / [are not] [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.)][3]

1 Insert this legend of "Prohibition of Sales to EEA Retail Investors" is stated as "Applicable".

2 Insert this legend of "Prohibition of Sales to UK Retail Investors" is stated as "Applicable".

3 For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

1	Issuer:	[Great Eastern Holdings Limited][The Great Eastern Life Assurance Company Limited]
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
	[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]	
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	(i) Issue Price:	[●]% of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] *(in the case of fungible issues only, if applicable)]*
	(ii) Use of Proceeds:	[Use of proceeds *(if different from the Offering Circular)]*
6	(i) Specified Denominations:	[●] *If the Specified Denomination is expressed to be EUR 100,000 or its equivalent and multiples of a lower nominal amount (for example EUR 1,000), insert the following:* *"EUR 100,000 and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. No Notes in definitive form will be issued with a denomination above [EUR 199,000]".* *Notes (including Notes denominated in pounds sterling) in respect of which the issue proceeds are to be accepted by the issuer in the UK or whose issue otherwise constitutes a contravention of Section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of GBP 100,000 (or its equivalent in other currencies).*
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Trade Date	[●]
	(iii) Interest Commencement Date:	[*Specify*/Issue date/Not Applicable]
8	Maturity Date:	[*specify date or (for Floating Rate Notes) Interest Payment Date falling on or nearest to the relevant month and year*/None] *Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to specify the Interest Payment Date falling in or nearest to the relevant month and year.*

9	Interest Basis:	[[●]% Fixed Rate [from [●] to [●]]] [[*specify reference rate*] +/– [●]% Floating Rate] [from [●] to [●]] [Zero Coupon] [Other (*specify*)] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Partly-Paid] [Instalment] [Other (*specify*)]
11	Change of Interest or Redemption:	*[Specify details of any Payment Basis: provision for convertibility of Notes into another interest or redemption/payment basis]*
12	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13	Status of the Notes:	[Senior/Subordinated]
14	Listing:	[SGX-ST/*(specify)*/None]
15	Method of Distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions:	[Applicable/Not Applicable/Applicable from and including the [Issue Date/Interest Payment Date falling on [●]] to but excluding the [Interest Payment Date falling on [●]/Maturity Date]] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate[(s)] of Interest:	[●]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii) Interest Period:	[Each period from and including the [Issue Date]/[Interest Payment Date falling on [●]] to (but excluding) the [subsequent Interest Payment Date falling on [●]/[Maturity Date]], except that the first Interest Period will commence on (and include) the [Issue Date]/[the Interest Payment Date falling on [●]] and the final Interest Period shall end (but exclude) the [Interest Payment Date falling on [●]]/[Maturity Date].]

	(iii)	Interest Payment Date(s):	[●] in each [month]/[year] [commencing on the [Issue Date/Interest Payment Date falling on [●]] and ending on the [Interest Payment Date falling on [●]/Maturity Date]] [adjusted in accordance with [specify Business Day Convention and any applicable Financial Centre(s) for the definition of "Business Day"]/not adjusted]
	(iv)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)/not adjusted]
	(v)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount *For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification, the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure, in the case of Renminbi denominated Fixed Rate Notes, to the nearest CNY 0.01, CNY 0.005 being rounded upwards or, in the case of Hong Kong dollar denominated Fixed Rate Notes, to the nearest HKD 0.01, HKD 0.005 being rounded upwards."*
	(vi)	Broken Amount(s):	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*) [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]
	(vii)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/other]
	(viii)	Determination Dates:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*) [[●] in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))]
	(ix)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]
17	Floating Rate Note Provisions:		[Applicable/Not Applicable/Applicable from and including the [Issue Date/Interest Payment Date falling on or nearest to [●]] to but excluding the [Interest Payment Date falling on or nearest to [●]/Maturity Date]] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)

(i)	Interest Period(s):	[Each period from and including the [Issue Date]/[Interest Payment Date falling on or nearest to [●]] to (but excluding) the [subsequent Interest Payment Date falling on [●]/[Maturity Date]], except that the first Interest Period will commence on (and include) the [Issue Date]/[the Interest Payment Date falling on [●]] and the final Interest Period shall end (but exclude) the [Interest Payment Date falling on or nearest to [●]] /[Maturity Date].]
(ii)	Interest Payment Date(s):	[●] in each [month]/[year] [commencing on the [Issue Date/Interest Payment Date falling on [●]] and ending on the [Interest Payment Date falling on [●]/Maturity Date]] [adjusted in accordance with [specify Business Day Convention and any applicable Financial Centre(s) for the definition of "Business Day"]/not adjusted]
(iii)	Interest Period End Date:	[●] (*Not applicable unless different from Interest Payment Date*)
(iv)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]):	[●]
(vii)	Screen Rate Determination:	
	– Reference Bank:	[●]
	– Reference Rate:	[●]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	– Party responsible for calculation of Rate of Interest:	[●] (*Specify where this is not the Calculation Agent*)
	– Observation Period Business Days:	[●] (*Specify where relevant for Screen Rate Determination where the Reference Rate is Compounded Daily SORA or Compounded Daily SOFR*)[1]
(viii)	ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]

[1] To be at least five Business Days unless otherwise agreed with the Calculation Agent.

	(ix)	Margin(s):	[+/-][●]% per annum
	(x)	Minimum Rate of Interest:	[●]% per annum
	(xi)	Maximum Rate of Interest:	[●]% per annum
	(xii)	Day Count Fraction:	[●]
	(xiii)	Rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
18	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Amortisation Yield:	[●]% per annum
	(ii)	Any other formula/basis of determining amount payable:	[●]
19	Fall back provisions		[Benchmark Discontinuation (General) (Condition 4(i)(i)) / Benchmark Discontinuation (SOFR) (Condition 4(i)(ii)) / Benchmark Discontinuation (SORA) (Condition 4(i)(iii)) / *specify other if different from those set out in the Conditions*]
	–	Lookback Days:	[Not Applicable]/[*Specify where relevant for calculation of Compounded Daily SOFR or Compounded Daily SORA*][1]

PROVISIONS RELATING TO REDEMPTION

20	Call Option:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	If redeemable in part:	
		– Minimum Redemption Amount:	[●] per Calculation Amount
		– Maximum Redemption Amount:	[●] per Calculation Amount
	(iv)	Notice period:	[●]

[1] To be at least five Business Days unless otherwise agreed with the Calculation Agent.

21	Put Option:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(ii) Notice period:	[●]
22	Final Redemption Amount of each Note:	[●] per Calculation Amount
23	Early Redemption Amount:	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, on redemption for Change of Qualification Event or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]
24	[Other terms or special conditions:	*If Condition 5(c)(ii)(A), Condition 5(c)(ii)(B) and/or Condition 5(l) are applicable, give details*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	**Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] *(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)* **Registered Notes:** [Global Certificate ([●] nominal amount) registered in the name of [CDP/ the nominee of a common depositary for Euroclear and Clearstream]]
25	Financial Centre(s) or other special provisions relating to Payment Dates:	[Applicable/Not Applicable. *If Applicable, give details*]

26	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Applicable/Not Applicable. *If Applicable, give details*]
27	Details relating to Instalment Notes: amount of each instalment (Instalment Amount), date on which each payment is to be made (Instalment Date):	[Applicable/Not Applicable. *If Applicable, give details*]
28	Other terms or special conditions:	[Applicable/Not Applicable. *If Applicable, give details, including if any conversion loss absorption option to be set out in Appendix to Pricing Supplement*]

DISTRIBUTION

29	Stabilisation Coordinator (if any):	[Not Applicable/*give name*]
30	Whether TEFRA D or TEFRA C was applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA Not Applicable] (*TEFRA not applicable for Bearer Notes with a maturity of one year or less or Registered Notes*) *(Where TEFRA D is applicable, a Bearer Note must be issued in the form of a Temporary Note exchangeable upon a U.S. tax certification for a Permanent Global Note or a Definitive Note)*
31	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

32	ISIN Code:	[●]
33	Common Code:	[●]
34	Any clearing system(s) other than The Central Depositary (Pte) Limited, Euroclear Bank SA/NV and Clearstream Banking S.A., and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
35	Delivery:	Delivery [against/free of] payment
36	Additional Paying Agent(s) (if any):	[●]

GENERAL

37	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
38	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]
39	Applicable Governing Document:	[Trust Deed dated on or about 15 March 2024] [Singapore Law Trust Deed dated on or about 15 March 2024]
40	Governing Law:	[English law, save that the provisions relating to Subordinated Notes in relation to subordination, set-off and payment void, default and enforcement shall be governed by, and construed in accordance with, the laws of Singapore] [Singapore law]

[HONG KONG SFC CODE OF CONDUCT

41	Rebates:	[A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
42	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide*] / [Not Applicable]
43	Marketing and Investor Targeting Strategy:	[*If different from the programme OC*]]

[SCHEDULE TO THE PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [[if listed], and admission to trading on the Singapore Exchange Securities Trading Limited] of the Notes described herein pursuant to the S$2,000,000,000 Euro Medium Term Note Programme of [Great Eastern Holdings Limited]/[The Great Eastern Life Assurance Company Limited]]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of [**GREAT EASTERN HOLDINGS LIMITED**] / [**THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED**]:

By: ....
Duly authorised

FORM OF PRICING SUPPLEMENT RELATING TO PERPETUAL CAPITAL SECURITIES

Pricing Supplement dated [●]

[GREAT EASTERN HOLDINGS LIMITED
Legal Entity Identifier: 875500VP8E4GKG3B1P45] /

[THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED
Legal Entity Identifier: XILNWRPRTWRS0ELWD465]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Perpetual Capital Securities]

under the S$2,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Perpetual Capital Securities described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Perpetual Capital Securities Conditions (the "**Conditions**") set forth in the Offering Circular dated on or about 15 March 2024 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Perpetual Capital Securities and must be read in conjunction with such Offering Circular [as so supplemented]. [This Pricing Supplement, together with the information set out in Schedule [●] to this Pricing Supplement, supplements the Offering Circular and supersedes the information in the Offering Circular to the extent inconsistent with the information included therein.]

[The following language applies if any tranche of the Perpetual Capital Securities is intended to be "qualifying debt securities" (as defined in the Income Tax Act 1947 of Singapore):

Where interest (including Distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium is derived from any of the Perpetual Capital Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions and if applicable) under the Income Tax Act 1947 of Singapore (the "**Income Tax Act**") shall not apply if such person acquires such Perpetual Capital Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including Distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium derived from the Perpetual Capital Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under Offering Circular with an earlier date:

Terms used herein shall be deemed to be defined as such for the purposes of the Perpetual Capital Securities Conditions (the "**Conditions**") set forth in the Offering Circular dated on or about 15 March 2024. This Pricing Supplement contains the final terms of the Perpetual Capital Securities and must be read in conjunction with the Offering Circular dated on or about 15 March 2024 [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated on or about 15 March 2024 and are attached hereto.]

Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.

[**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Perpetual Capital Securities has led to the conclusion that: (i) the target market for the Perpetual Capital Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Perpetual Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Perpetual Capital Securities (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Perpetual Capital Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Perpetual Capital Securities has led to the conclusion that: (i) the target market for the Perpetual Capital Securities is only eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Perpetual Capital Securities to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Perpetual Capital Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – If the Pricing Supplement in respect of any Perpetual Capital Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Perpetual Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Perpetual Capital Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Perpetual Capital Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][1]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – If the Pricing Supplement in respect of any Perpetual Capital Securities includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Perpetual Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Perpetual Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Perpetual Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][2]

[1] Insert this legend of "Prohibition of Sales to EEA Retail Investors" is stated as "Applicable".

[2] Insert this legend of "Prohibition of Sales to UK Retail Investors" is stated as "Applicable".

[**SINGAPORE SFA PRODUCT CLASSIFICATION –** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Perpetual Capital Securities [are] / [are not] [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.][1]

1	Issuer:		[Great Eastern Holdings Limited][The Great Eastern Life Assurance Company Limited]
2	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
		[(If fungible with an existing Series, details of that Series, including the date on which the Perpetual Capital Securities become fungible).]	
3	Specified Currency or Currencies:		[●]
4	Aggregate Nominal Amount:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5	(i)	Issue Price:	[●]% of the Aggregate Nominal Amount [plus accrued Distributions from [*insert date*] *(in the case of fungible issues only, if applicable)*]
	(ii)	Use of Proceeds:	[Use of proceeds *(if different from the Offering Circular)*]
6	(i)	Specified Denominations:	[●] *If the Specified Denomination is expressed to be EUR 100,000 or its equivalent and multiples of a lower nominal amount (for example EUR 1,000), insert the following:* *"EUR 100,000 and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. No Perpetual Capital Securities in definitive form will be issued with a denomination above [EUR 199,000]".* *Perpetual Capital Securities (including Perpetual Capital Securities denominated in pounds sterling) in respect of which the issue proceeds are to be accepted by the issuer in the UK or whose issue otherwise constitutes a contravention of Section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of GBP 100,000 (or its equivalent in other currencies).*
	(ii)	Calculation Amount:	[●]

[1] For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

7	(i)	Issue Date:	[●]
	(ii)	Trade Date:	[●]
	(iii)	Distribution Commencement Date:	[*Specify*/Issue date/Not Applicable]
8		Distribution	
	(i)	Distribution Basis:	[[●]% Fixed Rate [from [●] to [●]]] [[*specify reference rate*] +/– [●]% Floating Rate] [from [●] to [●]] [Other (*specify*)] (further particulars specified below)
	(ii)	Distribution Stopper (Condition 5(e)):	[Applicable/Not Applicable]
9		Redemption/Payment Basis:	[Redemption at par] [Other (*specify*)]
10		Change of Distribution or Redemption:	*[Specify details of any Payment Basis: provision for convertibility of Perpetual Capital Securities into another Distribution or redemption/payment basis]*
11		Call Options:	[Issuer Call] [(further particulars specified below)]
12		Listing:	[SGX-ST/*(specify)/*None]
13		Method of Distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO DISTRIBUTION PAYABLE

14	Fixed Rate Perpetual Capital Security Provisions:				[Applicable/Not Applicable/Applicable from and including the [Issue Date/Distribution Payment Date falling on [●]] to but excluding the [Distribution Payment Date falling on [●]] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate[(s)] of Distribution:			
		(a)	Initial Distribution Rate:		[●]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
		(b)	Reset:		[Applicable/Not Applicable]
			(A)	First Reset Date:	[●]
			(B)	Reset Date[s]:	The First Reset Date and each date falling every [●] after the First Reset Date
			(C)	Relevant Rate:	[●]
			(D)	Initial Spread:	[●]

(ii)	Distribution Period:	[Each period from and including the [Issue Date]/ [Distribution Payment Date falling on [●]] to (but excluding) the [subsequent Distribution Payment Date falling on [●]], except that the first Distribution Period will commence on (and include) the [Issue Date]/ [Distribution Payment Date falling on [●]] and the final Distribution Period shall end (but exclude) the [Distribution Payment Date falling on [●]].]
(iii)	Distribution Payment Date(s):	[●] in each year [commencing on the [Issue Date/ Distribution Payment Date falling on [●]] and ending on the [Distribution Payment Date falling on [●]]] [adjusted in accordance with [specify Business Day Convention and any applicable Financial Centre(s) (which are set out in paragraph 22 below) for the definition of "Business Day"]/not adjusted]
(iv)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
(v)	Fixed Distribution Amount[(s)]:	From (and including) the Distribution Commencement Date to (but excluding) the First Reset Date, [●] per Calculation Amount From (and including) the First Reset Date, the respective amounts to be determined pursuant to Item 14(i)(b) above *For Renminbi or Hong Kong dollar denominated Fixed Rate Perpetual Capital Securities where the Distribution Payment Dates are subject to modification, the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount by the Day Count Fraction and rounding the resultant figure, in the case of Renminbi denominated Fixed Rate Perpetual Capital Securities, to the nearest CNY 0.01, CNY 0.005 being rounded upwards or, in the case of Hong Kong dollar denominated Fixed Rate Perpetual Capital Securities, to the nearest HKD 0.01, HKD 0.005 being rounded upwards."*
(vi)	Broken Amount(s):	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*) [[●] per Calculation Amount, payable on the Distribution Payment Date falling [in/on] [●]]
(vii)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/other]
(viii)	Determination Dates:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*) [[●] in each year (insert regular Distribution payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))]

(ix)	Other terms relating to the method of calculating Distribution for Fixed Rate Perpetual Capital Securities:	[Not Applicable/give details]

15	Floating Rate Perpetual Capital Security Provisions:	[Applicable/Not Applicable/Applicable from and including the [Issue Date/Distribution Payment Date falling on [●]] to but excluding the [Distribution Payment Date falling on or nearest to [●]]] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
(i)	Distribution Period(s):	[Each period from and including the [Issue Date]/ [Distribution Payment Date falling on [●]] to (but excluding) the [subsequent Distribution Payment Date falling on [●]], except that the first Distribution Period will commence on (and include) the [Issue Date]/ [the Distribution Payment Date falling on [●]] and the final Distribution Period shall end (but exclude) the [Distribution Payment Date falling on or nearest to [●]].]
(ii)	Distribution Payment Date(s):	[●] in each year [commencing on the [Issue Date/ Distribution Payment Date falling on or nearest to [●] and ending on the [Distribution Payment Date falling on or nearest to [●]] [adjusted in accordance with [specify Business Day Convention and any applicable Financial Centre(s) (which are set out in paragraph 22 below) for the definition of "Business Day"]/not adjusted]
(iii)	Distribution Period End Date:	[●] (*Not applicable unless different from Distribution Payment Date*)
(iv)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (give details)]
(v)	Manner in which the Rate(s) of Distribution is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(vi)	Party responsible for calculating the Rate(s) of Distribution and Distribution Amount(s) (if not the [Calculation Agent]):	[●]
(vii)	Screen Rate Determination:	
	– Reference Bank:	[●]
	– Reference Rate:	[●]
	– Distribution Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	– Party responsible for calculation of Rate of Distribution:	[●] (*Specify where this is not the Calculation Agent*)

		– Observation Period Business Days:	[●] (*Specify where relevant for Screen Rate Determination where the Reference Rate is Compounded Daily SORA or Compounded Daily SOFR*)[1]
	(viii)	ISDA Determination:	
		– Floating Rate Option:	[●]
		– Designated Maturity:	[●]
		– Reset Date:	[●]
	(ix)	Margin(s):	[+/-][●]% per annum[2]
	(x)	Minimum Rate of Distribution:	[●]% per annum
	(xi)	Maximum Rate of Distribution:	[●]% per annum
	(xii)	Day Count Fraction:	[●]
	(xiii)	Rounding provisions, denominator and any other terms relating to the method of calculating Distribution on Floating Rate Perpetual Capital Securities, if different from those set out in the Conditions:	[●]
16	Fall back provisions		[Benchmark Discontinuation (General) (Condition 4(i)(i)) / Benchmark Discontinuation (SOFR) (Condition 4(i)(ii)) / Benchmark Discontinuation (SORA) (Condition 4(i)(iii)) / *specify other if different from those set out in the Conditions*)
	–	Lookback Period:	[Not Applicable]/[*Specify where relevant for calculation of Compounded Daily SOFR or Compounded Daily SORA*][3]

PROVISIONS RELATING TO REDEMPTION

17	Call Option:		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Perpetual Capital Security and specified denomination method, if any, of calculation of such amount(s):	[●]
	(iii)	If redeemable in part:	
		– Minimum Redemption Amount:	[●] per Calculation Amount

1 To be at least five Business Days unless otherwise agreed with the Calculation Agent.

2 Where there are different margins for different Distribution Accrual Periods, no step-up in the Rate of Distribution shall be permitted.

3 To be at least five Business Days unless otherwise agreed with the Calculation Agent.

	– Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period:	[●]
18	Final Redemption Amount of each Perpetual Capital Security:	[●] per Calculation Amount
19	Early Redemption Amount:	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, on redemption for Change of Qualification Event or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]
20	Change to Tax Accounting Treatment	[Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL CAPITAL SECURITIES

21	Form of Perpetual Capital Securities:	[Global Certificate ([●] nominal amount) registered in the name of [CDP/ the nominee of a common depositary for Euroclear and Clearstream]]
22	Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/*give details*]
23	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

24	Stabilisation Coordinator (if any):	[Not Applicable/*give name*]
25	Whether TEFRA D or TEFRA C was applicable or TEFRA rules not applicable:	TEFRA Not Applicable
26	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

27	ISIN Code:	[●]
28	Common Code:	[●]
29	Any clearing system(s) other than The Central Depositary (Pte) Limited, Euroclear Bank SA/NV and Clearstream Banking S.A., and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
30	Delivery:	Delivery [against/free of] payment
31	Additional Paying Agent(s) (if any):	[●]

GENERAL

32	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
33	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]

34	Applicable Governing Document:	[Trust Deed dated on or about 15 March 2024] [Singapore Law Trust Deed dated on or about 15 March 2024]
35	Governing Law:	[English law, save that the provisions in relation to subordination, set-off and payment void, default and enforcement shall be governed by, and construed in accordance with, the laws of Singapore] [Singapore law]

[HONG KONG SFC CODE OF CONDUCT

36	Rebates:	[A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Perpetual Capital Securities subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Perpetual Capital Securities distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
37	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide*] / [Not Applicable]
38	Marketing and Investor Targeting Strategy:	[*If different from the programme OC*]]

[PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [[if listed], and admission to trading on the Singapore Exchange Securities Trading Limited] of the Perpetual Capital Securities described herein pursuant to the S$2,000,000,000 Euro Medium Term Note Programme of [Great Eastern Holdings Limited] [The Great Eastern Life Assurance Company Limited]]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of [**GREAT EASTERN HOLDINGS LIMITED**] / [**THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED**]:

By: ....
Duly authorised

CLEARING AND SETTLEMENT

*The following is a summary of the rules and procedures of CDP, Euroclear and Clearstream (together, the "**Clearing Systems**"), currently in effect, as they relate to clearing and settlement of transactions involving the Notes. The rules and procedures of these systems are subject to change at any time. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Arranger, any Dealer nor any party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The applicable Pricing Supplement will specify the Clearing System(s) applicable for each Series.*

Bearer Notes

The relevant Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The relevant Issuer may also apply to have Bearer Notes accepted for clearance through CDP. In respect of Bearer Notes, a Temporary Global Note and/or a Permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream or with CDP. Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with the normal market debt Notes operating procedures of CDP, Euroclear and Clearstream. Each Global Note will have an International Securities Identification Number ("**ISIN**") and a Common Code. Investors in Notes of such Series may hold their interests in a Global Note through Euroclear or Clearstream or CDP, as the case may be.

Registered Notes

The relevant Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. The relevant Issuer may also apply to have Notes represented by a Global Certificate accepted for clearance through CDP. Each Global Certificate will have an ISIN and a Common Code. Investors in Notes of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream or CDP, as the case may be.

Individual Certificates

Registration of title to Registered Notes in a name other than a depositary or its nominee for Euroclear and Clearstream or CDP will be permitted only in the circumstances set forth in "*Summary of Provisions Relating to the Notes while in Global Form – Exchange*". In such circumstances, the relevant Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions, and such other information as the relevant Issuer and the Registrar may require, to complete, execute and deliver such individual Certificates.

Clearance and Settlement

The information set out below is subject to any change in, or reinterpretation of, the rules, regulations and procedures of Euroclear, Clearstream and CDP (together, the "**Clearing Systems**") or any other clearing system currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers believe to be reliable, but neither the Issuers, the Arranger, the Trustee, any Agent nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuers nor any other party to the Agency Agreement, the Arranger nor any Dealer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The Clearing Systems

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is also available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant Clearing System's rules and procedures.

CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the "**CDP System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP. CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or a Global Certificate for persons holding the Notes in securities accounts with CDP (the "**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Settlement of over-the-counter trades in the Notes through the CDP System may only be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**") holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the CDP System, must transfer the Notes to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Trustee, the Issuing and Paying Agent in Singapore or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

GENERAL INFORMATION

1. Application has been made to SGX-ST for the listing of the Programme. Application will be made to the SGX-ST for the listing of, permission to deal in, and for quotation of, any Notes to be issued which are agreed at the time of issue to be listed on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed herein. Admission to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Programme, the Notes, GEH, the GEH Group, GEL, the GEL Group and/or associated companies.

2. Each Issuer has obtained all necessary consents, approvals and authorisations in Singapore in connection with the establishment of the Programme. The establishment of the Programme was approved by the Board of Directors of GEH on 23 February 2024 and the Board of Directors of GEL on 23 February 2024.

3. Except as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position of GEH or the GEH Group since 31 December 2023.

4. Except as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position of GEL or the GEL Group since 31 December 2023.

5. None of the Issuers and any member of the GEH Group or the GEL Group is, or has been, involved in any litigation or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers are aware) that may have, or have had during the 12 months preceding the date of this Offering Circular, a material adverse effect on the financial position of each of the Issuers or each of the Groups and as of the date of this Offering Circular.

6. Notes have been accepted for clearance through the Euroclear and Clearstream systems (which are entities in charge of keeping the records). The relevant Issuer may also apply to have Notes accepted for clearance through CDP. The Common Code and the ISIN for each Series of Notes will be set out in the applicable Pricing Supplement.

7. The Legal Entity Identifiers (LEIs) of GEH and GEL are 875500VP8E4GKG3B1P45 and XILNWRPRTWRS0ELWD465 respectively.

8. The issue price and the amount of the relevant Notes will be determined based on then prevailing market conditions before filing of the applicable Pricing Supplement of each Tranche with the SGX-ST (with respect to Notes listed on the SGX-ST). The Issuers do not intend to provide any post-issuance information in relation to any issues of Notes.

9. The Groups' respective consolidated financial statements as at and for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 were prepared under SFRS(I) and audited by PricewaterhouseCoopers LLP, in accordance with SSAs.

10. From the date of this Offering Circular and for so long as any Notes are outstanding under the Programme, the following documents will be available, during usual business hours (being between 9:00 a.m. and 3:00 p.m.) on any weekday (Saturdays, Sundays and gazetted public holidays excepted), for inspection at the registered office of the Issuers:

    (i) the Trust Deed in respect of the Notes;

    (ii) the Singapore Law Trust Deed in respect of the Notes;

    (iii) the Agency Agreement in respect of the Notes;

    (iv) the audited consolidated financial statements of each of the GEH Group and the GEL Group for the years ended 31 December 2022 and 31 December 2023;

(v) the latest audited consolidated financial statements of each of the GEH Group and the GEL Group which are published after the date of this Offering Circular;

(vi) each Pricing Supplement (save that each Pricing Supplement relating to a Note which is not listed on a stock exchange will only be available for inspection by a holder of such Note and such holder must provide evidence satisfactory to the Trustee or, as the case may be, the Issuing and Paying Agent as to its holding and its identity); and

(vii) a copy of this Offering Circular or any further Offering Circular and any supplementary Offering Circular.

11. From the date of this Offering Circular and for so long as any Notes are outstanding under the Programme, the following documents will be available, during usual business hours (being between 9:00 a.m. and 3:00 p.m.) on any weekday (Saturdays, Sundays and gazetted public holidays excepted), for inspection at the principal office of the Trustee (being at the date of this Offering Circular at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom) and at the specified office of the Issuing and Paying Agent, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Issuing and Paying Agent:

(i) the Trust Deed in respect of the Notes;

(ii) the Singapore Law Trust Deed in respect of the Notes;

(iii) the Agency Agreement in respect of the Notes;

(iv) each Pricing Supplement (save that each Pricing Supplement relating to a Note which is not listed on a stock exchange will only be available for inspection by a holder of such Note and such holder must provide evidence satisfactory to the Trustee or, as the case may be, the Issuing and Paying Agent as to its holding and its identity); and

(v) a copy of this Offering Circular or any further Offering Circular and any supplementary Offering Circular.

INDEX TO FINANCIAL INFORMATION

The audited consolidated financial statements and independent auditor's reports of Great Eastern Holdings Limited and The Great Eastern Life Assurance Company Limited for the financial year ended 31 December 2023 set out herein will be reproduced in their respective 2023 annual reports. The audited consolidated financial statements and independent auditor's reports of Great Eastern Holdings Limited and The Great Eastern Life Assurance Company Limited for the financial year ended 31 December 2022 set out herein have been extracted from their respective 2022 annual reports. The audited financial statements and independent auditor's reports mentioned above have not been specifically prepared for inclusion in this Offering Circular.

GREAT EASTERN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199903008M)

Directors' Statement and Audited Consolidated Financial Statements

For the Financial Year Ended 31 December 2023

DIRECTORS' STATEMENT

The Directors are pleased to present this statement to the members together with the audited consolidated financial statements of Great Eastern Holdings Limited ("GEH" or the "Company") and its subsidiaries (collectively the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

Mr Soon Tit Koon, Chairman
Dr Chong Yoke Sin (Appointed on 22 January 2024)
Mr Lee Fook Sun
Mr Kyle Lee
Mr Andrew Lee (Appointed on 30 April 2023)
Mr George Lee (Appointed on 1 May 2023)
Dr Lim Kuo Yi (Appointed on 22 January 2024)
Mr Ng Chee Peng
Mr Tam Chee Chong (Appointed on 1 May 2023)
Mrs Teoh Lian Ee
Ms Helen Wong

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangements whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, save as disclosed in this statement.

DIRECTORS' STATEMENT (continued)

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of Directors' shareholdings, the Director who held office at the end of the financial year had an interest in shares in, or debentures of, the Company as at the end of the financial year and as at 21 January 2024, is as follows:

	Holdings registered in the name of Directors or in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 1.1.2023 or date of appointment	**As at 31.12.2023**	As at 1.1.2023 or date of appointment	**As at 31.12.2023**
Ordinary shares in the capital of the Company				
Mrs Teoh Lian Ee	–	**–**	5,000[(1)]	**5,000[(1)]**

The interests in shares in, or debentures of, the Company's holding company, Oversea-Chinese Banking Corporation Limited ("OCBC Bank") and its related corporations, of Directors who held office at the end of the financial year, were as follows:

	Holdings registered in the name of Directors or in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 1.1.2023 or date of appointment	**As at 31.12.2023**	As at 1.1.2023 or date of appointment	**As at 31.12.2023**
Ordinary shares in the capital of OCBC Bank				
Mr Soon Tit Koon	472	**472**	–	–
Mr Lee Fook Sun	–	**–**	190,158[(1)]	**190,158**[(1)]
Mr Kyle Lee	135,121	**135,121**	–	–
Mr Andrew Lee	425,649	**529,953**	–	–
Mr George Lee	85,143	**85,143**	–	–
Mr Ng Chee Peng	13,109	**13,109**	1,500[(2)]	**1,500**[(2)]
Mr Tam Chee Chong	10,133	**10,133**	–	–
Mrs Teoh Lian Ee	24,711	**24,711**	299[(2)]	**299**[(2)]
Ms Helen Wong	262,431	**441,608**	434,713[(3)]	**578,330**[(3)]

Notes:
(1) Held under Halden Joy Trust.
(2) Held by spouse.
(3) Comprises deemed interest in 578,330 ordinary shares subject to award(s) granted under the OCBC Deferred Share Plan.

DIRECTORS' STATEMENT (continued)

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

Share options

According to the register of Directors' shareholdings, as at the beginning and as at the end of the financial year, the following Directors had interests in share options to subscribe for ordinary shares in the capital of OCBC Bank under the OCBC Share Option Scheme 2001, as follows:

	Options held by Directors		Options in which Directors are deemed to have an interest	
	As at 1.1.2023 or date of appointment	**As at 31.12.2023**	As at 1.1.2023 or date of appointment	**As at 31.12.2023**
Mr Andrew Lee	147,816	**43,512**	–	**–**

Save as disclosed above, the Directors holding office at the end of the financial year did not have any interest in shares in, or debentures of, the Company or any related corporation either at the beginning of the financial year, date of appointment, or at the end of the financial year.

There were no changes to any of the above mentioned interests between the end of the financial year and 21 January 2024.

5. SHARE OPTIONS

The Company does not have any share option scheme in place.

6. AUDIT COMMITTEE

The Audit Committee ("AC") comprises five non-executive Directors. The AC members at the date of this statement are Mr Tam Chee Chong (AC Chairman), Dr Chong Yoke Sin, Mr Kyle Lee, Mr Ng Chee Peng and Mrs Teoh Lian Ee. The AC convened 14 meetings during the financial year under review.

The AC performs the functions specified under Section 201B(5) of the Companies Act 1967, including reviewing with the auditor its audit plan, its evaluation of the system of internal accounting controls and its audit report, reviewing the assistance given by the Company's officers to the auditor, reviewing the scope and results of the internal audit procedures, reviewing the financial statements of the Company and of the Group and the auditor's report thereon prior to their submission to the Company's Board of Directors. Details of the functions performed by the AC, including functions specified in the SGX-ST Listing Manual, Financial Holding Companies Act 2013, Financial Holdings Companies Regulations 2022, Financial Holding Companies (Corporate Governance of Designated Financial Holding Companies with Licensed Insurer Subsidiary) Regulations 2022, Guidelines on Corporate Governance for Designated Financial Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued by the Monetary Authority of Singapore on 9 November 2021 and the Code of Corporate Governance 2018, are set out in the Report on

DIRECTORS' STATEMENT (continued)

6. AUDIT COMMITTEE (continued)

Corporate Governance included in the Company's Annual Report for the financial year ended 31 December 2023.

The AC has nominated PricewaterhouseCoopers LLP for reappointment as auditor at the forthcoming Annual General Meeting of the Company.

7. AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the Board of Directors

Soon Tit Koon	**Tam Chee Chong**
Chairman	Director

Singapore
23 February 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT EASTERN HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Great Eastern Holdings Limited ("the Company") and its subsidiaries ("the Group"), the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated profit or loss statement of the Group for the year ended 31 December 2023;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2023;
- the statements of changes in equity of the Group and of the Company for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's 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

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report on the Audit of the Financial Statements (continued)

Our Audit Approach (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2023. The key audit matter below was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of life insurance contract liabilities	
Refer to the following notes in the consolidated financial statements: Note 2.9 *Insurance and Reinsurance Contracts*, Note 2.26(a) *Critical Accounting Estimates and Judgments on Insurance Business*, Note 13.1 *Insurance and Reinsurance Contracts - Life Insurance* and Note 31 *Insurance Risk*. On 1 January 2023, the Group adopted SFRS(I) 17 'Insurance Contracts'. The standard sets out the requirements that an entity should apply in accounting for insurance contracts it issues, reinsurance contracts it holds and investment contracts with discretionary participating features it issues. At 31 December 2023, the Group recorded life insurance contract liabilities of S$97,383.3 million. Insurance contract liabilities under SFRS(I) 17 are measured as the total of fulfilment cash flows and contractual service margin ("CSM"), the determination of which requires judgment and interpretation. This includes the selection of accounting policies and the use of complex methodologies which are applied in actuarial models. The selection and application of appropriate methodologies requires significant professional judgment. It also requires the determination of assumptions which involve estimation uncertainty.	We performed the following audit procedures to address this matter: • We assessed the adherence of the accounting policies adopted by management with the requirements in SFRS(I) 17; • We understood the process over the selection of accounting policies, determination of methodologies and assumptions, and reconciliation of data used in determining the insurance contract liabilities; • We tested the design and operating effectiveness of controls over the accuracy and completeness of the data used; • We assessed the appropriateness of the methodologies used in the determination of the insurance contract liabilities comprising of fulfilment cash flows and contractual service margin, and their application in actuarial models; • We assessed the reasonableness of the key assumptions used by management by comparing against the Group's historical experiences and market observable data, where applicable; • We assessed the appropriateness of management's identification of the services provided by reviewing the terms and features of the insurance contracts issued on a sample basis; • We assessed the appropriateness of management's determination of the coverage units against the type of service identified;

Report on the Audit of the Financial Statements (continued)

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of life insurance contract liabilities (continued) The CSM represents the unearned profit that the Group will recognise as it provides insurance contract services in the future. The release of CSM of a group of contracts is recognised as insurance revenue in the Profit or Loss Statement based on the number of coverage units provided in the period. Coverage units in turn are determined by the quantity of the benefits provided under a contract and its expected coverage duration. Management applied judgment in the identification of the services provided and the determination of the coverage units.	• We reviewed the reasonableness of the movement analysis of the insurance contract liabilities prepared by management. The movement analysis provides a reconciliation of the balance as at 31 December 2022 to 31 December 2023, showing the key drivers of the changes during the year; and • We assessed the appropriateness of the disclosures in the financial statements. Based on the work performed and the evidence obtained, we found the methodologies, assumptions and judgments used by management to be appropriate. Our audit procedures over the disclosures showed that these were in accordance with the relevant SFRS(I) 17 disclosure requirements.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement, Awards, Corporate Social Responsibility, Group Network, Key Executives, List of Major Properties and Management Team (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Report on the Audit of the Financial Statements (continued)

Other Information (continued)

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Hans Koopmans.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 23 February 2024

CONSOLIDATED PROFIT OR LOSS STATEMENT
For the financial year ended 31 December 2023

in Singapore Dollars (millions)	Note	2023	2022 (restated)
Insurance revenue	4	**6,259.9**	6,024.5
Insurance service expenses	6	**(5,050.5)**	(5,083.7)
Net expenses from reinsurance contracts held		**(634.6)**	(130.8)
Insurance service result		**574.8**	810.0
Interest revenue on			
Financial assets not measured at FVTPL		**718.8**	491.5
Financial assets measured at FVTPL		**1,664.8**	1,654.3
Other investment revenue/(loss)		**3,497.1**	(7,043.5)
Increase in provision for impairment of financial assets		**(13.6)**	(28.7)
Change in third-party interests in consolidated investment funds		**(1.2)**	0.2
Net investment income/(loss)	5	**5,865.9**	(4,926.2)
Finance (expenses)/income from insurance contracts issued	5	**(5,253.8)**	5,028.4
Finance income from reinsurance contracts held	5	**14.6**	16.8
Net insurance financial result		**(5,239.2)**	5,045.2
Net insurance and investment result		**1,201.5**	929.0
Fees and other income		**19.0**	36.1
Other expenses	6	**(150.0)**	(155.1)
Other income and expenses		**(131.0)**	(119.0)
Profit before income tax		**1,070.5**	810.0
Income tax expense	7	**(281.3)**	(197.3)
Profit after income tax		**789.2**	612.7
Attributable to:			
Shareholders		**774.6**	610.0
Non-controlling interests		**14.6**	2.7
		789.2	612.7
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	8	**$1.64**	$1.29

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

in Singapore Dollars (millions)	Note	Group 2023	Group 2022 (restated)
Profit after income tax for the year		**789.2**	612.7
Other comprehensive income/(loss):			
Items that will not be reclassified to the Profit or Loss Statement:			
Exchange differences arising on translation of overseas entities attributable to non-controlling interests		**(0.8)**	(1.0)
Revaluation gain/(loss) on equity instruments at fair value through other comprehensive income		**68.4**	(257.1)
Income tax related to the above		**(11.6)**	44.1
Items that may be reclassified subsequently to the Profit or Loss Statement:			
Exchange differences arising on translation of overseas entities		**(70.5)**	(57.0)
Debt instruments at fair value through other comprehensive income:			
Changes in fair value		**352.0**	(1,267.3)
Changes in allowance for expected credit losses		**1.2**	(1.9)
Reclassification of realised loss on disposal of investments to the Profit or Loss Statement		**50.6**	94.8
Net insurance financial result:			
Finance income from insurance contracts issued	5	**64.7**	416.3
Finance expenses from reinsurance contracts held	5	**(19.4)**	(38.5)
Income tax related to the above		**(74.6)**	131.0
Other comprehensive income/(loss) for the year, after tax		**360.0**	(936.6)
Total comprehensive income/(loss) for the year		**1,149.2**	(323.9)
Total comprehensive income/(loss) attributable to:			
Shareholders		**1,135.4**	(325.6)
Non-controlling interests		**13.8**	1.7
		1,149.2	(323.9)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
As at 31 December 2023

in Singapore Dollars (millions)	Note	Group			Company	
		31 Dec 2023	31 Dec 2022 (restated)	1 Jan 2022 (restated)	**31 Dec 2023**	31 Dec 2022
Share capital	9	**152.7**	152.7	152.7	**152.7**	152.7
Reserves						
Other reserves	10	**(721.4)**	(1,084.7)	(129.9)	**419.2**	419.2
Retained earnings		**8,454.2**	8,108.1	7,786.5	**2,851.7**	2,962.5
SHAREHOLDERS' EQUITY		**7,885.5**	7,176.1	7,809.3	**3,423.6**	3,534.4
NON-CONTROLLING INTERESTS		**103.5**	99.2	106.8	**-**	-
TOTAL EQUITY		**7,989.0**	7,275.3	7,916.1	**3,423.6**	3,534.4
LIABILITIES						
Other creditors	11	**1,912.5**	1,360.7	1,097.7	**9.3**	8.5
Income tax payable		**164.6**	238.5	328.6	**-**	-
Derivative financial liabilities	17	**179.7**	292.0	111.4	**-**	-
Provision for agents' retirement benefits	12	**297.6**	295.8	291.3	**-**	-
Deferred tax liabilities	7	**268.7**	105.8	354.5	**-**	-
Reinsurance contract liabilities	13	**220.1**	481.6	383.3	**-**	-
Insurance contract liabilities	13	**98,001.6**	94,805.8	97,175.2	**-**	-
TOTAL EQUITY AND LIABILITIES		**109,033.8**	104,855.5	107,658.1	**3,432.9**	3,542.9
ASSETS						
Cash and cash equivalents		**6,302.9**	9,607.9	9,117.7	**25.7**	20.4
Other debtors	14	**1,111.5**	821.1	857.3	**-**	-
Asset held for sale	25	**-**	72.6	-	**-**	-
Amount due from subsidiaries	15	**-**	-	-	**2,380.1**	2,480.9
Loans	16	**511.0**	480.5	592.2	**-**	-
Derivative financial assets	17	**963.9**	761.7	369.9	**-**	-
Investments	18	**96,535.6**	88,760.4	92,462.4	**-**	-
Deferred tax assets	7	**16.6**	53.3	6.2	**-**	-
Reinsurance contract assets	13	**868.7**	1,208.7	1,310.0	**-**	-
Insurance contract assets	13	**39.6**	372.6	221.3	**-**	-
Investment in associate	20	**95.1**	122.5	95.2	**-**	-
Investment in subsidiaries	21	**-**	-	-	**1,027.1**	1,041.6
Intangible assets	23	**212.5**	203.6	195.0	**-**	-
Investment properties	24	**1,880.7**	1,881.2	1,883.9	**-**	-
Property, plant and equipment	26	**495.7**	509.4	547.0	**-**	-
TOTAL ASSETS		**109,033.8**	104,855.5	107,658.1	**3,432.9**	3,542.9

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY - GROUP
For the financial year ended 31 December 2023

		Attributable to shareholders of the Company							
			Other reserves						
in Singapore Dollars (millions)	Note	Share Capital	Currency Translation Reserve	Fair Value Reserve	Insurance Finance Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 2023 (restated)		152.7	(74.1)	(922.1)	(88.5)	8,108.1	7,176.1	99.2	7,275.3
Profit for the year		-	-	-	-	774.6	774.6	14.6	789.2
Other comprehensive (loss)/income for the year		-	(70.5)	394.5	36.8	-	360.8	(0.8)	360.0
Total comprehensive (loss)/income for the year		-	(70.5)	394.5	36.8	774.6	1,135.4	13.8	1,149.2
Reclassification of net change in fair value of equity instruments upon derecognition	18	-	-	2.5	-	(2.5)	-	-	-
Distributions to shareholders									
Dividends paid during the year:									
Final one-tier tax exempt dividend for the previous year	33	-	-	-	-	(260.3)	(260.3)	-	(260.3)
Interim one-tier tax exempt dividend	33	-	-	-	-	(165.7)	(165.7)	-	(165.7)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(9.5)	(9.5)
Total distributions to shareholders		-	-	-	-	(426.0)	(426.0)	(9.5)	(435.5)
Total transactions with shareholders in their capacity as shareholders		-	-	-	-	(426.0)	(426.0)	(9.5)	(435.5)
Balance at 31 December 2023		152.7	(144.6)	(525.1)	(51.7)	8,454.2	7,885.5	103.5	7,989.0

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2023

		Attributable to shareholders of the Company							
			Other reserves						
in Singapore Dollars (millions)	Note	Share Capital	Currency Translation Reserve	Fair Value Reserve	Insurance Finance Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 2022, as previously reported		152.7	(17.1)	281.7	-	9,612.3	10,029.6	106.8	10,136.4
Adoption of SFRS(I) 17		-	-	-	(398.0)	(1,822.3)	(2,220.3)	-	(2,220.3)
Redesignation and classification overlay for financial assets		-	-	3.5	-	(3.5)	-	-	-
Balance at 1 January 2022 (restated)		152.7	(17.1)	285.2	(398.0)	7,786.5	7,809.3	106.8	7,916.1
Profit for the year		-	-	-	-	610.0	610.0	2.7	612.7
Other comprehensive (loss)/income for the year		-	(57.0)	(1,188.1)	309.5	-	(935.6)	(1.0)	(936.6)
Total comprehensive (loss)/income for the year		-	(57.0)	(1,188.1)	309.5	610.0	(325.6)	1.7	(323.9)
Reclassification of net change in fair value of equity instruments upon derecognition	18	-	-	(19.2)	-	19.2	-	-	-
Distributions to shareholders									
Dividends paid during the year:									
Final one-tier tax exempt dividend for the previous year	33	-	-	-	-	(260.3)	(260.3)	-	(260.3)
Interim one-tier tax exempt dividend	33	-	-	-	-	(47.3)	(47.3)	-	(47.3)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(9.3)	(9.3)
Total distributions to shareholders		-	-	-	-	(307.6)	(307.6)	(9.3)	(316.9)
Total transactions with shareholders in their capacity as shareholders		-	-	-	-	(307.6)	(307.6)	(9.3)	(316.9)
Balance at 31 December 2022		152.7	(74.1)	(922.1)	(88.5)	8,108.1	7,176.1	99.2	7,275.3

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the financial year ended 31 December 2023

in Singapore Dollars (millions)	Note	Share Capital	Merger Reserve	Retained Earnings	Total Equity
Balance at 1 January 2023		**152.7**	**419.2**	**2,962.5**	**3,534.4**
Profit for the year		**-**	**-**	**315.2**	**315.2**
Total comprehensive income for the year		**-**	**-**	**315.2**	**315.2**
<u>Distributions to shareholders</u>					
Dividends paid during the year:					
Final one-tier tax exempt dividend for the previous year	33	**-**	**-**	**(260.3)**	**(260.3)**
Interim one-tier tax exempt dividend	33	**-**	**-**	**(165.7)**	**(165.7)**
Total distributions to shareholders		**-**	**-**	**(426.0)**	**(426.0)**
Total transactions with shareholders in their capacity as shareholders		**-**	**-**	**(426.0)**	**(426.0)**
Balance at 31 December 2023		**152.7**	**419.2**	**2,851.7**	**3,423.6**
Balance at 1 January 2022		152.7	419.2	3,121.7	3,693.6
Profit for the year		-	-	148.4	148.4
Total comprehensive income for the year		-	-	148.4	148.4
<u>Distributions to shareholders</u>					
Dividends paid during the year:					
Final one-tier tax exempt dividend for the previous year	33	-	-	(260.3)	(260.3)
Interim one-tier tax exempt dividend	33	-	-	(47.3)	(47.3)
Total distributions to shareholders		-	-	(307.6)	(307.6)
Total transactions with shareholders in their capacity as shareholders		-	-	(307.6)	(307.6)
Balance at 31 December 2022		152.7	419.2	2,962.5	3,534.4

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2023

in Singapore Dollars (millions)	Note	**2023**	2022 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**1,070.5**	810.0
Adjustments for non-cash items:			
(Gain)/loss on sale of investments and changes in fair value		**(2,949.5)**	7,621.8
Increase in provision for impairment of assets	5	**13.6**	28.7
Increase in provision for agents' retirement benefits	6	**44.0**	38.3
Gain on sale of investment property	5	**(20.0)**	-
Depreciation and amortisation expenses	6	**87.8**	88.0
Unrealised loss on exchange differences	5	**77.2**	98.8
Dividend income	5	**(618.0)**	(716.8)
Interest income	5	**(2,383.6)**	(2,145.8)
Interest expense on lease liabilities	6	**1.6**	1.9
Share-based payments	6	**8.0**	8.2
		(4,668.4)	5,833.1
Changes in working capital:			
Other debtors		**(288.9)**	(33.9)
Other creditors		**403.3**	(154.0)
Insurance and reinsurance contract assets/liabilities		**3,797.7**	(1,343.4)
Cash (used in)/generated from operations		**(756.3)**	4,301.8
Income tax paid		**(241.4)**	(412.5)
Interest paid on lease liabilities		**(1.6)**	(1.9)
Agents' retirement benefits paid	12	**(23.5)**	(16.2)
Net cash flows (used in)/generated from operating activities		**(1,022.8)**	3,871.2

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2023

in Singapore Dollars (millions)	Note	**2023**	2022 (restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities and sale of investments		**45,124.5**	37,062.9
Purchase of investments		**(49,894.6)**	(42,882.2)
Proceeds from sale of property, plant and equipment		**0.2**	0.5
Proceeds from sale of investment property		**92.6**	-
Purchase of property, plant and equipment and investment properties	24, 26	**(36.1)**	(14.9)
Acquisition of intangible assets	23	**(57.6)**	(56.0)
Interest income received		**2,318.1**	2,120.5
Dividends received		**619.5**	719.0
Net cash flows used in investing activities		**(1,833.4)**	(3,050.2)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	33	**(426.0)**	(307.6)
Dividends paid to non-controlling interests		**(9.5)**	(9.3)
Principal element of lease payments		**(13.3)**	(13.9)
Net cash flows used in financing activities		**(448.8)**	(330.8)
Net (decrease)/increase in cash and cash equivalents		**(3,305.0)**	490.2
Cash and cash equivalents at the beginning of the year		**9,607.9**	9,117.7
Cash and cash equivalents at the end of the year		**6,302.9**	9,607.9
Cash and cash equivalents comprise:			
Cash and bank balances		**1,815.9**	3,026.1
Cash on deposit		**2,579.6**	2,683.2
Short term instruments		**1,907.4**	3,898.6
		6,302.9	9,607.9

Included in the cash and cash equivalents are bank deposits amounting to $3.2 million (31 December 2022: $9.4 million) which are lodged with the regulator as statutory deposits, which are not available for use by the Group.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

Great Eastern Holdings Limited (the "Company" or "GEH") is a limited liability company which is incorporated and domiciled in the Republic of Singapore. The notes refer to the Company and the Group unless otherwise stated. The registered office and principal place of business of the Company is located at 1 Pickering Street, #16-01, Great Eastern Centre, Singapore 048659.

The principal activity of the Company is that of an investment holding company. The principal activities of the significant subsidiaries within the Group are stated in Note 3. There have been no significant changes in the nature of these activities during the financial year.

The Company's immediate and ultimate holding company is Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), which prepares financial statements for public use.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations as issued by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest $0.1 million except as otherwise stated.

2.2 Changes in Accounting Policies

2.2.1 New Standards and Amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual financial periods beginning on or after 1 January 2023.

SFRS(I)	Title	Effective date (Annual periods beginning on or after)
SFRS(I) 17	Insurance Contracts	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
SFRS(I) 1-12	Amendments to SFRS(I) 1-12: International Tax Reform – Pillar Two Model Rules	1 January 2023

The adoption of the new standards did not have any material impact on the financial performance or position of the Group and the Company except for SFRS(I) 17. SFRS(I) 17 replaces SFRS(I) 4 Insurance Contracts for annual periods beginning on or after 1 January 2023.

The Group has restated comparative information for 2022 applying the transitional provisions in Appendix C to SFRS(I) 17. The nature and effects of the changes in the Group accounting policies are summarised below.

2.2.1.1 Changes to Classification and Measurement

The adoption of SFRS(I) 17 did not change the classification of the Group's insurance contracts.

SFRS(I) 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.1 New Standards and Amendments (continued)

2.2.1.1 Changes to Classification and Measurement (continued)

The key principles of SFRS(I) 17 are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance contracts and accounts for them in accordance with other standards;
- Divides the insurance and reinsurance contracts (or portfolios of contracts with similar risks and managed together) into groups based on the expected contract profitability;
- Recognises and measures groups of insurance contracts at:
  - A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information; plus
  - An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM);
- Recognises profit from a group of insurance contracts over the period the Group provides insurance coverage, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately. An onerous contract group's expected loss is not offset against the expected gains of other contract groups.

The Group's classification and measurement of insurance and reinsurance contracts are explained in Note 2.9.

2.2.1.2 Changes to Presentation and Disclosure

For presentation in the balance sheet, the Group aggregates portfolios of insurance and reinsurance contracts issued and reinsurance contracts held and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts that are liabilities; and
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the SFRS(I) 17 requirements.

The descriptions of the line items in the Consolidated Profit or Loss Statement have been changed significantly compared with the previous year. Previously the Group reported the following line items: gross premiums, gross claims, maturities, surrenders and annuities and change in insurance contract liabilities. SFRS(I) 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expense;
- Insurance finance income or expense; and
- Income or expenses from reinsurance contracts held.

The Group provides disaggregated qualitative and quantitative information in the notes to the financial statements about:

- The amounts recognised in its financial statements from insurance contracts and reinsurance contracts; and
- Significant judgment, and changes in those judgment made when applying the standard.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.1 New Standards and Amendments (continued)

2.2.1.3 Transition

The Group has restated the comparative information based on the transition approaches taken on adoption of SFRS(I) 17.

Changes in accounting policies resulting from the adoption of SFRS(I) 17 were applied using the fully retrospective approach to the extent practicable and the modified retrospective approach or fair value approach as explained below. The fully retrospective approach was applied to insurance contracts that were originated less than one year prior to the effective date.

Where it was not possible to obtain all required historical data without undue cost and effort, the modified retrospective approach or fair value approach was applied. The modified retrospective approach was applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date. The fair value approach was applied to the remaining insurance contracts in force at transition date.

On transition date, at 1 January 2022, the Group:

- Identified, recognised and measured each group of insurance and reinsurance contracts as if SFRS(I) 17 had always been applied (unless impracticable – refer to Notes 2.2.1.3.1 and 2.2.1.3.2);
- Derecognised previously reported balances that would not have existed if SFRS(I) 17 had always been applied;
- Elected the option introduced by SFRS(I) 17 to redesignate certain financial assets to address possible accounting mismatches between financial assets and insurance contract liabilities and applied the classifications retrospectively (refer to Note 2.2.1.3.3); and
- Recognised any resulting net difference in equity.

The Group has applied the transitional provisions in SFRS(I) 17 and has not disclosed the impact of the adoption of SFRS(I) 17 on each financial statement line item and earnings per share (“EPS”). The effects of adopting SFRS(I) 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity.

2.2.1.3.1 Modified Retrospective Approach

The modified retrospective approach was applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date.

The Group has used the following procedures to determine the CSM at initial recognition for these contracts:

- Estimated future cash flows at the date of initial recognition as the amount of the future cash flows at the transition date, adjusted by the cash flows that have occurred between the date of initial recognition and the transition date. The cash flows that are known to have occurred include cash flows resulting from contracts that ceased to exist before the transition date;
- Estimated historical discount rates applied to cash flows in the period prior to 2012 using an observable market interest curve for that period, adjusted by the spread between observable market yield curves and the yield curve used to determine current discount rates for the years between 1 January 2012 and 1 January 2022; and
- Estimated the risk adjustment for non-financial risk at the date of initial recognition by adjusting the risk adjustment at the transition date by the expected release of risk in the periods before the transition date. The expected release of risk was determined with reference to the release of risk for similar contracts that the Group has issued subsequent to the transition date.

The CSM at the transition date has been further determined by:

- Using the modified discount rates determined at initial recognition to accrete interest on the CSM; and
- Applying the amount of the CSM recognised in profit or loss because of the transfer of services before the transition date, by comparing the remaining coverage units at that date with the coverage units provided under the group of contracts before the transition date.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.1 New Standards and Amendments (continued)

2.2.1.3 Transition (continued)

2.2.1.3.2 Fair Value Approach

The Group applied the fair value approach to the remaining insurance contracts. Under the fair value approach, the Group determined the CSM of the liability for remaining coverage ("LRC") at the date of transition, as the difference between the fair value of a group of insurance contracts, measured in accordance with SFRS(I) 13 Fair Value Measurement, and its fulfilment cash flows ("FCF") at that date.

The Group has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition.

For the application of the fair value approach, the Group has used reasonable and supportable information available at the transition date in order to:

- Identify groups of insurance contracts;
- Determine whether any contracts are direct participating insurance contracts; and
- Identify any discretionary cash flows for insurance contracts without direct participation features.

The discount rate for the group of contracts incepted after 2012 applying the fair value approach was determined based on the inception year discount rate. Whereas, the discount rate for the group of contracts incepted before 2012 applying the fair value approach was determined on transition date.

The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception.

The Group used the income approach to determine the fair value amount used for establishing the insurance contract liabilities at the transition date.

2.2.1.3.3 Impact on Transition

The effects from applying SFRS(I) 17 resulted in a reduction of total equity of $2,220.3 million, net of tax, as at 1 January 2022. The net transition impact to equity consisted of the following effects.

Measurement adjustments	**Description of impact**	
	Contracts not measured under Premium Allocation Approach ("PAA")(1)	**Contracts measured under PAA**
CSM	A CSM liability is recognised for the unearned profit for insurance contracts.	Not applicable.
Contract Measurement	Other components of insurance contracts are also remeasured: ▪ Risk adjustment: The Group recognises a separate risk adjustment for non-financial risk which is lower than the risk margin under SFRS(I) 4 as a result of recalibration of the measurement techniques to conform with the SFRS(I) 17 requirements. ▪ Discount rates: The Group now uses current discount rates to measure future cash flows as required by SFRS(I) 17. ▪ Deferred acquisition costs: Under SFRS(I) 17, the Group now recognises eligible insurance acquisition cash flows, when incurred in the carrying amount of related groups of insurance contracts and amortises in a systematic way on the basis of the passage of time over the expected coverage of related groups of insurance contracts.	Other components of insurance contracts are remeasured: ▪ Risk adjustment: The risk adjustment is now measured at the 85th percentile under SFRS(I) 17 as compared to the provision for adverse deviation used under SFRS(I) 4 which was measured at the 75th percentile. ▪ Discounting future cash flows: Under SFRS(I) 17, the Group discounts the future cash flows when measuring liabilities for incurred claims. This was not done for non-life contracts previously. ▪ Deferred acquisition costs: Under SFRS(I) 17, the Group now recognises eligible insurance acquisition cash flows when incurred, in the carrying amount of related groups of insurance contracts and amortises based on the passage of time.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.1 New Standards and Amendments (continued)

2.2.1.3 Transition (continued)

2.2.1.3.3 Impact on Transition (continued)

Measurement adjustments	**Description of impact**	
	Contracts not measured under Premium Allocation Approach ("PAA") [1]	**Contracts measured under PAA**
Contract Measurement	▪ Other changes: Include those related to the application of SFRS(I) 17 and provision for future taxes.	
Insurance Finance Reserve	Under SFRS(I) 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses in profit or loss. The Group has elected the option to include these changes for certain portfolios measured under General Measurement Model ("GMM") under insurance finance reserve in other comprehensive income.	Not applicable.

(1) The PAA is an optional simplified measurement model in SFRS(I) 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. This approach is used for non-life insurance contracts, because each of these contracts have a coverage period of one year or less, or meets the eligibility criteria.

Besides the impact to equity upon transition, there are also other changes in the balance sheet mainly resulting from insurance related receivables and payables now included within fulfilment cash flows instead of being presented separately.

Redesignation of Financial Assets and Classification Overlay
SFRS(I) 17 allows entities that had applied SFRS(I) 9 to annual periods before the initial application of SFRS(I) 17, to redesignate their financial assets to address possible accounting mismatches between financial assets and insurance contract liabilities. A transition option was elected to apply a classification overlay for the financial assets as if the classification and measurement requirements of SFRS(I) 9 had been applied to that financial asset during the comparative period. At the transition date, $2,094.0 million of debt instruments which were previously designated at fair value through profit or loss were reclassified to fair value through other comprehensive income, recognising an expected credit loss, net of tax of $9.9 million. The redesignation of financial assets resulted in a reclassification of $3.5 million from the opening retained earnings to fair value reserve.

2.2.2 SFRS(I) not yet effective

The Group and the Company have not applied the following SFRS(I) that have been issued but which are not yet effective:

SFRS(I)	**Title**	**Effective date (Annual periods beginning on or after)**
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangement	1 January 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.3 SFRS(I) not yet effective (continued)

The Group and the Company have not applied the following SFRS(I) that have been issued but which are not yet effective (continued):

SFRS(I)	Title	Effective date (Annual periods beginning on or after)
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Directors expect that the adoption of the new standards above will not have any material impact on the financial statements in the year of initial application.

2.3 Basis of Consolidation and Business Combinations

2.3.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances. A list of the Company's significant subsidiaries is shown in Note 3.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Basis of Consolidation and Business Combinations (continued)

2.3.1 Basis of Consolidation (continued)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.18. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.4 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses, if any.

2.5 Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control and is generally established for a narrow and well-defined objective.

For the purpose of disclosure, the Group would be considered to sponsor a structured entity if it has a key role in establishing the structured entity or its name appears in the overall structure of the structured entity.

2.6 Associates

Associates are entities over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investment in associates using the equity method from the date on which it becomes an associate. If the investment in an associate is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the Group may elect to measure that investment at fair value through profit or loss in accordance with SFRS(I) 9. The Group will make this election separately for each associate, at initial recognition of the associate.

On acquisition of the investment, an excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.6 Associates (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in an associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and the respective carrying value and recognises the amount in the profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures the retained investment at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.7 Transactions with Non-Controlling Interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to shareholders of the Company, and is presented separately in the Consolidated Profit or Loss Statement, Consolidated Statement of Comprehensive Income and within equity in the Consolidated Balance Sheet, separately from Shareholders' Equity. An exception to this occurs when non-controlling interests arise through minority unit holders' interest in consolidated investment funds, when they are recognised as a liability, reflecting the net assets of the consolidated entity. These interests qualify as a financial liability as they give the holder the right to put the instrument back to the issuer for cash. Changes in these liabilities are recognised in the Consolidated Profit or Loss Statement as expenses.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

2.8 Foreign Currency Conversion and Translation

2.8.1 Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional and presentation currency.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Foreign Currency Conversion and Translation (continued)

2.8.2 Transactions and Balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Profit or Loss Statement except for exchange differences arising on monetary items that form part of the Group’s net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation. Exchange differences on non-monetary items such as equity investments classified as fair value through other comprehensive income and available-for-sale financial assets are included in the fair value reserve in equity.

2.8.3 Consolidated Financial Statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange ruling at the end of the reporting period. The Profit or Loss Statement is translated at the exchange rates prevailing at the dates of the transactions. The exchange differences arising from the translation are recognised in the Statement of Comprehensive Income as foreign currency translation reserve.

On disposal of a foreign operation, the cumulative amount of exchange differences recognised in other comprehensive income relating to that particular foreign operation is recognised in the Profit or Loss Statement as gain or loss on disposal of the operation.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences is re-attributed to non-controlling interest and is not recognised in Profit or Loss Statement. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the Profit or Loss Statement.

2.9 Insurance and Reinsurance Contracts

2.9.1 Definition and Classification

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Group to financial risk.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to ‘insurance contracts’ and ‘reinsurance contracts’ include contracts issued, initiated or acquired by the Group, unless otherwise stated.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts, and they follow financial instruments accounting under SFRS(I) 9. The Group does not have any contracts that fall under this category.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Insurance and Reinsurance Contracts (continued)

2.9.1 Definition and Classification (continued)

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which the Group promises an investment return based on underlying items; they are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Direct participating contracts issued by the Group are contracts with direct participation features where the Group holds the pool of underlying assets and accounts for these group of contracts under the Variable Fee Approach ("VFA"). The VFA modifies the accounting model in SFRS(I) 17 to reflect that the consideration that the Group receives for the contracts is a variable fee.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features. Some of these contracts are measured under the PAA model (see Note 2.9.7). The PAA is an optional simplified measurement model in SFRS(I) 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. This approach is used for non-life insurance contracts, because each of these contracts have a coverage period of one year or less, or the PAA provides a measurement which is not materially different from that under the GMM.

2.9.2 Separating Components from Insurance and Reinsurance Contracts

The Group assesses its insurance and reinsurance contracts to determine whether they contain components which must be accounted for under another SFRS(I) rather than SFRS(I) 17 (distinct non insurance components). After separating any distinct components, the Group applies SFRS(I) 17 to all remaining components of the (host) insurance contract. Currently, the Group's contracts do not include distinct components that require separation.

Some life contracts issued by the Group include a surrender option under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non-distinct investment component in SFRS(I) 17. SFRS(I) 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses. The surrender options are considered non-distinct investment components as the Group is unable to measure the value of the surrender option component separately from the life insurance portion of the contract.

For premium refund or experience refund components which are not subject to any conditions in the contracts, these have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Insurance and Reinsurance Contracts (continued)

2.9.3 Level of Aggregation

2.9.3.1 Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into quarterly cohorts (by quarter of issuance) for life insurance or into annual cohorts (by year of issuance) for non-life insurance, into three groups based on the expected profitability of the contracts:

(i) contracts that are onerous at initial recognition;
(ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
(iii) remaining group of contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The profitability groupings are not reassessed under subsequent remeasurement.

Level of aggregation is also affected by law or regulation which specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics.

The Group broadly groups its insurance contracts by how the contracts are managed, product type, currency, measurement model and insurance risks. For life insurance contracts, sets of contracts usually correspond to pricing risk groups that the Group determines to have similar insurance risk and that are priced together by assessing the profitability of a best estimate pool of contracts on the same basis. The Group determines the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming more onerous at the level of these pricing groups, with no information available at a more granular level. This level of granularity determines sets of contracts.

For non-life insurance contracts, sets of contracts usually correspond to the risk class or product type.

Non-life insurance contracts are measured under the PAA model (see Note 2.9.7). An assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contacts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at the product type level.

2.9.3.2 Reinsurance contracts

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts into quarterly cohorts (by quarter of issuance) for life reinsurance treaties or into annual cohorts (by year of issuance) for non-life reinsurance contracts into groups of:

(i) contracts for which there is a net gain at initial recognition, if any;
(ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
(iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual reinsurance treaty basis.

2.9.4 Recognition

A group of insurance contracts issued by the Group is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Group provides services in respect of any premiums within the contract boundary (see Note 2.9.5));
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Insurance and Reinsurance Contracts (continued)

2.9.4 Recognition (continued)

The Group recognises a group of reinsurance contracts held from the earliest of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract in the group of reinsurance contracts held at or before that date.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Composition of the groups is not reassessed in subsequent periods.

2.9.5 Contract Boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within an insurance contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied:
  - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
  - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Fulfilment cash flows outside the insurance contract boundary are not recognised. Such amounts relate to future insurance contracts.

For life insurance contracts with renewal periods, the Group assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Group by considering all the risks covered for the policyholder by the Group, that the Group would consider when underwriting equivalent contracts on the renewal dates for the remaining service. Therefore, the cash flows related to renewals of insurance contracts will not be included in the contract boundary.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer. A substantive right to receive services from the reinsurer ends either when the reinsurer can reprice the contract to fully reflect the reinsured risk, or when the reinsurer has a substantive right to terminate coverage.

The Group reassesses contract boundary of each group at the end of each reporting period.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Insurance and Reinsurance Contracts (continued)

2.9.6 Measurement

2.9.6.1 Measurement – contracts not measured under the PAA

On initial recognition, the Group measures a group of insurance contracts as the total of (a) the fulfilment cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM (see Note 2.9.6.3). The fulfilment cash flows of a group of insurance contracts do not incorporate the Group's non-performance risk.

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in Note 2.26.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised (refer to the Onerous contracts – Loss component section in Note 2.9.6.4 below).

2.9.6.2 Fulfilment Cash Flows ("FCF")

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:
(a) are based on a probability-weighted mean of the full range of possible outcomes;
(b) are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
(c) reflect conditions existing at the measurement date.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgment and estimation. Refer to Note 2.26(a).

2.9.6.3 Contractual Service Margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:
(a) the initial recognition of the FCF;
(b) cash flows arising from the contracts in the group at that date;
(c) the derecognition of any insurance acquisition cash flows asset; and
(d) the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Insurance and Reinsurance Contracts (continued)

2.9.6 Measurement (continued)

2.9.6.3 Contractual Service Margin (continued)

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

(a) the initial recognition of the FCF;
(b) cash flows arising from the contracts in the group at that date;
(c) the amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and
(d) any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

2.9.6.4 Subsequent Measurement – contracts not measured under the PAA

Subsequently, the carrying amount of a group of insurance contracts at each reporting date is the sum of the LRC and the liability for incurred claims ("LIC"). The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

- The FCF of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in FCF are recognised as follows:

Changes relating to future service	Adjusted against CSM (or recognised in the insurance service result in profit or loss if the group is onerous).
Changes relating to current or past services	Recognised in the insurance service result in profit or loss.
Effects of the time value of money, financial risk and changes therein on estimated cash flows	Recognised as insurance finance income or expenses in profit or loss, except for certain portfolios measured using the GMM where the Other Comprehensive Income ("OCI") option is applied.

- The CSM is adjusted subsequently only for changes in FCF that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future services.

The Group reports its financial results on a quarterly basis. The Group has elected to treat every quarter as a discrete interim reporting period, and estimates made by the Group in previous interim financial results are not changed when applying SFRS(I) 17 in subsequent interim periods or in the annual financial statements.

Onerous contracts – Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

(a) expected incurred claims and other directly attributable expenses for the period;
(b) changes in the risk adjustment for non-financial risk for the risk expired; and
(c) finance income (expenses) from insurance contracts issued.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Insurance and Reinsurance Contracts (continued)

2.9.6 Measurement (continued)

2.9.6.4 Subsequent Measurement – contracts not measured under the PAA (continued)

The amounts of the loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

2.9.6.5 Reinsurance Contracts

The Group will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage ("ARC") and the asset for incurred claims ("AIC"). The ARC comprises (a) the FCF that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance income or expenses as it receives insurance contract services from the reinsurer in the future.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

2.9.6.6 Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group; and to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

The insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Insurance and Reinsurance Contracts (continued)

2.9.6 Measurement (continued)

2.9.6.6 Insurance Acquisition Cash Flows (continued)

The Group assesses at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Group:

(a) recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
(b) if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

The Group reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions no longer exist or have improved.

2.9.7 Measurement – contracts measured under the PAA

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows. The LRC is discounted to reflect the time value of money and the effect of financial risk.

The Group estimates the LIC as the fulfilment cash flows related to incurred claims. The FCF incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment). The Group adjusts the future cash flows for the time value of money and the effect of financial risk for the measurement of LIC, unless when they are expected to be paid within one year or less from the date of which the claims are incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the FCF. A loss component is established by the Group for the LRC for such onerous group depicting the losses recognised.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid net of commission, plus broker fees paid to a party other than the reinsurer.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of the LRC and the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of the ARC and the AIC, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

(a) increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
(b) decreased for insurance acquisition cash flows paid in the period;
(c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period;
(d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses; and
(e) increased for net insurance finance expenses recognised during the period.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

(a) increased for ceding premiums, net of commission, paid in the period;
(b) increased for broker fees paid in the period;
(c) decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period; and
(d) increased for net reinsurance finance income recognised during the period.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Insurance and Reinsurance Contracts (continued)

2.9.8 Derecognition and Contract Modification

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria discussed below are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

(a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
  (i) is not within the scope of SFRS(I) 17;
  (ii) results in different separable components;
  (iii) results in a different contract boundary; or
  (iv) belongs to a different group of contracts;
(b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
(c) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification and it is within the scope of SFRS(I) 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the VFA eligibility and component separation requirements (see Note 2.9.2) and contract aggregation requirements (see Note 2.9.3).

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

(a) adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;
(b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:
  (i) if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
  (ii) if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party; or
  (iii) if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium that the Group would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received; and
(c) adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

(a) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
(b) if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
(c) if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.10 Recognition of Income and Expense

2.10.1 Insurance Service Result From Insurance Contracts Issued

Insurance revenue

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:
  - (a) expected claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
    - amounts allocated to the loss component;
    - repayments of investment components and policyholder rights to withdraw an amount;
    - amounts of transaction-based taxes collected in a fiduciary capacity;
    - insurance acquisition expenses; and
    - amounts related to the risk adjustment for non-financial risk (see (b));
  - (b) changes in the risk adjustment for non-financial risk, excluding:
    - changes included in insurance finance income (expenses);
    - changes that relate to future coverage (which adjust the CSM); and
    - amounts allocated to the loss component;
  - (c) amounts of the CSM recognised for the services provided in the period;
  - (d) experience adjustments – arising from premiums received in the period other than those that relate to future service; and
  - (e) other amounts, including any other pre-recognition cash flows assets derecognised at the date of initial recognition.
- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows in a systematic way on the basis of the passage of time over the expected coverage of a group of contracts.

For groups of insurance contracts measured under the PAA, the Group recognises revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

(a) incurred claims and benefits, excluding investment components reduced by loss component allocations;

(b) other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;

(c) insurance acquisition cash flows amortisation;

(d) changes that relate to past service – changes in the FCF relating to the LIC; and

(e) changes that relate to future service – changes in the FCF that results in onerous contract losses or reversals of those losses; and

(f) insurance acquisition cash flows assets impairment.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses based on the passage of time.

Other expenses not meeting the above categories are included in other expenses in the consolidated statement of profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.10 Recognition of Income and Expense (continued)

2.10.2 Insurance Service Result from Reinsurance Contracts Held

Net income (expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

(a) reinsurance expenses;
(b) for groups of reinsurance contracts measured under the PAA, broker fees are included within reinsurance expenses;
(c) incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
(d) other incurred directly attributable expenses;
(e) changes that relate to past service – changes in the FCF relating to incurred claims recovery; and
(f) amounts relating to accounting for onerous groups of underlying insurance contracts issued:
    i. income on initial recognition of onerous underlying contracts;
    ii. reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
    iii. reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. Additionally, for reinsurance contracts held measured under the PAA, broker fees are included in reinsurance expenses.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

(a) claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
    - amounts allocated to the loss-recovery component;
    - repayments of investment components; and
    - amounts related to the risk adjustment for non-financial risk (see (b));
(b) changes in the risk adjustment for non-financial risk, excluding:
    - changes included in finance income (expenses) from reinsurance contracts held;
    - changes that relate to future coverage (which adjust the CSM); and
    - amounts allocated to the loss-recovery component;
(c) amounts of the CSM recognised for the services received in the period; and
(d) experience adjustments – arising from premiums paid in the period other than those that relate to future service.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.10 Recognition of Income and Expense (continued)

2.10.3 Insurance Finance Income or Expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:
(a) the effect of the time value of money and changes in the time value of money; and
(b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:
(a) interest accreted on the FCF and the CSM;
(b) the effect of changes in interest rates and other financial assumptions; and
(c) foreign exchange differences.

For contracts measured under the VFA, insurance finance income or expenses comprise changes in the value of underlying items (excluding additions and withdrawals).

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:
(a) interest accreted on the FCF; and
(b) the effect of changes in interest rates and other financial assumptions.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income or expenses for life insurance. For non-life insurance, the entire change in the risk adjustment for non-financial risk is included in insurance service results.

For conventional life and non-life insurance contracts, the Group includes all insurance finance income or expenses for the period in profit or loss, except for certain portfolios measured using the GMM where the Other Comprehensive Income ("OCI") option is applied. This is expected to reduce accounting mismatches in profit or loss, considering that many of the supporting financial assets will be debt investments measured at fair value through other comprehensive income ("FVOCI").

The Group systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts.

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Group reclassifies the insurance finance income or expenses to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items.

2.10.4 Other investment revenue

2.10.4.1 Interest Revenue

Interest revenue is recognised using the effective interest method.

2.10.4.2 Dividend Income

Dividend income is recognised as investment income when the Group's right to receive the payment is established. Dividend income from the Company's subsidiaries is recognised when the dividend is declared payable.

2.10.4.3 Rental Income

Rental income from operating leases is recognised on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

2.10.4.4 Gain/Loss on Sale of Investments

Gains or losses on sale of investments are derived from the difference between net sales proceeds and the purchase or amortised cost. They are recognised on trade date.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.10 Recognition of Income and Expense (continued)

2.10.5 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment test for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the Profit or Loss Statement.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the Profit or Loss Statement. Unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10.6 Impairment of Financial Assets

The Group recognises loss allowances for expected credit losses ("ECL") on the following financial instruments that are not measured at FVTPL:
(i) Debt instruments measured at FVOCI and amortised cost;
(ii) Loans and receivables measured at amortised cost; and
(iii) Loan commitments.

The Group assesses on a forward looking basis the ECL associated with its loans and debt instruments carried at amortised cost and FVOCI and its loan commitments. For trade receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. The Group recognises a loss allowance for ECL at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group measures loss allowances at an amount equal to lifetime ECL, except for financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL represents the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Note 31(h) provides more details on how the expected loss allowance is measured.

Not credit-impaired financial assets
For financial assets that are not credit-impaired at the reporting date, the ECL is the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Modified financial assets
If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected modification will not result in derecognition of the existing asset then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected modification will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.10 Recognition of Income and Expense (continued)

2.10.6 Impairment of Financial Assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortised cost and debt financial assets measured at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group considers factors such as probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For financial assets that are credit-impaired at the reporting date, the ECL is the difference between the gross carrying amount and the present value of estimated future cash flows.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2.10.7 Fees and Other Income

Fees and other income comprise mainly management and advisory fee income. Management and advisory fee income includes income earned from the provision of administration services, investment management services, surrenders and other contract fees. This fee income is recognised as revenue over the period in which the services are rendered. If the fees are for services to be provided in future periods, then they are deferred and recognised over those periods.

2.10.8 Employee Benefits

Defined Contribution Plans under Statutory Regulations

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore and Malaysia companies in the Group make contributions respectively to the Central Provident Fund and Employees' Provident Fund, which are defined contribution pension schemes. These contributions are recognised as an expense in the period in which the service is rendered.

Employee Leave Entitlements

An employee's entitlement to annual leave and long-service leave is estimated and accrued according to the Group's Human Resource policy.

Share Options

Senior executives of the Group are granted share options in the OCBC Bank's Share Option Scheme as consideration for services rendered. Options granted are exercisable for up to 10 years. The options may be exercised after the first anniversary of the date of the grant, and generally vest in one-third increments over a 3-year period. The cost of these options are recognised as expense in the Profit or Loss Statement based on the fair value of the options at the date of the grant. The share options are cash-settled share-based payment transactions. The expense is recognised over the vesting period of the grant, with a corresponding increase in Liabilities.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as a result of a failure to meet a non-vesting condition that is within the control of the Group or the senior executives, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in the Profit or Loss Statement upon cancellation.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.10 Recognition of Income and Expense (continued)

2.10.8 Employee Benefits (continued)

Deferred Share Plan

In addition to the OCBC Bank's Share Option Scheme, certain employees within the Group are granted OCBC shares under the OCBC Deferred Share Plan ("DSP"). The deferred share awards are granted as part of variable performance bonus. Half of the share awards will vest two years from the grant date and the remaining half will vest at the end of three years from the grant date. The cost of the DSP is recognised in the Profit or Loss Statement on the straight-line basis over the vesting period of the DSP.

At each balance sheet date, the cumulative expense is adjusted for the estimated number of shares granted under the DSP that have vested and/or lapsed.

2.10.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration – i.e. the customer has the right to:

- obtain substantially all of the economic benefits from using the asset; and
- direct the use of the asset.

As Lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of lease liability, any lease payments made or before the commencement date, any indirect costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group generally uses its incremental borrowing rate as the discount rate.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the carrying amount of the right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently measured at amortised cost using the effect interest method. It is remeasured to reflect any lease modifications or reassessments.

The Group presents its right-of-use assets in 'property, plant and equipment' and lease liabilities in 'other creditors' in the balance sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As Lessor

The Group classifies all leases for which it is a lessor as operating leases, because each of these leases does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term and are included in 'rental income'.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.11 Taxes

2.11.1 Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.11.2 Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Exceptions include:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the year when the asset is realised or the liability is settled, based on tax rates (and applicable tax laws and jurisdictions) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.11 Taxes (continued)

2.11.3 Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments, or are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.14 Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial asset. The Group determines the classification of its financial assets at initial recognition. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets carried at fair value through profit or loss are recognised as expense in the Profit or Loss Statement.

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”).

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

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI only if it meets both of the following conditions and is not designated as measured at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity security that is not held for trading may, by irrevocable election, be designated as measured at FVOCI. This election is made on an investment-by-investment basis. The Group has designated certain equity securities held for strategic purposes as measured at FVOCI.

A financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI may, by irrevocable election, be designated as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group has designated certain debt securities which are held with the intent to hold to collect contractual cash flows and sell as measured at FVTPL.

All other financial assets are classified as measured at FVTPL.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.14 Financial Assets (continued)

Business model assessment
The Group assesses the objective of the business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group’s management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed, and whose performance is evaluated on a fair value basis, are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The business model assessment is based on reasonably expected scenarios without taking “worst case” or “stress case” scenarios into account. If the cash flows after initial recognition are realised in a way that is different from the Group’s original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers the following key aspects:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets; and
- Features that modify consideration of the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Subsequent measurement

2.14.1 Debt Instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost
Debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method. Interest revenue, foreign exchange gains and losses and impairment are recognised in the profit or loss. Gains or losses are also recognised in profit or loss when the assets are derecognised.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.14 Financial Assets (continued)

Subsequent measurement (continued)

2.14.1 Debt Instruments (continued)

(ii) Fair value through other comprehensive income (FVOCI)
Debt instruments that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Any gains or losses from changes in fair value are recognised in other comprehensive income and accumulated in fair value reserve. Impairment, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss when the financial asset is derecognised.

(iii) Fair value through profit or loss (FVTPL)
Debt instruments that do not meet the criteria for classification as amortised cost or FVOCI are measured at FVTPL. Any gains or losses from changes in fair value and interest are recognised in profit or loss.

2.14.2 Equity Instruments

The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of equity instruments at FVTPL are recognised in profit or loss.

2.14.3 Derivatives and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The Group has not adopted hedge accounting.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or has been transferred such that substantially all of the risks and rewards of ownership of the financial asset are transferred.

On derecognition of a financial asset, except for equity securities measured at FVOCI, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in Profit or Loss Statement.

On derecognition of equity securities measured at FVOCI, any cumulative gain/loss recognised in OCI is not recognised in Profit or Loss Statement, but retained in OCI.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.15 Financial Liabilities

Initial recognition and measurement
Financial liabilities are recognised when, and only when the Group becomes a party to the contractual obligations of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

The Group's financial liabilities include other creditors, provision for agents' retirement benefits and derivative financial liabilities.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

2.15.1 Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term and include derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the Profit or Loss Statement.

2.15.2 Financial Liabilities at Amortised Cost

After initial recognition, other financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition
A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Profit or Loss Statement.

2.16 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.17 Determination of Fair Value of Financial Instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted or published bid prices on the balance sheet date. If quoted prices are not available over the counter, broker or dealer price quotations are used.

For units in unit trusts and shares in open-ended investment companies, fair value is determined by reference to published bid-values.

For financial instruments where there is no 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. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument. Certain financial instruments, including derivative financial instruments, are valued using pricing models that consider, among other factors, contractual, and market prices, correlation, 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 overnight deposits with financial institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the balance sheet date.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.18 Intangible Assets

2.18.1 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the Profit or Loss Statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments which arose on acquisitions of foreign subsidiaries before 1 January 2005 are deemed to be assets and liabilities of the parent company and are recorded in SGD at the rates prevailing at the date of acquisition.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date.

2.18.2 Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

No amortisation is provided on capital works in progress as the assets are not yet available for use. Amortisation of an asset begins when it is available for use and calculated on a straight-line basis over the estimated useful life of an asset. The useful lives are as follows:

Computer software and software development costs	3 to 10 years
Distribution platform	6.5 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Profit or Loss Statement.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.19 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and is not depreciated. No depreciation is provided for 999-year leasehold land. No depreciation is provided on capital works in progress as the assets are not yet available for use.

Depreciation of an asset begins when it is available for use and is calculated on a straight-line basis over the estimated useful life of an asset. The useful lives are as follows:

Buildings	50 years
Office furniture, fittings and equipment	5 to 10 years
Renovation	3 to 5 years
Computer equipment and software development costs	3 to 10 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate. This is to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the Profit or Loss Statement in the year the asset is derecognised.

2.20 Investment Properties

Investment properties are properties that are owned by the Group in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in the Profit or Loss Statement in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains or losses on the retirement or disposal of an investment property are recognised in the Profit or Loss Statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.19 up to the date of change in use.

2.21 Provision for Agents' Retirement Benefits

Provision for agents' retirement benefits is set aside for agents and is calculated in accordance with the terms and conditions in the respective agent's agreement ("the Agreement"). The terms and conditions of the Agreement stipulate that upon the agent maintaining his position for the qualifying year and achieving the required personal sales and minimum new business, the agent shall be allocated a deferred benefit/retirement benefit. The deferred benefit/retirement benefit accumulated at Balance Sheet date includes accrued interest. The accrued deferred benefit shall only become payable provided the Agreement has been in force for certain continuous contract years and the agent has attained the minimum retirement age stipulated in the Agreement. The carrying amount is based on amortised cost.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.22 Related Parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of the employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In the Company's financial statements, loans to subsidiaries are interest-free and stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investment in subsidiaries in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest revenue in the Profit or Loss Statement over the expected repayment period.

2.23 Segment Reporting

2.23.1 Business Segment

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products for the different markets. The Group's principal operations are organised into Life Insurance, Non-life Insurance and Shareholders segments. The results of these segments are reported separately in internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

(a) Life Insurance Segment

The Life Insurance segment provides different types of products, comprising life insurance, long-term health and accident insurance, annuity business written and includes the unit-linked business. All revenues in the Life Insurance segment are from external customers.

(b) Non-Life Insurance Segment

Under the Non-Life Insurance business, the Group issues short term property and casualty contracts which protect the policyholder against the risk of loss of property premises due to fire or theft in the form of fire or burglary insurance contract and/or business interruption contract; risk of liability to pay compensation to a third party for bodily harm or property damage in the form of public liability insurance contract. The Group also issues short term medical and personal accident non-life insurance contracts.

(c) Shareholders Segment

The Shareholders segment provides fund management services for absolute return/balanced mandates with different risk-return characteristics and manages a range of products, including Asia Pacific equities, Asian and global fixed income securities portfolios. Clients include Singapore statutory boards, government-linked corporations, public and private companies, insurance companies and charity organisations.

The Shareholders segment also comprises activities not related to the core business segments, and includes general corporate income and expense items.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.23 Segment Reporting (continued)

2.23.2 Geographical segment

The Group's risks and rewards are affected by operating conditions in different countries and geographical areas. Therefore, for management purposes, the Group is also organised on a geographical basis into Singapore, Malaysia and Other Asia, based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the respective location of its customers.

2.23.3 Segment Accounting Policies, Allocation Basis and Transfer Pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax and deferred tax assets and liabilities, interest-bearing loans and related expenses. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

2.24 Share Capital and Share Issuance Expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.25 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

2.26 Critical Accounting Estimates and Judgments

In the preparation of the Group's financial statements, management makes estimates, assumptions and judgment that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. Estimates, assumptions and judgment are continually evaluated and based on internal studies of actual historical experience and other factors. Best estimates and assumptions are constantly reviewed to ensure that they remain relevant and valid. 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 future periods.

(a) Insurance business

The Group makes estimates, assumptions and judgment in its estimates of FCF, discount rates used, risk adjustments for non-financial risk, and CSM. For the sensitivities with regard to the assumptions made that have the most significant impact on measurement under SFRS(I) 17, refer to Note 31.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the observable market yields of government securities in the currency of the insurance contract liabilities.

The Group adopts a bottom-up approach in which discount rates are based on the relevant currency's risk-free yield curves and an adjustment for illiquidity premium.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.26 Critical Accounting Estimates and Judgments (continued)

(a) Insurance business (continued)

Discount rates (continued)

(a) For the Singapore segment, for deriving risk-free yield curves and Ultimate Forward Rate ("UFR"), references are made in particular to the Monetary Authority of Singapore Risk Based Capital Framework ("MAS RBC 2") which is also aligned with the approach taken by the International Associations of Insurance Supervisors ("IAIS") on the design of the global insurance capital standards ("ICS").

For the Malaysia segment, for deriving risk-free yield curves and UFR, references are made to the approach taken by the IAIS on the design of the global ICS, with rates for the first 15 years being referenced to the Bank Negara Malaysia Risk Based Capital Framework ("BNM RBC").

(b) For illiquidity premium, illiquidity buckets ("illiquidity application ratio") are assigned using an objective scoring system that is based on illiquidity characteristics of products on each portfolio. Market observable illiquidity premium levels are derived every quarter-end based on a credit-risk adjusted market spread of reference assets for each currency.

The adjustment of illiquidity premium in (b) is added as a layer in addition to the risk-free yield curves in (a) based on the illiquidity application ratio of each portfolio.

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

	2023				
Currency	1 year	5 years	10 years	15 years	20 years
SGD	3.55% - 4.44%	2.63% - 3.80%	2.67% - 3.45%	2.73% - 3.57%	2.71% - 3.60%
USD	4.70% - 5.25%	3.79% - 4.58%	3.84% - 4.97%	4.10% - 5.22%	4.22% - 5.30%
MYR	3.30% - 3.61%	3.65% - 4.08%	3.74% - 4.05%	4.05% - 4.80%	4.22% - 4.97%

	2022				
Currency	1 year	5 years	10 years	15 years	20 years
SGD	3.75% - 4.68%	2.82% - 3.75%	3.06% - 3.99%	2.86% - 3.79%	2.46% - 3.39%
USD	4.64% - 5.60%	3.94% - 4.90%	3.82% - 4.78%	4.04% - 5.00%	4.15% - 5.11%
MYR	3.25% - 3.40%	3.88% - 4.16%	4.09% - 4.36%	4.36% - 4.80%	4.53% - 4.93%

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates. The Group does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The confidence level technique is used to derive the overall risk adjustment for non-financial risk. The risk adjustment is the excess of the value at risk at the target confidence level over the expected present value of the future cash flows. The target confidence level will be at 85th percentile.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.26 Critical Accounting Estimates and Judgments (continued)

(a) Insurance business (continued)

Estimates of future cash flows
In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience updated to reflect current expectations of future events.

The estimates of future cash flows will reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect cash flows. Cash flows within a contract boundary are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics.

The Group derives the mortality and morbidity assumptions from the recent experience where credible. Reference to industry tables, reinsurance rates, or pricing basis is made where historical experience is not credible. Mortality and morbidity rates are generally differentiated between policyholder groups, based on gender and smoker status.

Lapses and surrender are derived based on the Group's own experience where credible. Where historical experience is not credible or not available, experience for similar product type is used as reference to derive the assumptions. Lapse and surrender assumptions generally vary by product type as well as policy years.

Coverage units
In determination of the coverage units, the type of service is identified based on the terms and features of the insurance contracts. Management then applied judgment in determining the appropriate coverage unit against the type of service identified.

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, determined by considering the quantity of the benefits provided by each contract in the group and its expected coverage duration. The coverage units are assessed at each reporting period-end prospectively by considering:

(a) the quantity of benefits provided by contracts in the group;
(b) the expected coverage period of contracts in the group; and
(c) the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for quantifying benefits with respect to insurance coverage.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.26 Critical Accounting Estimates and Judgments (continued)

(b) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made.

(c) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 31(h).

(d) Property classification

Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased separately under a finance lease), the Group would account for these portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

NOTES TO THE FINANCIAL STATEMENTS

3 SUBSIDIARIES AND ASSOCIATES

	Country of Incorporation	Principal Activities	Effective interest held by GEH 2023 %	2022 %
(i) **SIGNIFICANT SUBSIDIARIES**				
Held by the Company				
The Great Eastern Life Assurance Company Limited[(3.1)]	Singapore	Life assurance	**100.0**	100.0
Great Eastern General Insurance Limited [(3.1)]	Singapore	Composite insurance	**100.0**	100.0
Lion Global Investors Limited[(3.1)]	Singapore	Asset management	**70.0**	70.0
The Great Eastern Trust Private Limited[(3.1)]	Singapore	Investment holding	**100.0**	100.0
Held through subsidiaries				
Great Eastern Life Assurance (Malaysia) Berhad[(3.2)]	Malaysia	Life assurance	**100.0**	100.0
Great Eastern General Insurance (Malaysia) Berhad[(3.2)]	Malaysia	General insurance	**100.0**	100.0
P.T. Great Eastern Life Indonesia[(3.2)]	Indonesia	Life assurance	**99.5**	99.5
P.T. Great Eastern General Insurance Indonesia[(3.2)]	Indonesia	General insurance	**95.0**	95.0
Straits Eastern Square Private Limited[(3.1)]	Singapore	Property investment	**100.0**	100.0
218 Orchard Private Limited[(3.1)]	Singapore	Property investment	**100.0**	100.0
Great Eastern Takaful Bhd[(3.2)]	Malaysia	Family Takaful business	**70.0**	70.0
Aminstitutional Income Bond Fund[(3.3)]	Malaysia	Wholesale fixed income fund	**83.3**	79.0
Affin Hwang Wholesale Income Fund[(3.2)]	Malaysia	Wholesale fixed income fund	**100.0**	100.0
Affin Hwang Wholesale Equity Fund 2[(3.2)]	Malaysia	Wholesale equity fund	**99.8**	99.8
(ii) **SIGNIFICANT ASSOCIATES**				
Held through subsidiaries				
Boost Holdings Sdn Bhd[(3.2)]	Malaysia	Digital Financial Services	**21.9**	21.9

(3.1) Audited by PricewaterhouseCoopers ("PwC") LLP, Singapore.
(3.2) Audited by firms within the worldwide network of PricewaterhouseCoopers firms and entities.
(3.3) Audited by Ernst & Young PLT, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Note	Group 2023 Life	Group 2023 Non-Life	Group 2023 Total	Group 2022 (restated) Life	Group 2022 (restated) Non-Life	Group 2022 (restated) Total
4 INSURANCE REVENUE							
Contracts not measured under the PAA							
Amounts relating to the changes in the liability for remaining coverage:							
- Expected incurred claims and other insurance service expenses		**4,181.4**	**-**	**4,181.4**	4,053.5	-	4,053.5
- Change in the risk adjustment for non-financial risk for the risk expired		**426.2**	**-**	**426.2**	433.4	-	433.4
- CSM recognised in profit or loss for the services provided		**772.9**	**-**	**772.9**	857.8	-	857.8
Insurance acquisition cash flows recovery		**455.5**	**-**	**455.5**	281.1	-	281.1
Insurance revenue from contracts not measured under the PAA	13	**5,836.0**	**-**	**5,836.0**	5,625.8	-	5,625.8
Insurance revenue from contracts measured under the PAA	13	**-**	**423.9**	**423.9**	-	398.7	398.7
Total insurance revenue		**5,836.0**	**423.9**	**6,259.9**	5,625.8	398.7	6,024.5

NOTES TO THE FINANCIAL STATEMENTS

5 NET INVESTMENT AND INSURANCE FINANCIAL RESULT

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the year:

		Group							
		2023				2022 (restated)			
in Singapore Dollars (millions)	Note	**Life**	**Non-Life**	**Shareholders**	**Total**	Life	Non-Life	Shareholders	Total
Investment income/(loss)									
Interest revenue	5.1	**2,237.2**	**17.1**	**129.3**	**2,383.6**	2,034.0	14.4	97.4	2,145.8
Other investment revenue/(loss)	5.2	**3,440.6**	**1.6**	**54.9**	**3,497.1**	(6,941.1)	0.5	(102.9)	(7,043.5)
(Increase)/decrease in provision for impairment of financial assets		**(12.8)**	**(0.7)**	**(0.1)**	**(13.6)**	(25.2)	0.3	(3.8)	(28.7)
Change in third-party interests in consolidated investment funds		**-**	**-**	**(1.2)**	**(1.2)**	-	-	0.2	0.2
Amounts recognised in OCI		**402.9**	**8.4**	**60.9**	**472.2**	(1,181.8)	(18.7)	(231.0)	(1,431.5)
Total investment income/(loss)		**6,067.9**	**26.4**	**243.8**	**6,338.1**	(6,114.1)	(3.5)	(240.1)	(6,357.7)
Finance (expenses)/income from insurance contracts issued									
Changes in value of underlying assets of contracts measured under the VFA		**(4,491.5)**	**-**	**-**	**(4,491.5)**	5,101.9	-	-	5,101.9
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates		**209.6**	**-**	**-**	**209.6**	257.5	-	-	257.5
Interest accreted		**(671.4)**	**(14.5)**	**-**	**(685.9)**	(362.4)	(2.8)	-	(365.2)
Effect of changes in interest rates and other financial assumptions		**(281.3)**	**(7.9)**	**-**	**(289.2)**	424.5	(3.3)	-	421.2
Gain on exchange differences		**67.9**	**-**	**-**	**67.9**	29.3	-	-	29.3
Total finance (expenses)/income from insurance contracts issued	13	**(5,166.7)**	**(22.4)**	**-**	**(5,189.1)**	5,450.8	(6.1)	-	5,444.7
Represented by:									
Amounts recognised in profit or loss		**(5,231.4)**	**(22.4)**	**-**	**(5,253.8)**	5,034.5	(6.1)	-	5,028.4
Amounts recognised in OCI		**64.7**	**-**	**-**	**64.7**	416.3	-	-	416.3
		(5,166.7)	**(22.4)**	**-**	**(5,189.1)**	5,450.8	(6.1)	-	5,444.7
Finance (expenses)/income from reinsurance contracts held									
Interest accreted to reinsurance contracts using locked-in rate		**7.7**	**7.8**	**-**	**15.5**	7.9	1.5	-	9.4
Effect of changes in interest rates and other financial assumptions		**(20.6)**	**5.7**	**-**	**(14.9)**	(35.3)	2.5	-	(32.8)
Changes in non-performance risk of reinsurer		**-**	**(4.5)**	**-**	**(4.5)**	-	0.1	-	0.1
(Loss)/gain on exchange differences		**(0.9)**	**-**	**-**	**(0.9)**	1.6	-	-	1.6
Total finance (expenses)/income from reinsurance contracts held	13	**(13.8)**	**9.0**	**-**	**(4.8)**	(25.8)	4.1	-	(21.7)
Represented by:									
Amounts recognised in profit or loss		**5.6**	**9.0**	**-**	**14.6**	12.7	4.1	-	16.8
Amounts recognised in OCI		**(19.4)**	**-**	**-**	**(19.4)**	(38.5)	-	-	(38.5)
		(13.8)	**9.0**	**-**	**(4.8)**	(25.8)	4.1	-	(21.7)
Total net investment and insurance financial result		**887.4**	**13.0**	**243.8**	**1,144.2**	(689.1)	(5.5)	(240.1)	(934.7)
Represented by:									
Amounts recognised in profit or loss		**439.2**	**4.6**	**182.9**	**626.7**	114.9	13.2	(9.1)	119.0
Amounts recognised in OCI		**448.2**	**8.4**	**60.9**	**517.5**	(804.0)	(18.7)	(231.0)	(1,053.7)
		887.4	**13.0**	**243.8**	**1,144.2**	(689.1)	(5.5)	(240.1)	(934.7)

			Group							
			2023				2022 (restated)			
	in Singapore Dollars (millions)	Note	**Life**	**Non-Life**	**Shareholders**	**Total**	Life	Non-Life	Shareholders	Total
5	**NET INVESTMENT AND INSURANCE FINANCIAL RESULT (continued)**									
5.1	**Interest revenue**									
	Financial assets not measured at FVTPL									
	Financial assets measured at FVOCI		**355.8**	**11.4**	**86.8**	**454.0**	245.0	10.0	65.1	320.1
	Financial assets measured at AC		**248.8**	**3.7**	**12.3**	**264.8**	162.7	2.0	6.7	171.4
	Total interest revenue calculated using the effective interest rate		**604.6**	**15.1**	**99.1**	**718.8**	407.7	12.0	71.8	491.5
	Financial assets measured at FVTPL		**1,632.6**	**2.0**	**30.2**	**1,664.8**	1,626.3	2.4	25.6	1,654.3
	Total interest revenue		**2,237.2**	**17.1**	**129.3**	**2,383.6**	2,034.0	14.4	97.4	2,145.8
5.2	**Other investment revenue/(loss)**									
	Underlying assets for contracts with direct participation features									
	Dividend income from financial assets measured at FVTPL		**507.6**	**-**	**-**	**507.6**	596.2	-	-	596.2
	Changes in fair value of investments									
	- Mandatorily measured at FVTPL		**1,718.6**	**-**	**-**	**1,718.6**	(3,873.5)	-	-	(3,873.5)
	- Designated as at FVTPL		**951.4**	**-**	**-**	**951.4**	(3,351.8)	-	-	(3,351.8)
	Changes in fair value of investment properties	24	**6.2**	**-**	**-**	**6.2**	84.0	-	-	84.0
	Realised gain on sale of investment properties		**17.6**	**-**	**-**	**17.6**	-	-	-	-
	Rental income		**39.4**	**-**	**-**	**39.4**	38.9	-	-	38.9
	Loss on exchange differences		**(6.9)**	**-**	**-**	**(6.9)**	(4.1)	-	-	(4.1)
			3,233.9	**-**	**-**	**3,233.9**	(6,510.3)	-	-	(6,510.3)
	Other investments									
	Dividend income									
	- Financial assets measured at FVOCI		**39.4**	**0.4**	**23.8**	**63.6**	50.1	-	26.2	76.3
	- Financial assets measured at FVTPL		**32.9**	**-**	**13.9**	**46.8**	31.0	-	13.3	44.3
	Changes in fair value of investments									
	- Mandatorily measured at FVTPL		**106.1**	**1.3**	**70.8**	**178.2**	(89.1)	2.6	(93.6)	(180.1)
	- Designated as at FVTPL		**92.0**	**-**	**0.4**	**92.4**	(330.1)	-	(1.6)	(331.7)
	- Measured at FVOCI		**354.6**	**8.4**	**57.4**	**420.4**	(1,238.2)	(19.2)	(267.0)	(1,524.4)
	Net gain/(loss) on sale of debt securities measured at FVOCI		**0.4**	**(0.1)**	**(0.3)**	**-**	0.1	(0.1)	(0.4)	(0.4)
	Changes in fair value of investment properties	24	**10.1**	**-**	**-**	**10.1**	7.3	-	-	7.3
	Changes in allowance for expected credit losses		**1.0**	**-**	**0.2**	**1.2**	(0.8)	(0.4)	(0.7)	(1.9)
	Changes in fair value of associates		-	-	**(27.4)**	**(27.4)**	-	-	24.4	24.4
	Realised gain on sale of investment properties		**2.4**	**-**	**-**	**2.4**	-	-	-	-
	Rental income		**18.0**	**-**	**-**	**18.0**	16.2	-	-	16.2
	(Loss)/gain on exchange differences		**(47.3)**	**-**	**(23.0)**	**(70.3)**	(59.1)	(1.1)	(34.5)	(94.7)
			609.6	**10.0**	**115.8**	**735.4**	(1,612.6)	(18.2)	(333.9)	(1,964.7)
	Total other investment revenue/(loss)		**3,843.5**	**10.0**	**115.8**	**3,969.3**	(8,122.9)	(18.2)	(333.9)	(8,475.0)
	Represented by:									
	Amounts recognised in profit or loss		**3,440.6**	**1.6**	**54.9**	**3,497.1**	(6,941.1)	0.5	(102.9)	(7,043.5)
	Amounts recognised in OCI		**402.9**	**8.4**	**60.9**	**472.2**	(1,181.8)	(18.7)	(231.0)	(1,431.5)
			3,843.5	**10.0**	**115.8**	**3,969.3**	(8,122.9)	(18.2)	(333.9)	(8,475.0)

During the year ended 31 December 2023, $6.9million (31 December 2022: $27.6 million) of the dividend income relates to equity investments measured at FVOCI which were derecognised during the year.

NOTES TO THE FINANCIAL STATEMENTS

5 NET INVESTMENT AND INSURANCE FINANCIAL RESULT (continued)

5.3 Investment return in OCI related to insurance and reinsurance contracts measured under the modified retrospective or fair value transition approach

On transition to SFRS(I) 17, for certain groups of insurance and reinsurance contracts measured using the GMM where the OCI option is applied, the Group determined the cumulative insurance finance income and expenses recognised in OCI at 1 January 2022 using the modified retrospective approach or the fair value approach. The movement in the fair value reserve for the debt investments at FVOCI related to those groups of contracts was as follows.

in Singapore Dollars (millions)	Group	
	2023	2022 (restated)
Balance at 1 January	**(387.9)**	6.5
Net gains/(losses) on investments in debt securities measured at FVOCI	**114.6**	(462.7)
Changes in allowance for expected credit losses	**2.1**	3.5
Net losses on investments in debt securities measured at FVOCI reclassified to profit or loss	**25.2**	28.8
Income tax relating to these items	**13.2**	36.0
Balance at 31 December	**(232.8)**	(387.9)

6 EXPENSES

in Singapore Dollars (millions)		Group	
	Note	**2023**	2022 (restated)

An analysis of the expenses incurred by the Group in the reporting year is included below:

Claims and benefits		**3,232.7**	3,532.5
Commissions and distribution expenses		**1,360.7**	1,449.8
Fees paid to auditors		**7.5**	5.1
Audit fees paid to Auditor of the Company		**4.8**	3.9
Audit fees paid to other auditors		**1.7**	0.8
Non-audit fees paid to Auditor of the Company		**1.0**	0.4
Staff costs and related expenses		**499.6**	398.9
Salaries, wages, bonuses and other costs net of government grant		**443.4**	353.7
Central Provident Fund/Employee Provident Fund		**48.2**	37.0
Share-based payments		**8.0**	8.2
Depreciation and amortisation expenses		**87.8**	88.0
Depreciation	26	**43.6**	45.3
Amortisation	23	**44.2**	42.7
Interest expense on lease liability	26	**1.6**	1.9
Losses on onerous contracts		**127.2**	324.9
Investment related expenses		**125.7**	143.4
Agents' retirement benefits	12	**44.0**	38.3
Others		**691.0**	462.2
Total		**6,177.8**	6,445.0
Amounts attributed to insurance acquisition cash flows incurred during the year		**(1,591.7)**	(1,641.7)
Amortisation of insurance acquisition cash flows		**614.4**	435.5
		5,200.5	5,238.8
Represented by:			
Insurance service expenses	13	**5,050.5**	5,083.7
Other expenses		**150.0**	155.1
		5,200.5	5,238.8

in Singapore Dollars (millions)	Group 2023	Group 2022 (restated)
7 INCOME TAX		
Major components of income tax expense		

The major components of income tax expense for the years ended 31 December 2023 and 31 December 2022 are:

	2023	2022 (restated)
(a) Income tax attributable to policyholders' returns:		
Current income tax:		
- Current income taxation	**127.9**	109.4
- Over provision in respect of previous years	**(8.2)**	(20.7)
	119.7	88.7
Deferred income tax:		
- Origination and reversal of temporary differences	**11.5**	(8.9)
	11.5	(8.9)
	131.2	**79.8**
(b) Income tax attributable to shareholders' profits		
Current income tax:		
- Current income taxation	**86.8**	261.9
- Over provision in respect of previous years	**(0.6)**	(49.3)
	86.2	212.6
Deferred income tax:		
- Origination and reversal of temporary differences	**63.9**	(95.1)
	63.9	(95.1)
	150.1	117.5
Total tax charge for the year recognised in the Profit or Loss Statement	**281.3**	197.3

Relationship between income tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2023 and 2022 is as follows:

	2023	2022 (restated)
Profit before tax	**1,070.5**	810.0
Tax at the domestic rates applicable to profits in the countries where the Group operates	**192.9**	153.7
Adjustments:		
Foreign tax paid not recoverable	**5.0**	5.9
Permanent differences	**(11.8)**	15.3
Tax exempt income	**(14.3)**	(15.4)
Over provision in respect of previous years	**(0.6)**	(49.3)
Effect of income tax attributable to policyholders' returns	**131.2**	79.8
Others	**(21.1)**	7.3
Income tax expense recognised in the Profit or Loss Statement	**281.3**	197.3

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

in Singapore Dollars (millions)	Group	
	2023	2022 (restated)

7 INCOME TAX (continued)

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

Presented after appropriate offsetting as follows:		
Deferred tax assets	**16.6**	53.3
Deferred tax liabilities	**268.7**	105.8
Net deferred tax liabilities	**252.1**	52.5

Deferred Tax

The movement in the net deferred tax is as follows:		
Balance at the beginning of the year	**52.5**	2,579.0
Adoption of SFRS(I) 17	**-**	(2,230.9)
Balance at the beginning of the year, restated	**52.5**	348.1
Change in tax basis *	**123.3**	-
Balance at the beginning of the year	**175.8**	348.1
Currency translation reserve adjustment	**(5.1)**	(14.8)
Deferred tax charge taken to the Profit or Loss Statement:		
Other temporary differences	**71.2**	(99.5)
Fair value changes	**4.2**	(4.5)
Deferred tax on fair value changes of investments at FVOCI	**17.7**	(205.1)
Deferred tax on insurance/reinsurance finance reserve	**36.4**	28.3
Unutilised tax losses carried forward	**(48.1)**	-
Balance at the end of the year	**252.1**	52.5

Deferred taxes at 31 December related to the following:

	Balance Sheet	
Deferred tax liabilities:		
Differences in depreciation for tax purposes	**19.4**	18.4
Accrued investment income	**-**	0.6
Net unrealised gains on investments	**192.7**	21.1
Differences in tax basis for insurance/reinsurance contract liabilities	**121.5**	38.0
Deferred tax liabilities	**333.6**	78.1
Deferred tax assets:		
Unutilised tax losses carried forward	**75.4**	20.2
Net amortisation on fixed income investments	**1.8**	1.5
Other accruals and provisions	**3.8**	3.5
Leases	**0.5**	0.4
Deferred tax assets	**81.5**	25.6
Net deferred tax liabilities	**252.1**	52.5

in Singapore Dollars (millions)	Group	
	2023	2022 (restated)
7 INCOME TAX (continued)		
	Profit or Loss Statement	
Deferred tax liabilities:		
Differences in depreciation for tax purposes	**1.0**	1.5
Accrued investment income	**(0.6)**	(0.3)
Net unrealised gain on investments	**35.5**	2.8
Differences in tax basis for insurance/reinsurance contract liabilities	**47.2**	(82.1)
Deferred tax assets:		
Unutilised tax losses carried forward	**(7.0)**	(21.5)
Net amortisation on fixed income investments	**(0.3)**	(2.5)
Other accruals and provisions	**(0.3)**	(1.9)
Leases	**(0.1)**	-
Deferred tax expense/(credit)	**75.4**	(104.0)

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately $37.2 million (31 December 2022: $28.7 million) expiring in 2024 - 2027 (31 December 2022: 2023 - 2026) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

* With effect from 1 January 2023, Singapore insurers will use the insurance returns filed with MAS for regulatory purposes ("MAS Statutory Returns") instead of their financial statements prepared in accordance with the SFRS(I) as the basis for preparing tax computations. With the change in taxation basis effective 1 January 2023, a one-time adjustment of $123.3 million of deferred tax asset was reclassified to current income tax in the Balance Sheet. As The Great Eastern Life Assurance Company Limited and Great Eastern General Insurance Limited were in an overall tax loss position for Year of Assessment 2024, there were nil current tax provision as at 31 December 2023. Instead, $73.1 million of deferred tax was been recognised as at 31 December 2023 on the tax losses which are available to offset against future taxable profits.

OECD Pillar Two model rules

The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules. Pillar Two legislation has not been enacted in Singapore, the jurisdiction in which the Company's immediate and ultimate holding company, OCBC Bank is incorporated. Pillar Two legislation was enacted or substantively enacted in Japan, Luxembourg, Malaysia, South Korea, the United Kingdom, and Vietnam, and will come into effect from 1 January 2024 for Luxembourg, South Korea, the United Kingdom, and Vietnam, fiscal year beginning on or after 1 April 2024 for Japan and 1 January 2025 for Malaysia. Under the legislation, the Group is expected to be subject to top-up tax for the difference between their Global Anti-Base Erosion (GloBE) rules effective tax rate per jurisdiction and the 15% minimum rate.

As the Group is in the process of assessing its exposure to the Pillar Two legislation, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to SFRS(I) 1-12 issued in May 2023.

NOTES TO THE FINANCIAL STATEMENTS

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted and basic earnings per share are the same as there are no dilutive potential ordinary shares.

The following reflects the profit for the year attributable to ordinary shareholders and the weighted average number of shares outstanding during the year, used in the computation of basic and diluted earnings per share for the years ended 31 December:

		Group	
		2023	2022 (restated)
Profit attributable to ordinary shareholders for computation of basic and diluted earnings per share	(in millions of Singapore Dollars)	**774.6**	610.0
Weighted average number of ordinary shares on issue applicable to basic and diluted earnings per share	(in millions)	**473.3**	473.3
Basic and diluted earnings per share	(in Singapore Dollars)	**$1.64**	$1.29

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

9 SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares	**Amount $'mil**	Number of shares	Amount $'mil
Ordinary shares: Issued and fully paid				
Balance at the beginning and end of the year	**473,319,069**	**152.7**	473,319,069	152.7

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

In accordance with the Companies Act 1967, the shares of the Company have no par value.

10 OTHER RESERVES

10.1 Currency translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The currency translation reserve is also used to record the effect of hedging of net investment in foreign operations.

10.2 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets measured at FVOCI and the related loss allowance recognised in the Profit or Loss Statement until the assets are derecognised, net of tax.

10.3 Insurance finance reserve

The insurance finance reserve comprises the cumulative insurance finance income and expenses recognised in OCI.

in Singapore Dollars (millions)	Group		Company	
	2023	2022 (restated)	**2023**	2022
11 OTHER CREDITORS				
Other creditors comprise the following:				
Accrued expenses and other creditors	**727.9**	771.0	**9.3**	8.5
Investment creditors	**1,012.7**	410.7	**-**	-
Amount due to holding company[(1)]	**3.9**	6.2	**-**	-
Third-party interests in consolidated investment funds[(2)]	**35.9**	35.3	**-**	-
Lease liabilities	**51.5**	62.6	**-**	-
Premiums in suspense	**77.7**	72.1	**-**	-
Provision for reinstatement costs	**2.9**	2.8	**-**	-
	1,912.5	1,360.7	**9.3**	8.5

(1) Amount due to holding company is non-trade related, unsecured, interest-free, repayable upon demand and is to be settled in cash.

(2) Third-party interests in consolidated investment funds consist of third-party unit holders' interests in consolidated investment funds which are reflected as a liability since they can be put back to the Group for cash.

in Singapore Dollars (millions)	Note	Group	
		2023	2022
12 PROVISION FOR AGENTS' RETIREMENT BENEFITS			
Balance at the beginning of the year		**295.8**	291.3
Currency translation reserve adjustment		**(18.7)**	(17.6)
Increase in provision for the year	6	**44.0**	38.3
Paid during the year		**(23.5)**	(16.2)
Balance at the end of the year		**297.6**	295.8

As at 31 December 2023, $151.6 million (31 December 2022: $139.7 million) of the above provision for agents' retirement benefits is payable within one year.

NOTES TO THE FINANCIAL STATEMENTS

13 INSURANCE AND REINSURANCE CONTRACTS

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

		2023			2022 (restated)		
in Singapore Dollars (millions)	Note	**Life**	**Non-life**	**Total**	Life	Non-life	Total
Insurance contract liabilities	13.1.1, 13.2.1	**97,383.3**	**618.3**	**98,001.6**	94,155.1	650.7	94,805.8
Insurance contract assets	13.1.1, 13.2.1	**(12.4)**	**(27.2)**	**(39.6)**	(354.9)	(17.7)	(372.6)
Total insurance contracts issued		**97,370.9**	**591.1**	**97,962.0**	93,800.2	633.0	94,433.2
Reinsurance contract assets	13.1.2, 13.2.2	**512.4**	**356.3**	**868.7**	811.4	397.3	1,208.7
Reinsurance contract liabilities	13.1.2, 13.2.2	**(165.9)**	**(54.2)**	**(220.1)**	(445.0)	(36.6)	(481.6)
Total reinsurance contracts held		**346.5**	**302.1**	**648.6**	366.4	360.7	727.1

Detailed reconciliations of changes in insurance contract balances during the year are included in Notes 13.1 and 13.2.

NOTES TO THE FINANCIAL STATEMENTS

13 INSURANCE AND REINSURANCE CONTRACTS (continued)
13.1 Life insurance

13.1.1 Life insurance - insurance contracts issued

13.1.1.1 Reconciliation of the liabilities for remaining coverage and incurred claims

		2023				2022 (restated)			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
in Singapore Dollars (millions)	Note	Excluding loss component	Loss component	Liabilities for Incurred claims	Total	Excluding loss component	Loss component	Liabilities for Incurred claims	Total
Insurance contract liabilities as at 1 January		86,736.6	308.4	7,110.1	94,155.1	89,939.7	-	6,585.3	96,525.0
Insurance contract assets as at 1 January		(370.6)	24.9	(9.2)	(354.9)	(219.2)	9.6	(0.5)	(210.1)
Net insurance contract liabilities/(assets) as at 1 January		86,366.0	333.3	7,100.9	93,800.2	89,720.5	9.6	6,584.8	96,314.9
Insurance revenue									
Contracts under modified retrospective approach		(1,155.1)	-	-	(1,155.1)	(1,228.6)	-	-	(1,228.6)
Contracts under fair value transition approach		(3,094.8)	-	-	(3,094.8)	(3,589.7)	-	-	(3,589.7)
Other contracts		(1,586.1)	-	-	(1,586.1)	(807.5)	-	-	(807.5)
	4	(5,836.0)	-	-	(5,836.0)	(5,625.8)	-	-	(5,625.8)
Insurance service expenses									
Incurred claims and other expenses		-	-	4,103.5	4,103.5	-	-	3,959.8	3,959.8
Amortisation of insurance acquisition cash flows		514.8	-	-	514.8	338.2	-	-	338.2
Losses on onerous contracts and reversals of those losses		-	140.2	-	140.2	-	324.3	-	324.3
Changes to liabilities for incurred claims		-	-	-	-	-	-	73.5	73.5
	6	514.8	140.2	4,103.5	4,758.5	338.2	324.3	4,033.3	4,695.8
Insurance service result		(5,321.2)	140.2	4,103.5	(1,077.5)	(5,287.6)	324.3	4,033.3	(930.0)
Insurance finance expenses/(income)	5	4,938.7	31.5	196.5	5,166.7	(5,626.9)	2.9	173.2	(5,450.8)
Effect of movements in exchange rates		(1,290.7)	(7.1)	(256.8)	(1,554.6)	(1,207.1)	(3.5)	(242.1)	(1,452.7)
Total changes in the statement of profit or loss and OCI		(1,673.2)	164.6	4,043.2	2,534.6	(12,121.6)	323.7	3,964.4	(7,833.5)
Investment components		(9,449.6)	-	9,449.6	-	(7,428.7)	-	7,428.7	-
Cash flows									
Premiums received		16,124.5	-	-	16,124.5	17,821.0	-	-	17,821.0
Claims and other expenses paid		-	-	(13,840.6)	(13,840.6)	-	-	(11,287.5)	(11,287.5)
Insurance acquisition cash flows		(1,477.3)	-	-	(1,477.3)	(1,543.7)	-	-	(1,543.7)
Total cash flows		14,647.2	-	(13,840.6)	806.6	16,277.3	-	(11,287.5)	4,989.8
Other movements		(217.8)	(0.5)	447.8	229.5	(81.5)	-	410.5	329.0
Net insurance contract liabilities/(assets) as at 31 December		89,672.6	497.4	7,200.9	97,370.9	86,366.0	333.3	7,100.9	93,800.2
Insurance contract liabilities as at 31 December	13	89,706.4	466.1	7,210.8	97,383.3	86,736.6	308.4	7,110.1	94,155.1
Insurance contract assets as at 31 December	13	(33.8)	31.3	(9.9)	(12.4)	(370.6)	24.9	(9.2)	(354.9)
Net insurance contract liabilities/(assets) as at 31 December		89,672.6	497.4	7,200.9	97,370.9	86,366.0	333.3	7,100.9	93,800.2

NOTES TO THE FINANCIAL STATEMENTS

13 INSURANCE AND REINSURANCE CONTRACTS (continued)

13.1 Life insurance (continued)

13.1.1 Life insurance - insurance contracts issued (continued)

13.1.1.2 Reconciliation of the measurement components of insurance contract balances - contracts not measured under the PAA

		2023				2022 (restated)			
in Singapore Dollars (millions)	Note	**Estimates of the present value of future cash flows**	**Risk adjustment**	**CSM**	**Total**	Estimates of the present value of future cash flows	Risk adjustment	CSM	Total
Insurance contract liabilities as at 1 January		**83,362.3**	**3,925.3**	**6,867.5**	**94,155.1**	85,061.0	3,580.1	7,883.9	96,525.0
Insurance contract assets as at 1 January		**(580.0)**	**117.7**	**107.4**	**(354.9)**	(419.3)	104.1	105.1	(210.1)
Net insurance contract liabilities/(assets) as at 1 January		**82,782.3**	**4,043.0**	**6,974.9**	**93,800.2**	84,641.7	3,684.2	7,989.0	96,314.9
Changes that relate to current services									
CSM recognised for services provided		**-**	**-**	**(772.9)**	**(772.9)**	-	-	(857.8)	(857.8)
Risk adjustment recognised for the risk expired		**-**	**(514.6)**	**-**	**(514.6)**	-	(465.8)	-	(465.8)
Experience adjustments		**(464.8)**	**-**	**-**	**(464.8)**	(279.8)	-	-	(279.8)
Changes that relate to future services									
Contracts initially recognised in the period		**(862.8)**	**659.8**	**418.3**	**215.3**	(1,049.1)	500.4	708.4	159.7
Changes in estimates that adjust the CSM		**(221.3)**	**(22.6)**	**243.9**	**-**	244.2	371.2	(615.4)	-
Changes that result in onerous losses or reversal of such losses		**203.0**	**95.4**	**-**	**298.4**	289.2	42.8	-	332.0
Changes that relate to past services									
Adjustments to liabilities for incurred claims		**155.9**	**5.2**	**-**	**161.1**	168.6	13.1	-	181.7
Insurance service result		**(1,190.0)**	**223.2**	**(110.7)**	**(1,077.5)**	(626.9)	461.7	(764.8)	(930.0)
Insurance finance expenses/(income)	5	**4,768.3**	**189.7**	**208.7**	**5,166.7**	(5,452.5)	49.0	(47.3)	(5,450.8)
Effect of movements in exchange rates		**(1,186.4)**	**(175.5)**	**(192.7)**	**(1,554.6)**	(1,098.8)	(151.9)	(202.0)	(1,452.7)
Total changes in the statement of profit or loss and OCI		**2,391.9**	**237.4**	**(94.7)**	**2,534.6**	(7,178.2)	358.8	(1,014.1)	(7,833.5)
Cash flows									
Premiums received		**16,124.5**	**-**	**-**	**16,124.5**	17,821.0	-	-	17,821.0
Claims and other expenses paid		**(13,840.6)**	**-**	**-**	**(13,840.6)**	(11,287.5)	-	-	(11,287.5)
Insurance acquisition cash flows		**(1,477.3)**	**-**	**-**	**(1,477.3)**	(1,543.7)	-	-	(1,543.7)
Total cash flows		**806.6**	**-**	**-**	**806.6**	4,989.8	-	-	4,989.8
Other movements		**242.4**	**-**	**(12.9)**	**229.5**	329.0	-	-	329.0
Net insurance contract liabilities/(assets) as at 31 December		**86,223.2**	**4,280.4**	**6,867.3**	**97,370.9**	82,782.3	4,043.0	6,974.9	93,800.2
Insurance contract liabilities as at 31 December	13	**86,469.7**	**4,156.2**	**6,757.4**	**97,383.3**	83,362.3	3,925.3	6,867.5	94,155.1
Insurance contract assets as at 31 December	13	**(246.5)**	**124.2**	**109.9**	**(12.4)**	(580.0)	117.7	107.4	(354.9)
Net insurance contract liabilities/(assets) as at 31 December		**86,223.2**	**4,280.4**	**6,867.3**	**97,370.9**	82,782.3	4,043.0	6,974.9	93,800.2

NOTES TO THE FINANCIAL STATEMENTS

13 INSURANCE AND REINSURANCE CONTRACTS (continued)

13.1 Life insurance (continued)

13.1.1 Life insurance - insurance contracts issued (continued)

13.1.1.3 Impact of contracts recognised during the year - contracts not measured under the PAA

	Contracts issued					
	2023			2022 (restated)		
in Singapore Dollars (millions)	**Non-onerous**	**Onerous**	**Total**	Non-onerous	Onerous	Total
Claims and other directly attributable expenses	**8,047.4**	**5,268.0**	**13,315.4**	13,996.6	1,274.2	15,270.8
Insurance acquisition cash flows	**1,240.5**	**333.6**	**1,574.1**	1,455.5	157.4	1,612.9
Estimates of present value of future cash outflows	**9,287.9**	**5,601.6**	**14,889.5**	15,452.1	1,431.6	16,883.7
Estimates of present value of future cash inflows	**(10,177.3)**	**(5,575.0)**	**(15,752.3)**	(16,472.8)	(1,460.0)	(17,932.8)
Risk adjustment	**471.1**	**188.7**	**659.8**	312.3	188.1	500.4
CSM	**418.3**	**-**	**418.3**	708.4	-	708.4
Increase in insurance contract liabilities from contracts recognised during the year	**-**	**215.3**	**215.3**	-	159.7	159.7

13.1.1.4 Amounts determined on transition to SFRS(I) 17

	2023				2022 (restated)			
in Singapore Dollars (millions)	**Contracts using the modified retrospective approach**	**Contracts using the fair value approach**	**All other contracts**	**Total**	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
CSM as at 1 January	**2,739.4**	**3,046.1**	**1,189.4**	**6,974.9**	3,381.8	3,973.5	633.7	7,989.0
Changes that relate to current services								
CSM recognised for services provided	**(246.6)**	**(289.7)**	**(236.6)**	**(772.9)**	(279.3)	(451.8)	(126.7)	(857.8)
Changes that relate to future services								
Contracts initially recognised in the period	**-**	**-**	**418.3**	**418.3**	-	-	708.4	708.4
Changes in estimates that adjust the CSM	**(78.9)**	**53.1**	**269.7**	**243.9**	(210.1)	(428.3)	23.0	(615.4)
Insurance service result	**(325.5)**	**(236.6)**	**451.4**	**(110.7)**	(489.4)	(880.1)	604.7	(764.8)
Insurance finance expenses/(income)	**122.6**	**73.0**	**13.1**	**208.7**	12.7	(23.2)	(36.8)	(47.3)
Effect of movements in exchange rates	**(148.9)**	**(20.4)**	**(23.4)**	**(192.7)**	(165.7)	(24.1)	(12.2)	(202.0)
Total changes in the statement of profit or loss or OCI	**(351.8)**	**(184.0)**	**441.1**	**(94.7)**	(642.4)	(927.4)	555.7	(1,014.1)
Other movements	**(7.4)**	**(2.2)**	**(3.3)**	**(12.9)**	-	-	-	-
CSM as at 31 December	**2,380.2**	**2,859.9**	**1,627.2**	**6,867.3**	2,739.4	3,046.1	1,189.4	6,974.9

NOTES TO THE FINANCIAL STATEMENTS

13 INSURANCE AND REINSURANCE CONTRACTS (continued)

13.1 Life insurance (continued)

13.1.2 Life insurance - reinsurance contracts held

13.1.2.1 Reconciliation of the assets for remaining coverage and incurred claims

		2023				2022 (restated)			
		Assets for remaining coverage				Assets for remaining coverage			
in Singapore Dollars (millions)	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
Reinsurance contract assets as at 1 January		618.6	4.5	188.3	811.4	780.7	-	146.9	927.6
Reinsurance contract liabilities as at 1 January		(506.9)	-	61.9	(445.0)	(387.3)	-	12.4	(374.9)
Net reinsurance contract assets/(liabilities) as at 1 January		111.7	4.5	250.2	366.4	393.4	-	159.3	552.7
Allocation of reinsurance premiums		(767.9)	-	-	(767.9)	(736.0)	-	-	(736.0)
Amounts recoverable from reinsurers									
Recoveries of incurred claims and other insurance service expenses		-	-	377.6	377.6	-	-	374.1	374.1
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	64.1	-	64.1	-	4.5	-	4.5
Adjustments to assets for incurred claims		-	-	(206.6)	(206.6)	-	-	229.1	229.1
Net (expenses)/income from reinsurance contracts held		(767.9)	64.1	171.0	(532.8)	(736.0)	4.5	603.2	(128.3)
Finance (expenses)/income from reinsurance contracts held	5	(13.4)	(0.2)	(0.2)	(13.8)	(25.6)	-	(0.2)	(25.8)
Effect of movements in exchange rates		(1.8)	-	(45.7)	(47.5)	(115.4)	-	78.6	(36.8)
Total changes in the statement of profit or loss and OCI		(783.1)	63.9	125.1	(594.1)	(877.0)	4.5	681.6	(190.9)
Cash flows									
Premiums paid		375.4	-	-	375.4	176.4	-	-	176.4
Amounts received		-	-	(309.0)	(309.0)	-	-	(235.3)	(235.3)
Total cash flows		375.4	-	(309.0)	66.4	176.4	-	(235.3)	(58.9)
Other movements		286.2	-	221.6	507.8	418.9	-	(355.4)	63.5
Net reinsurance contract assets/(liabilities) as at 31 December		(9.8)	68.4	287.9	346.5	111.7	4.5	250.2	366.4
Reinsurance contract assets as at 31 December	13	265.1	68.5	178.8	512.4	618.6	4.5	188.3	811.4
Reinsurance contract liabilities as at 31 December	13	(274.9)	(0.1)	109.1	(165.9)	(506.9)	-	61.9	(445.0)
Net reinsurance contract assets/(liabilities) as at 31 December		(9.8)	68.4	287.9	346.5	111.7	4.5	250.2	366.4

NOTES TO THE FINANCIAL STATEMENTS

13 INSURANCE AND REINSURANCE CONTRACTS (continued)

13.1 Life insurance (continued)

13.1.2 Life insurance - reinsurance contracts held (continued)

13.1.2.2 Reconciliation of the measurement components of reinsurance contract balances - contracts not measured under the PAA

		2023				2022 (restated)			
in Singapore Dollars (millions)	Note	**Estimates of the present value of future cash flows**	**Risk adjustment**	**CSM**	**Total**	Estimates of the present value of future cash flows	Risk adjustment	CSM	Total
Reinsurance contract assets as at 1 January		**415.8**	**550.3**	**(154.7)**	**811.4**	409.6	451.4	66.6	927.6
Reinsurance contract liabilities as at 1 January		**(482.7)**	**18.9**	**18.8**	**(445.0)**	(483.3)	96.9	11.5	(374.9)
Net reinsurance contract assets/(liabilities) as at 1 January		**(66.9)**	**569.2**	**(135.9)**	**366.4**	(73.7)	548.3	78.1	552.7
Changes that relate to current services									
CSM recognised for services provided		**-**	**-**	**19.0**	**19.0**	-	-	1.9	1.9
Risk adjustment recognised for the risk expired		**-**	**(58.3)**	**-**	**(58.3)**	-	(47.4)	-	(47.4)
Experience adjustments		**(99.5)**	**0.1**	**-**	**(99.4)**	(56.6)	1.1	-	(55.5)
Changes that relate to future services									
Contracts initially recognised in the period		**59.0**	**92.7**	**(87.7)**	**64.0**	34.1	97.5	(127.3)	4.3
Changes in estimates that adjust the CSM		**(36.8)**	**(13.4)**	**50.2**	**-**	81.3	8.6	(89.9)	-
Changes that relate to past services									
Changes in amounts recoverable arising from changes in liability for incurred claims		**(457.5)**	**-**	**-**	**(457.5)**	(31.1)	-	-	(31.1)
Net (expense)/income from reinsurance contracts held		**(534.8)**	**21.1**	**(18.5)**	**(532.2)**	27.7	59.8	(215.3)	(127.8)
Finance (expenses)/income from reinsurance contracts held	5	**(31.0)**	**23.4**	**(6.2)**	**(13.8)**	0.1	(26.5)	0.6	(25.8)
Effect of movements in exchange rates		**(42.1)**	**(15.4)**	**10.0**	**(47.5)**	(25.1)	(12.4)	0.7	(36.8)
Total changes in the statement of profit or loss and OCI		**(607.9)**	**29.1**	**(14.7)**	**(593.5)**	2.7	20.9	(214.0)	(190.4)
Cash flows									
Premiums paid		**374.9**	**-**	**-**	**374.9**	175.9	-	-	175.9
Amounts received		**(309.0)**	**-**	**-**	**(309.0)**	(235.3)	-	-	(235.3)
Total cash flows		**65.9**	**-**	**-**	**65.9**	(59.4)	-	-	(59.4)
Other movements		**507.8**	**-**	**-**	**507.8**	63.5	-	-	63.5
Net reinsurance contract assets/(liabilities) as at 31 December		**(101.1)**	**598.3**	**(150.6)**	**346.6**	(66.9)	569.2	(135.9)	366.4
Reinsurance contract assets as at 31 December		**116.0**	**573.2**	**(176.7)**	**512.5**	415.8	550.3	(154.7)	811.4
Reinsurance contract liabilities as at 31 December		**(217.1)**	**25.1**	**26.1**	**(165.9)**	(482.7)	18.9	18.8	(445.0)
Net reinsurance contract assets/(liabilities) as at 31 December		**(101.1)**	**598.3**	**(150.6)**	**346.6**	(66.9)	569.2	(135.9)	366.4

NOTES TO THE FINANCIAL STATEMENTS

13 INSURANCE AND REINSURANCE CONTRACTS (continued)

13.1 Life insurance (continued)

13.1.2 Life insurance - reinsurance contracts held (continued)

13.1.2.3 Impact of contracts recognised during the year - contracts not measured under the PAA

	2023			2022 (restated)		
in Singapore Dollars (millions)	**Contracts originated not in a net gain**	**Contracts originated in a net gain**	**Total**	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Estimates of present value of future cash outflows	**(307.0)**	**(193.1)**	**(500.1)**	(455.2)	(50.6)	(505.8)
Estimates of present value of future cash inflows	**317.3**	**241.8**	**559.1**	476.7	63.2	539.9
Risk adjustment	**49.4**	**43.3**	**92.7**	85.5	12.0	97.5
CSM	**(59.7)**	**(28.0)**	**(87.7)**	(107.0)	(20.3)	(127.3)
Increase in reinsurance contract assets from contracts recognised during the year	**-**	**64.0**	**64.0**	-	4.3	4.3

13.1.2.4 Amounts determined on transition to SFRS(I) 17

	2023			2022 (restated)		
in Singapore Dollars (millions)	**Contracts using the fair value approach**	**All other contracts**	**Total**	Contracts using the fair value approach	All other contracts	Total
CSM as at 1 January	**97.8**	**(233.7)**	**(135.9)**	74.8	3.3	78.1
Changes that relate to current services						
CSM recognised for services received	**(14.3)**	**33.3**	**19.0**	(11.9)	13.8	1.9
Changes that relate to future services						
Contracts initially recognised in the period	**-**	**(87.7)**	**(87.7)**	-	(127.3)	(127.3)
Changes in estimates that adjust the CSM	**16.4**	**33.8**	**50.2**	33.2	(123.1)	(89.9)
	2.1	**(20.6)**	**(18.5)**	21.3	(236.6)	(215.3)
Finance (expenses)/income from reinsurance contracts held	**1.9**	**(8.1)**	**(6.2)**	1.7	(1.1)	0.6
Effect of movements in exchange rates	**-**	**10.0**	**10.0**	-	0.7	0.7
Total changes in the statement of profit or loss or OCI	**4.0**	**(18.7)**	**(14.7)**	23.0	(237.0)	(214.0)
CSM as at 31 December	**101.8**	**(252.4)**	**(150.6)**	97.8	(233.7)	(135.9)

NOTES TO THE FINANCIAL STATEMENTS

13 INSURANCE AND REINSURANCE CONTRACTS (continued)

13.2 Non-life insurance

13.2.1 Non-life insurance - insurance contracts issued

13.2.1.1 Reconciliation of the liabilities for remaining coverage and incurred claims

		2023					2022 (restated)				
		Liabilities for remaining coverage		Liabilities for incurred claims			Liabilities for remaining coverage		Liabilities for incurred claims		
				Contracts under PAA					Contracts under PAA		
in Singapore Dollars (millions)	Note	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Insurance contract liabilities as at 1 January		**96.8**	**29.3**	**460.5**	**64.1**	**650.7**	116.9	28.9	447.7	56.7	650.2
Insurance contract assets as at 1 January		**(17.7)**	**0.0**	**-**	**-**	**(17.7)**	(11.3)	0.1	-	-	(11.2)
Net insurance contract liabilities/(assets) as at 1 January		**79.1**	**29.3**	**460.5**	**64.1**	**633.0**	105.6	29.0	447.7	56.7	639.0
Insurance revenue											
Other contracts		**(423.9)**	**-**	**-**	**-**	**(423.9)**	(398.7)	-	-	-	(398.7)
	4	**(423.9)**	**-**	**-**	**-**	**(423.9)**	(398.7)	-	-	-	(398.7)
Insurance service expenses											
Incurred claims and other expenses		**-**	**-**	**248.0**	**12.0**	**260.0**	-	-	281.6	12.8	294.4
Amortisation of insurance acquisition cash flows		**99.6**	**-**	**-**	**-**	**99.6**	97.3	-	-	-	97.3
Losses on onerous contracts and reversals of those losses		**-**	**(13.0)**	**-**	**-**	**(13.0)**	-	0.6	-	-	0.6
Changes to liabilities for incurred claims		**-**	**-**	**(27.2)**	**(27.4)**	**(54.6)**	-	-	(0.5)	(3.9)	(4.4)
	6	**99.6**	**(13.0)**	**220.8**	**(15.4)**	**292.0**	97.3	0.6	281.1	8.9	387.9
Insurance service result		**(324.3)**	**(13.0)**	**220.8**	**(15.4)**	**(131.9)**	(301.4)	0.6	281.1	8.9	(10.8)
Insurance finance expenses	5	**5.4**	**1.3**	**13.6**	**2.1**	**22.4**	3.4	0.4	2.2	0.1	6.1
Effect of movements in exchange rates		**(2.4)**	**(0.5)**	**(14.9)**	**(1.5)**	**(19.3)**	(2.0)	(0.7)	(10.7)	(1.6)	(15.0)
Total changes in the statement of profit or loss and OCI		**(321.3)**	**(12.2)**	**219.5**	**(14.8)**	**(128.8)**	(300.0)	0.3	272.6	7.4	(19.7)
Cash flows						**-**					-
Premiums received		**438.4**	**-**	**-**	**-**	**438.4**	373.9	-	-	-	373.9
Claims and other expenses paid		**-**	**-**	**(262.1)**	**-**	**(262.1)**	-	-	(259.8)	-	(259.8)
Insurance acquisition cash flows		**(89.4)**	**-**	**-**	**-**	**(89.4)**	(100.4)	-	-	-	(100.4)
Total cash flows		**349.0**	**-**	**(262.1)**	**-**	**86.9**	273.5	-	(259.8)	-	13.7
Net insurance contract liabilities/(assets) as at 31 December		**106.8**	**17.1**	**417.9**	**49.3**	**591.1**	79.1	29.3	460.5	64.1	633.0
Insurance contract liabilities as at 31 December	13	**134.0**	**17.1**	**417.9**	**49.3**	**618.3**	96.8	29.3	460.5	64.1	650.7
Insurance contract assets as at 31 December	13	**(27.2)**	**-**	**-**	**-**	**(27.2)**	(17.7)	0.0	-	-	(17.7)
Net insurance contract liabilities/(assets) as at 31 December		**106.8**	**17.1**	**417.9**	**49.3**	**591.1**	79.1	29.3	460.5	64.1	633.0

NOTES TO THE FINANCIAL STATEMENTS

13 INSURANCE AND REINSURANCE CONTRACTS (continued)

13.2 Non-life insurance (continued)

13.2.2 Non-life insurance - reinsurance contracts held

13.2.2.1 Reconciliation of the assets for remaining coverage and incurred claims

		2023					2022 (restated)				
		Assets for remaining coverage		Assets for incurred claims			Assets for remaining coverage		Assets for incurred claims		
				Contracts under PAA					Contracts under PAA		
in Singapore Dollars (millions)	Note	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Reinsurance contract assets as at 1 January		24.2	10.8	312.5	49.8	397.3	27.0	10.0	296.8	48.6	382.4
Reinsurance contract liabilities as at 1 January		(38.4)	0.4	1.4	-	(36.6)	(8.6)	0.2	-	-	(8.4)
Net reinsurance contract assets/(liabilities) as at 1 January		(14.2)	11.2	313.9	49.8	360.7	18.4	10.2	296.8	48.6	374.0
Allocation of reinsurance premiums		(160.4)	-	-	-	(160.4)	(116.7)	-	-	-	(116.7)
Amounts recoverable from reinsurers											
Recoveries of incurred claims and other insurance service expenses		-	-	106.5	7.2	113.7	-		119.2	8.7	127.9
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	(7.1)	-	-	(7.1)		1.1	-	-	1.1
Adjustments to assets for incurred claims		-	-	(27.8)	(20.2)	(48.0)	-	-	(8.0)	(6.8)	(14.8)
Net (expenses)/income from reinsurance contracts held		(160.4)	(7.1)	78.7	(13.0)	(101.8)	(116.7)	1.1	111.2	1.9	(2.5)
Finance income/(expenses) from reinsurance contracts held	5	2.2	0.5	4.6	1.7	9.0	1.4	0.1	2.3	0.3	4.1
Effect of movements in exchange rates		0.1	(0.1)	(11.1)	(1.0)	(12.1)	0.7	(0.2)	(10.4)	(1.0)	(10.9)
Total changes in the statement of profit or loss and OCI		(158.1)	(6.7)	72.2	(12.3)	(104.9)	(114.6)	1.0	103.1	1.2	(9.3)
Cash flows											
Premiums paid		182.0	-	-	-	182.0	82.0	-	-	-	82.0
Amounts received		-	-	(135.7)	-	(135.7)	-	-	(86.0)	-	(86.0)
Total cash flows		182.0	-	(135.7)	-	46.3	82.0	-	(86.0)	-	(4.0)
Other movements		(0.4)	-	0.4	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31 December		9.3	4.5	250.8	37.5	302.1	(14.2)	11.2	313.9	49.8	360.7
Reinsurance contract assets as at 31 December	13	74.3	4.1	241.1	36.8	356.3	24.2	10.8	312.5	49.8	397.3
Reinsurance contract liabilities as at 31 December	13	(65.0)	0.4	9.7	0.7	(54.2)	(38.4)	0.4	1.4	-	(36.6)
Net reinsurance contract assets/(liabilities) as at 31 December		9.3	4.5	250.8	37.5	302.1	(14.2)	11.2	313.9	49.8	360.7

NOTES TO THE FINANCIAL STATEMENTS

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

13.3 **Expected recognition of the contractual service margin**

An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table:

	2023						
in Singapore Dollars (millions)	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Total**
Insurance contracts issued							
Life	**601.6**	**489.4**	**448.8**	**418.3**	**387.9**	**4,521.3**	**6,867.3**
Total insurance contracts issued	**601.6**	**489.4**	**448.8**	**418.3**	**387.9**	**4,521.3**	**6,867.3**
Reinsurance contracts held							
Life	**17.3**	**6.4**	**8.9**	**9.0**	**8.0**	**101.0**	**150.6**
Total reinsurance contracts held	**17.3**	**6.4**	**8.9**	**9.0**	**8.0**	**101.0**	**150.6**

	2022 (restated)						
in Singapore Dollars (millions)	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contracts issued							
Life	621.9	499.6	452.3	420.9	390.7	4,589.5	6,974.9
Total insurance contracts issued	621.9	499.6	452.3	420.9	390.7	4,589.5	6,974.9
Reinsurance contracts held							
Life	28.3	22.6	10.7	4.9	5.6	63.8	135.9
Total reinsurance contracts held	28.3	22.6	10.7	4.9	5.6	63.8	135.9

in Singapore Dollars (millions)	Note	Group 2023	Group 2022 (restated)
14 OTHER DEBTORS			
Other debtors comprise the following:			
Financial Assets:			
Accrued interest and dividend receivable		**651.2**	586.8
Investment debtors		**379.2**	156.9
Other receivables		**31.3**	12.7
Deposits collected		**3.5**	3.6
	16	**1,065.2**	760.0
Non-Financial Assets:			
Prepayments and others		**46.3**	61.1
		1,111.5	821.1

As at 31 December 2023, the Company had no other debtor balance (31 December 2022: nil).

in Singapore Dollars (millions)	Note	Company 2023	Company 2022
15 AMOUNT DUE FROM SUBSIDIARIES			
Amount due from subsidiaries		**2,380.1**	2,478.8
Loans to subsidiaries		**-**	9.1
Provision for impairment of unsecured loan to subsidiary		**-**	(7.0)
	16	**2,380.1**	2,480.9

The amounts due from subsidiaries and loans to subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and are to be settled in cash.

in Singapore Dollars (millions)	Note	Group 2023	Group 2022 (restated)	Company 2023	Company 2022
16 LOANS AND OTHER FINANCIAL ASSETS AT AMORTISED COST					
Loans comprise the following:					
Secured loans		**375.4**	294.6	**-**	-
Unsecured loans		**146.3**	194.7	**-**	-
		521.7	489.3	**-**	-
less: Provision for impairment of secured loans		**2.6**	2.6	**-**	-
Provision for impairment of unsecured loans		**8.1**	6.2	**-**	-
		511.0	480.5	**-**	-

If loans were carried at fair value, the carrying amounts would be as follows:

	Note	Group 2023	Group 2022 (restated)	Company 2023	Company 2022
Loans		**524.7**	485.3	**-**	-
Loans and other financial assets at amortised cost:					
Cash and cash equivalents		**6,302.9**	9,607.9	**25.7**	20.4
Other debtors	14	**1,065.2**	760.0	**-**	-
Loans		**511.0**	480.5	**-**	-
Debt securities	18	**1,218.2**	1,802.5	**-**	-
Amount due from subsidiaries	15	**-**	-	**2,380.1**	2,480.9
Total loans and other financial assets at amortised cost		**9,097.3**	12,650.9	**2,405.8**	2,501.3
16.1 Loans analysed by interest rate sensitivity and geography					
Fixed					
Singapore		**14.5**	4.9	**-**	-
Malaysia		**120.6**	144.3	**-**	-
		135.1	149.2	**-**	-
Floating					
Singapore		**375.9**	331.3	**-**	-
Total		**511.0**	480.5	**-**	-

The analysis by interest rate sensitivity is based on where the transactions are booked and where the credit risk resides.

in Singapore Dollars (millions)	Notional Amount	Derivative Financial Assets	Derivative Financial Liabilities
17 DERIVATIVE FINANCIAL INSTRUMENTS			
31 December 2023			
Foreign exchange:			
Forwards	**28,477.2**	**392.5**	**(124.5)**
Currency swaps	**1,982.2**	**96.1**	**(14.0)**
Interest rates:			
Swaps	**909.6**	**23.7**	**(32.7)**
Exchange traded futures	**3,703.6**	**371.1**	**(4.1)**
Equity:			
Swaps	**20.5**	**-**	**(0.6)**
Futures	**1,079.8**	**13.8**	**(3.0)**
Options	**472.2**	**54.6**	**-**
Credit:			
Swaps	**10.0**	**9.9**	**-**
Bond:			
Forwards	**175.0**	**2.2**	**(0.8)**
	36,830.1	**963.9**	**(179.7)**
31 December 2022			
Foreign exchange:			
Forwards	27,976.0	510.6	(152.2)
Currency swaps	3,309.3	182.9	(6.8)
Options	69.0	12.0	-
Interest rates:			
Swaps	877.1	9.0	(64.5)
Exchange traded futures	841.8	2.2	(17.2)
Equity:			
Swaps	227.4	0.2	(35.6)
Futures	622.1	3.4	(0.1)
Options	996.3	39.2	(7.1)
Credit:			
Swaps	588.8	1.9	(3.7)
Bond:			
Forwards	210.6	0.3	(4.8)
	35,718.4	761.7	(292.0)

The table above shows the fair value of derivative financial instruments, recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and the basis upon which changes in the value of derivatives are measured.

The fair value of derivatives shown above represents the current risk exposure but not the maximum risk exposure that would arise in the future as a result of the changes in value.

in Singapore Dollars (millions)		Group 2023	2022 (restated)
18	**INVESTMENTS**		
18.1	**Financial assets at FVOCI**		
	Equity securities designated at FVOCI		
	(i) Quoted equity securities	**1,883.8**	1,639.3
	- Hong Kong Stock Exchange	**341.1**	392.3
	- New York Stock Exchange	**240.4**	156.3
	- Bursa Malaysia	**226.6**	222.0
	- Tokyo Stock Exchange	**200.6**	149.7
	- NASDAQ/NGS	**175.2**	34.5
	- Singapore Exchange	**150.2**	229.7
	- Korea Exchange	**129.6**	121.1
	- Taiwan Stock Exchange	**116.1**	127.3
	- Australian Stock Exchange	**82.1**	110.1
	- Others	**221.9**	96.3
	(ii) Unquoted equity securities	**22.3**	22.7
		1,906.1	1,662.0
	Debt securities at FVOCI		
	(iii) Quoted debt securities [(1)]	**9,419.1**	7,772.6
	(iv) Unquoted debt securities	**4,576.1**	2,813.4
		13,995.2	10,586.0
	Total securities measured at FVOCI	**15,901.3**	12,248.0

During the financial year ended 31 December 2023 and 2022, the Group sold listed equity securities as the underlying investments are no longer aligned with the Group's long-term investment strategy. These investments had a fair value of $930.2 million (31 December 2022: $952.9 million) at the date of disposal. The cumulative loss on disposal of $2.5 million (31 December 2022: gain of $19.2 million) was reclassified from fair value reserve to retained earnings.

		2023	2022 (restated)
18.2	**Financial assets at FVTPL**		
	Mandatorily measured at FVTPL		
	Equity securities		
	(i) Quoted equity securities	**11,505.9**	11,469.2
	(ii) Unquoted equity securities	**24.8**	21.8
		11,530.7	11,491.0
	Debt securities		
	(iii) Quoted debt securities	**3,937.5**	5,134.2
	(iv) Unquoted debt securities	**3,239.7**	2,749.5
		7,177.2	7,883.7
	Other investments		
	(v) Collective investment schemes [(2)]	**19,244.9**	14,226.7
	Total financial assets mandatorily measured at FVTPL	**37,952.8**	33,601.4
	Designated at FVTPL		
	Debt securities		
	(i) Quoted debt securities	**27,820.2**	28,761.2
	(ii) Unquoted debt securities	**13,643.1**	12,347.3
	Total financial assets designated at FVTPL	**41,463.3**	41,108.5
	Total financial assets at FVTPL	**79,416.1**	74,709.9

(1) Included in quoted debt securities are quoted government securities amounting to $42.6 million (2022: $33.8 million) which are lodged with the regulator as statutory deposits.

(2) Collective investment schemes include but are not limited to hedge funds, private equity funds, unit trusts, real estate investment funds, exchange traded funds and open-ended investment company funds.

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Note	Group 2023	Group 2022 (restated)
18 INVESTMENTS (continued)			
18.3 Financial assets at Amortised Cost			
Debt securities			
(i) Quoted debt securities		**1,033.1**	1,097.7
(ii) Unquoted debt securities		**185.1**	704.8
Total financial assets at Amortised Cost [(1)]	16	**1,218.2**	1,802.5
TOTAL INVESTMENTS		**96,535.6**	88,760.4

(1) If these financial assets are measured using market value, the carrying amount would be as follows:

in Singapore Dollars (millions)	Group 2023	Group 2022
Quoted debt securities	**1,014.3**	1,401.1
Unquoted debt securities	**184.5**	314.1
	1,198.8	1,715.2

19 UNDERLYING ITEMS

The following table sets out the composition and the fair value of underlying items of the Group's contracts with direct participation features.

in Singapore Dollars (millions)	Group 2023	Group 2022
Cash and cash equivalents	**3,222.0**	6,356.7
Derivative financial instruments	**578.2**	213.8
Equity securities	**10,706.0**	10,777.8
Debt securities	**42,989.0**	40,322.7
Collective investment schemes	**17,184.5**	13,029.7
Loans	**392.3**	334.1
Investment properties	**1,375.7**	1,385.5
Property, plant and equipment	**841.4**	833.0
	77,289.1	73,253.3

20 INVESTMENT IN ASSOCIATE

in Singapore Dollars (millions)	Group 2023	Group 2022
Investment in shares, at fair value	**95.1**	122.5
Carrying amount at 31 December	**95.1**	122.5

The Group's associate is as follows:

Name of associate	Principal place of business	Nature of the relationship with the Group	Effective % interest held 2023	Effective % interest held 2022
Boost Holdings Sdn Bhd	Malaysia	Strategic investment in digital payment solutions	**21.9**	21.9

The Group has elected to measure its investment in associate, Boost Holdings Sdn Bhd, at fair value through profit or loss in accordance with SFRS(I) 9 as it is held through its venture capital organisation.

Information about the Group's investment in associate is as follows:

in Singapore Dollars (millions)	Group 2023	Group 2022
Loss after income tax from continuing operations	**(51.4)**	(51.4)
Total comprehensive loss	**(51.4)**	(51.4)

in Singapore Dollars (millions)	Company	
	2023	2022
21 INVESTMENT IN SUBSIDIARIES		
Investment in shares, at cost	**1,331.1**	1,323.4
Provision for impairment	**(22.2)**	-
Distribution from pre-acquisition reserve	**(281.8)**	(281.8)
	1,027.1	1,041.6
Investment in shares, at cost:		
Balance at the beginning of the year	**1,323.4**	1,288.9
Acquisition	**7.7**	34.5
Balance at the end of the year	**1,331.1**	1,323.4
Provision for impairment:		
Balance at the beginning of the year	**-**	-
Impairment loss recognised during the year	**(22.2)**	-
Balance at the end of the year	**(22.2)**	-

Significant restrictions:

The ability of insurance subsidiaries to transfer funds to the Group in the form of cash dividends is subject to local insurance laws and regulations and solvency requirements in certain jurisdictions in which the subsidiaries operate. These requirements do not constitute a material limitation on the ability of the subsidiaries to transfer funds to the Group.

21.1 Interest in subsidiary with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that is material to the Group.

Name of Subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit allocated to NCI during the reporting year	Accumulated NCI at the end of the reporting year	Dividends paid to NCI
in Singapore Dollars (millions)					
31 December 2023:					
Lion Global Investors Limited	**Singapore**	**30%**	**13.7**	**85.3**	**9.5**
31 December 2022:					
Lion Global Investors Limited	Singapore	30%	1.6	81.1	9.3

Significant restrictions:

There are no significant restrictions on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests.

21 INVESTMENT IN SUBSIDIARIES (continued)

21.2 Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

	Lion Global Investors Ltd	
in Singapore Dollars (millions)	**2023**	2022
Current		
Assets	**328.7**	318.6
Liabilities	**(42.1)**	(46.9)
Net current assets	**286.6**	271.7
Non-current		
Assets	**2.5**	3.2
Liabilities	**-**	(0.1)
Net non-current assets	**2.5**	3.1
Net assets	**289.1**	274.8

Summarised statement of comprehensive income

in Singapore Dollars (millions)	**2023**	2022
Revenue	**103.8**	106.5
Profit before income tax	**55.0**	14.8
Income tax expense	**(9.2)**	(9.3)
Profit after income tax from continuing operations	**45.8**	5.5
Total comprehensive income	**45.8**	5.5

Other summarised information

Net cash flows from operations	**44.5**	45.4

22 INTERESTS IN STRUCTURED ENTITIES

A structured entity is defined as 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, or when the relevant activities are directed by means of contractual arrangements. The Group has interests in unconsolidated structured entities as described below.

The Group holds shares or units in investment vehicles, which consist of:
- Debt securities which comprise: Mortgage-Backed-Securities ("MBS"), Asset Backed Securities ("ABS") and Structured Deposits ("SD").
- Collective Investment Schemes which comprise: hedge funds, private equity funds, unit trusts, Real Estate Investment Trusts ("REITs"), Exchange Traded Funds ("ETF") and Open Ended Investment Companies ("OEIC").

The Group's holdings in investment vehicles are subject to the terms and conditions of the respective investment vehicle's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those investment vehicles.

The investment vehicles in the investment portfolio are managed by portfolio managers who are compensated by the respective investment vehicles for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee, and is reflected in the valuation of the investment vehicles.

22.1 Interests in unconsolidated structured entities

As part of its investment activities, the Group invests in unconsolidated structured entities. As at 31 December 2023, the Group's total interest in unconsolidated structured entities was $20,771.7 million (31 December 2022: $15,094.6 million) on the Group's balance sheet.

The Group does not sponsor any of the unconsolidated structured entities.

A summary of the Group's interest in unconsolidated structured entities is as follows:

in Singapore Dollars (millions)	Group	
	2023	2022
Debt securities		
Analysed as:		
MBS	**571.3**	201.7
ABS	**125.2**	197.4
SD	**830.3**	468.8
Collective investment schemes		
Analysed as:		
Hedge funds	**1,778.4**	1,508.6
Private equity funds	**2,912.5**	2,842.1
Unit trusts	**3,647.6**	3,071.1
REITs	**854.0**	780.5
ETF	**1,093.4**	551.5
OEIC	**8,959.0**	5,472.9
Total	**20,771.7**	15,094.6

The Group's maximum exposure to loss on the interests presented above is the carrying amount of the Group's investments.

22 INTERESTS IN STRUCTURED ENTITIES (continued)

22.1 Interests in unconsolidated structured entities (continued)

The Group has not provided any financial or other support to the unconsolidated structured entities as at the reporting date, and there are no intentions to provide support in the foreseeable future.

22.2 Other interests in unconsolidated structured entities

The Group receives management fees in respect of its asset management business. The Group does not sponsor any of the funds or investment vehicles from which it receives fees. Management fees received for investments that the Group manages but does not have a holding in also represent an interest in unconsolidated structured entities. As these investments are not held by the Group, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future management fees. The table below shows the assets under management of entities that the Group manages but does not have a holding in and the fees earned from those entities.

in Singapore Dollars (millions)	Assets under Management		Investment Management Fees	
	2023	2022	**2023**	2022
Collective investment schemes	**2,885.4**	2,963.8	**19.2**	23.5
Total	**2,885.4**	2,963.8	**19.2**	23.5

in Singapore Dollars (millions)	Note	Group 2023	2022
23 INTANGIBLE ASSETS			
Goodwill	23.1	**26.4**	26.7
Other intangible assets	23.3	**186.1**	176.9
Carrying amount at 31 December		**212.5**	203.6

23.1 Goodwill			
Cost:			
At 1 January		**33.5**	34.0
Currency translation reserve adjustment		**(0.3)**	(0.5)
At 31 December		**33.2**	33.5
Impairment:			
At 1 January and 31 December		**(6.8)**	(6.8)
Net carrying amount:			
At 31 December	23	**26.4**	26.7

23 INTANGIBLE ASSETS (continued)

23.2 Impairment test for goodwill

Subsidiary - Lion Global Investors Limited	
Carrying value of capitalised goodwill as at 31 December 2023	$18.9 million
Basis on which recoverable values are determined (1)	Value in use
Terminal growth rate (2)	3%
Discount rate (3)	5%
Business acquired - Tahan Insurance Malaysia Berhad	
Carrying value of capitalised goodwill as at 31 December 2023	$5.2 million
Basis on which recoverable values are determined (1)	Value in use
Terminal growth rate (2)	5%
Discount rate (3)	10%
Subsidiary - PT Great Eastern General Insurance Indonesia	
Carrying value of capitalised goodwill as at 31 December 2023	$2.3 million
Basis on which recoverable values are determined (1)	Value in use
Terminal growth rate (2)	5%
Discount rate (3)	13%

(1) The value-in-use calculation applies a discounted cash flow model using cash flow projections based on financial budget and forecast approved by management covering a five-year period. Cash flows beyond the fifth year are extrapolated using the terminal growth rate stated above.

(2) The terminal growth rates used do not exceed the long term average past growth rates of the industries and countries in which Lion Global Investors Limited, Great Eastern General Insurance (Malaysia) Berhad and PT Great Eastern General Insurance Indonesia operate.

(3) The discount rate applied to the cash flow projections is pre-tax and is derived from the cost of capital plus a reasonable risk premium. This is the benchmark used by management to assess the operating performance.

No impairment loss (2022: nil) was recognised for the financial year ended 31 December 2023 against the amounts of goodwill recorded above to write down the carrying value to recoverable value. A reasonably possible change in key assumptions will not cause the carrying values above to materially exceed the recoverable amounts.

23 INTANGIBLE ASSETS (continued)

23.3 Other intangible assets

		Group				
in Singapore Dollars (millions)	Note	Software	Capital works in progress	Club Membership	Distribution Platform	Total
Cost						
At 1 January 2022		410.2	95.4	0.6	4.0	510.2
Additions		20.4	35.6	-	-	56.0
Disposals		(11.5)	(0.3)	-	-	(11.8)
Reclassification		62.8	(62.8)	-	-	-
Currency translation reserve adjustment		(8.2)	(2.4)	-	(0.2)	(10.8)
At 31 December 2022 and 1 January 2023		473.7	65.5	0.6	3.8	543.6
Additions		**8.2**	**49.4**	**-**	**-**	**57.6**
Disposals		**(12.5)**	**-**	**(0.1)**	**-**	**(12.6)**
Reclassification		**46.1**	**(46.1)**	**-**	**-**	**-**
Reclassification to property, plant and equipment	26	**-**	**(0.1)**	**-**	**-**	**(0.1)**
Currency translation reserve adjustment		**(9.0)**	**(2.0)**	**-**	**(0.2)**	**(11.2)**
At 31 December 2023		**506.5**	**66.7**	**0.5**	**3.6**	**577.3**
Accumulated amortisation and impairment loss						
At 1 January 2022		(341.0)	-	(0.1)	(1.3)	(342.4)
Amortisation charge for the year	6	(42.1)	-	-	(0.6)	(42.7)
Disposals		11.3	-	-	-	11.3
Currency translation reserve adjustment		7.0	-	-	0.1	7.1
At 31 December 2022 and 1 January 2023		(364.8)	-	(0.1)	(1.8)	(366.7)
Amortisation charge for the year	6	**(43.7)**	**-**	**-**	**(0.5)**	**(44.2)**
Disposals		**12.5**	**-**	**-**	**-**	**12.5**
Provision for impairment		**-**	**-**	**-**	**(0.2)**	**(0.2)**
Currency translation reserve adjustment		**7.3**	**-**	**-**	**0.1**	**7.4**
At 31 December 2023		**(388.7)**	**-**	**(0.1)**	**(2.4)**	**(391.2)**
Net book value						
At 31 December 2022	23	108.9	65.5	0.5	2.0	176.9
At 31 December 2023	23	**117.8**	**66.7**	**0.4**	**1.2**	**186.1**

in Singapore Dollars (millions)	Note	Group 2023	2022
24 INVESTMENT PROPERTIES			
Balance sheet:			
At 1 January		**1,881.2**	1,883.9
Additions (subsequent expenditure)		**1.1**	1.0
Net gain from fair value adjustments	5	**16.3**	91.3
Reclassification to asset held for sale	25	**-**	(72.6)
Currency translation reserve adjustment		**(17.9)**	(22.4)
At 31 December		**1,880.7**	1,881.2
Profit or Loss Statement:			
Rental income from investment properties:			
- Minimum lease payments		**49.9**	47.3
Direct operating expenses (including repairs and maintenance) arising from:			
- Rental generating properties		**(17.5)**	(17.1)
- Non-rental generating properties		**(0.1)**	(0.1)
		(17.6)	(17.2)

Investment properties collectively form an asset class which is an integral part of the overall investment strategy for the asset-liability management of the life insurance business.

Investment properties are stated at fair value, which has been determined based on objective valuation undertaken by independent valuers as at the balance sheet date. Valuations are performed by accredited independent valuers with recent experience in the location and category of the properties being valued.

25 ASSET HELD FOR SALE

The directors of the Group's subsidiary approved the sale of a property as at 31 December 2022, and this sale had been completed in 2023. The property was reclassified from investment property to asset held for sale during 2022 and measured at fair value. The fair value of the property amounting to $72.6 million as at 31 December 2022 and measured using the income approach. This was a level 3 measurement as per the fair value hierarchy set out in Note 32.3.

NOTES TO THE FINANCIAL STATEMENTS

26 PROPERTY, PLANT AND EQUIPMENT

		Group								
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
in Singapore Dollars (millions)	Note	Leasehold Land [1]	Office space	Other Right-Of-Use Assets	Freehold Land [1]	Capital Works in Progress	Buildings [1]	Computer Equipment and Software Development Costs	Other Assets [2]	Total
Cost										
At 1 January 2022		37.9	102.8	1.3	60.5	15.2	606.3	144.7	108.2	1,076.9
Additions		-	0.5	-	-	1.4	-	9.0	3.0	13.9
Disposals/assets written off		-	(0.5)	-	-	-	-	(2.1)	(8.6)	(11.2)
Reclassification		-	-	-	-	(11.6)	-	-	11.6	-
Currency translation reserve adjustment		(0.3)	(0.2)	(0.1)	(0.2)	-	(8.3)	(5.4)	(2.9)	(17.4)
At 31 December 2022 and 1 January 2023		37.6	102.6	1.2	60.3	5.0	598.0	146.2	111.3	1,062.2
Additions		**-**	**0.7**	**-**	**-**	**14.4**	**1.3**	**8.4**	**10.2**	**35.0**
Disposals/assets written off		**-**	**-**	**-**	**-**	**-**	**-**	**(3.8)**	**(6.1)**	**(9.9)**
Reclassification		**-**	**-**	**-**	**-**	**(1.0)**	**-**	**-**	**1.0**	**-**
Reclassification from intangible assets	**23**	**-**	**-**	**-**	**-**	**-**	**-**	**0.1**	**-**	**0.1**
Currency translation reserve adjustment		**(0.3)**	**-**	**(0.1)**	**(0.2)**	**-**	**(8.1)**	**(5.2)**	**(2.7)**	**(16.6)**
At 31 December 2023		**37.3**	**103.3**	**1.1**	**60.1**	**18.4**	**591.2**	**145.7**	**113.7**	**1,070.8**

NOTES TO THE FINANCIAL STATEMENTS

26 PROPERTY, PLANT AND EQUIPMENT (continued)

		Group								
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
in Singapore Dollars (millions)	Note	Leasehold Land [1]	Office space	Other Right-Of-Use Assets	Freehold Land [1]	Capital Works in Progress	Buildings [1]	Computer Equipment and Software Development Costs	Other Assets [2]	Total
Accumulated Depreciation and Impairment Loss										
At 1 January 2022		(2.1)	(27.6)	(0.9)	(1.4)	-	(302.4)	(120.2)	(75.3)	(529.9)
Depreciation charge for the year	6	-	(12.4)	(0.3)	-	-	(12.1)	(11.2)	(9.3)	(45.3)
Disposals/assets written off		-	0.1	-	-	-	-	2.1	8.5	10.7
Currency translation reserve adjustment		-	0.2	-	-	-	3.7	5.3	2.5	11.7
At 31 December 2022 and 1 January 2023		(2.1)	(39.7)	(1.2)	(1.4)	-	(310.8)	(124.0)	(73.6)	(552.8)
Depreciation charge for the year	**6**	**-**	**(12.3)**	**(0.1)**	**-**	**-**	**(12.1)**	**(11.0)**	**(8.1)**	**(43.6)**
Disposals/assets written off		**-**	**-**	**-**	**-**	**-**	**-**	**3.8**	**5.9**	**9.7**
Currency translation reserve adjustment		**-**	**-**	**0.2**	**-**	**-**	**3.7**	**5.0**	**2.7**	**11.6**
At 31 December 2023		**(2.1)**	**(52.0)**	**(1.1)**	**(1.4)**	**-**	**(319.2)**	**(126.2)**	**(73.1)**	**(575.1)**
Net Book Value										
At 31 December 2022		35.5	62.9	-	58.9	5.0	287.2	22.2	37.7	509.4
At 31 December 2023		**35.2**	**51.3**	**-**	**58.7**	**18.4**	**272.0**	**19.5**	**40.6**	**495.7**

[1] If the freehold land, leasehold land and buildings were measured using market value, the carrying amount would be as follows:

in Singapore Dollars (millions)	Group	
	2023	2022
Freehold land, Leasehold land and Buildings	**847.6**	846.6

[2] Other assets include motor vehicles, office furniture, fittings and equipment.

NOTES TO THE FINANCIAL STATEMENTS

26 PROPERTY, PLANT AND EQUIPMENT (continued)

26.1 Leases

This note provides information for leases where the group is a lessee.

The Group has entered into operating lease agreements for computer equipment and office rental. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 5 years. There are several lease contracts that include extension and termination options.

The Group also has certain leases of office rental with lease terms of 12 months or less and leases of computer equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases respectively.

The following are the amounts recognised in the Profit or Loss Statement:

in Singapore Dollars (millions)	Note	Group	
		2023	2022
Depreciation expense of right-of-use assets		**12.4**	12.7
Interest expense on lease liabilities	6	**1.6**	1.9
Expense relating to short-term leases		**2.6**	2.7
Expense relating to leases of low-value assets		**0.1**	0.2
Total amount recognised in the Profit or Loss Statement		**16.7**	17.5

The total cash outflow for leases in 2023 was $13.3 million (2022: $13.9 million).

27 EXECUTIVES' SHARE OPTION SCHEME

27.1 OCBC Share Option Scheme

In April 2005, the GEH Optionholders were nominated to participate in the OCBC Bank Share Option Scheme (2001) ("OCBC Option Scheme"). OCBC Bank has ceased granting share options under the OCBC Option Scheme effective from financial year 2018 remuneration. Share options granted in prior years continue to be outstanding until the options lapse or are exercised by the recipients. The share options have a validity period of 10 years from date of grant.

For the financial year ended 31 December 2023, there were no options granted under the OCBC Share Option Scheme (2022: nil) to GEH Optionholders to acquire ordinary shares in OCBC Bank ("OCBC shares") pursuant to 2001 scheme, and no options were granted to a director of the Company (2022: nil).

Information with respect to the number of options granted under the OCBC Option Scheme to GEH Optionholders is as follows:

	2023		2022	
	Number of Options	**Average Price**	Number of Options	Average Price
Number of shares comprised in options:				
At beginning of year	**1,900,145**	**$10.433**	2,534,433	$10.186
Lapsed during the year	**(10,224)**	**$10.018**	(14,856)	$12.113
Exercised during the year	**(836,133)**	**$9.702**	(619,432)	$9.384
Outstanding at end of year	**1,053,788**	**$11.017**	1,900,145	$10.433
Exercisable at end of year	**1,053,788**	**$11.017**	1,900,145	$10.433
Average share price underlying the options exercised during the financial year		**$12.619**		$12.245

NOTES TO THE FINANCIAL STATEMENTS

27 EXECUTIVES' SHARE OPTION SCHEME (continued)

27.1 OCBC Share Option Scheme (continued)

Details of the options outstanding as at 31 December 2023 are as follows:

Grant Year	Grant Date	Exercise Period	Acquisition Price	2023 Outstanding	2023 Exercisable
2014	14.03.2014	15.03.2015 - 13.03.2024	$9.169	**153,241**	**153,241**
2015	16.03.2015	16.03.2016 - 15.03.2025	$10.378	**107,559**	**107,559**
2016	16.03.2016	16.03.2017 - 15.03.2026	$8.814	**119,982**	**119,982**
2017	23.03.2017	23.03.2018 - 22.03.2027	$9.598	**253,122**	**253,122**
2018	22.03.2018	22.03.2019 - 21.03.2028	$13.340	**419,884**	**419,884**
				1,053,788	**1,053,788**

The carrying amount of the liability recognised on the Group's balance sheet related to the above options at 31 December 2023 is $3.9 million (31 December 2022: $6.3 million).

As at 31 December 2023, the weighted average remaining contractual life of outstanding options was 2.9 years (2022: 2.9 years). There were 43,512 options held by directors of the Company as at 31 December 2023 (2022: nil).

27.2 OCBC Deferred Share Plan ("DSP")

The OCBC Deferred Share Plan (DSP) aims to increase the performance-orientation and retention factor in compensation packages of executives, and foster an ownership culture within the organisation. It also aligns the interests of executives with the sustained business performance of OCBC Bank. OCBC Group Executive Director selected by the OCBC Group Remuneration Committee, are eligible to participate in the DSP.

Half (50%) of the share awards will vest after two years with the remaining 50% vesting at the end of three years in accordance with the guidelines established under the DSP. Prior to the vesting date, the executives will not be accorded voting rights for the shares.

OCBC Bank adopted the OCBC Deferred Share Plan 2021 (DSP 2021) on 29 April 2021 to replace the DSP, which was terminated on the same day. The termination of the DSP does not affect the awards which have been granted, whether such awards have been released (whether fully or partially) or not. By implementing the DSP 2021, which permits new ordinary shares to be issued, OCBC Bank has greater flexibility in its methods for delivery of ordinary shares, as this can be effected through an issue of new ordinary shares, in addition to the transfer of existing ordinary shares (including treasury shares).

During the financial year, 429,882 (2022: 567,100) OCBC ordinary shares were granted to eligible executives of GEH Group under the DSP, of which none (2022: nil) were granted to a director of the Company.

Total awards of 90,119 (2022: 70,315) ordinary shares, which none (2022: nil) ordinary shares to directors of the Company, were granted to eligible executives of the Group and the Company under the DSP for the financial year ended 31 December 2023. The fair value of the shares at grant date was $5.4 million (2022: $6.5 million).

27 EXECUTIVES' SHARE OPTION SCHEME (continued)

27.3 OCBC Employee Share Purchase Plan (“ESP”)

The OCBC Employee Share Purchase Plan (ESP Plan) was implemented for all employees of the participating companies in OCBC Group, including executive Directors.

The ESP Plan is a saving-based share ownership plan to help employees own ordinary shares in OCBC Bank through their monthly contributions via deductions from payroll and/or from Central Provident Fund. The employees have the option to convert the contributions to ordinary shares after one year or to withdraw the contributions at any time. As a further incentive to employees to enrol in the ESP Plan, OCBC Bank pays interest on the amounts saved at a preferential interest rate. The duration of the offering period is 24 months.

In July 2023, OCBC Bank launched its eighteenth offering of ESP Plan for OCBC Group employees, which commenced on 1 September 2023 and will expire on 31 August 2025. Under the offering, OCBC Bank granted 1,030,817 (2022: 1,023,893) rights to acquire ordinary shares in the Bank. The fair value of the rights, determined using the binomial valuation model was $0.8 million (2022: $0.9 million). Significant inputs to the valuation model are set out below.

	2023	2022
Acquisition price ($)	**12.47**	12.07
Share price ($)	**12.94**	12.24
Expected volatility based on historical volatility as of acceptance date (%)	**12.97**	16.51
Singapore government bond yields (%)	**3.36**	2.45
Expected dividend yield (%)	**4.91**	4.05

A summary of the movement in the number of acquisition rights of the ESP Plan issued to GEH Group's employees is as follows:

	2023		2022	
	Number of Subscription Rights	**Weighted Average Subscription Price**	Number of Subscription Rights	Weighted Average Subscription Price
At 1 January	**1,853,893**	**$11.837**	2,241,236	$10.253
Subscriptions on commencement of plan	**1,030,817**	**$12.470**	1,023,893	$12.070
Exercised	**(859,390)**	**$11.603**	(1,066,832)	$9.054
Lapsed / Forfeited	**(261,708)**	**$12.101**	(344,404)	$10.840
At 31 December	**1,763,612**	**$12.282**	1,853,893	$11.837
Average share price underlying acquisition rights exercised during the financial year		**$12.649**		$11.986

As at 31 December 2023, the weighted average remaining contractual life of outstanding acquisition rights was 1.2 years (2022: 1.2 years). No director of GEH Group has acquisition rights under the ESP Plan (2022: nil).

in Singapore Dollars (millions)	Group	
	2023	2022
28 OTHER MATTERS		
28.1 Capital commitments		
Commitments for capital expenditure not provided for in the financial statements:		
- investment properties	**11.0**	15.3
- property, plant and equipment	**107.0**	77.1
	118.0	92.4
28.2 Investment commitments		
Commitments for investments not provided for in the financial statements:		
- private equity	**945.6**	921.6
- private real estate investment trust ("REITs")	**359.4**	484.9
- private debt	**250.6**	-
- loans	**10.5**	7.9
	1,566.1	1,414.4
28.3 Minimum Lease Receivable		
Future minimum lease receivable under non-cancellable operating leases are as follows as of 31 December:		
Within one year	**40.2**	43.4
After one year but not more than five years	**27.0**	28.5
	67.2	71.9

28.4 Acquisition of AmMetLife Insurance Berhad and AmMetLife Takaful Berhad by Great Eastern Life Assurance (Malaysia) Berhad and Great Eastern Takaful Berhad

On 2 October 2023, the Group's subsidiaries, Great Eastern Life Assurance (Malaysia) Berhad ("GELM") and Great Eastern Takaful Berhad ("GETB") entered into an implementation agreement with AMAB Holdings Sdn Bhd ("AMAB") (a wholly-owned subsidiary of AMMB Holdings Berhad ("AMMB")) and MetLife International Holdings, LLC ("MetLife"), in relation to the proposed acquisition by GELM and GETB of 100% of the shares in AmMetLife Insurance Berhad ("AML") and AmMetLife Takaful Berhad ("AMT") respectively.

In addition, the proposed acquisition will see GELM and GETB, together with AML and AMT respectively, entering into exclusive twenty-year bancassurance and bancatakaful agreements for the distribution of life insurance and family takaful products through the distribution network of AMMB's banking subsidiaries. The consideration for the proposed acquisition and exclusive twenty-year distribution partnership is approximately RM1,121 million (approximately SGD325 million). The proposed acquisition is subject to regulatory and other relevant approvals and is expected to be completed in the first half of 2024.

29 RELATED PARTY TRANSACTIONS

The Group enters into transactions with its related parties in the normal course of business.

29.1 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

in Singapore Dollars (millions)	Group		Company	
	2023	2022	**2023**	2022
Fees and commission and other income received from:				
- holding company	**1.6**	12.0	**-**	-
- related parties of the holding company	**16.6**	27.3	**-**	-
Premiums received from key management personnel	**0.9**	1.3	**-**	-
Fees and commission expense paid to:				
- holding company	**185.9**	242.6	**-**	-
- related parties of the holding company	**48.0**	52.1	**-**	-
Interest income received from:				
- holding company	**5.5**	2.0	**0.1**	-
- related parties of the holding company	**3.5**	8.7	**-**	-
Interest expense paid to holding company	**0.5**	0.2	**-**	-
Rental income received from:				
- related parties of the holding company	**0.2**	0.3	**-**	-
Other expenses paid to:				
- holding company	**8.2**	11.7	**-**	-
- related parties of the holding company	**9.9**	10.8	**-**	-
- associate	**1.3**	0.5	**-**	-
Dividend income from subsidiaries	**-**	-	**335.8**	153.4

29.2 Balance sheet balances with related parties

Balance sheet balances with related parties as at 31 December are as follows:

in Singapore Dollars (millions)	Group		Company	
	2023	2022	**2023**	2022
Cash and cash equivalents held with:				
- holding company	**786.4**	938.3	**25.7**	20.4
- related parties of the holding company	**232.5**	319.4	**-**	-
Investments in debt securities of:				
- related parties of the holding company	**105.3**	114.9	**-**	-
Derivative financial assets held with:				
- holding company	**312.8**	365.0	**-**	-
Derivative financial liabilities held with:				
- holding company	**18.0**	82.8	**-**	-

Outstanding balances at balance sheet date are unsecured and interest free. Settlement will take place in cash.

There was no provision for doubtful debts at the balance sheet date and no bad debt expense for the year (31 December 2022: nil).

29.3 Compensation of key management personnel

Short-term employee benefits	**27.5**	29.0	**2.6**	2.1
Other long-term benefits	**0.8**	1.2	**-**	-
Central Provident Fund/Employee Provident Fund	**1.3**	1.3	**-**	-
Share-based payments	**4.5**	4.7	**-**	-
	34.1	36.2	**2.6**	2.1
Comprises amounts paid to:				
Directors of the Company	**3.8**	3.3	**2.6**	2.1
Other key management personnel	**30.3**	32.9	**-**	-
	34.1	36.2	**2.6**	2.1

30 SEGMENTAL INFORMATION

(1) By Business Segments

	Group									
in Singapore Dollars (millions)	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations [1]		Consolidated	
	2023	2022 (restated)	**2023**	2022 (restated)	**2023**	2022 (restated)	**2023**	2022 (restated)	**2023**	2022 (restated)
Insurance revenue	**-**	-	**423.9**	398.7	**5,837.3**	5,627.2	**(1.3)**	(1.4)	**6,259.9**	6,024.5
Insurance service expenses	**-**	-	**(292.0)**	(387.9)	**(4,810.8)**	(4,740.2)	**52.3**	44.4	**(5,050.5)**	(5,083.7)
Net expenses from reinsurance contracts held	**-**	-	**(101.8)**	(2.5)	**(532.8)**	(128.3)	**-**	-	**(634.6)**	(130.8)
Insurance service result	**-**	-	**30.1**	8.3	**493.7**	758.7	**51.0**	43.0	**574.8**	810.0
Interest revenue on										
Financial assets not measured at FVTPL	**99.1**	71.8	**15.1**	12.0	**604.6**	407.7	**-**	-	**718.8**	491.5
Financial assets measured at FVTPL	**30.2**	25.6	**2.0**	2.4	**1,632.6**	1,626.3	**-**	-	**1,664.8**	1,654.3
Other investment revenue/(loss)	**54.9**	(102.9)	**1.6**	0.5	**3,440.6**	(6,941.1)	**-**	-	**3,497.1**	(7,043.5)
(Increase)/decrease in provision for impairment of financial assets	**(0.1)**	(3.8)	**(0.7)**	0.3	**(12.8)**	(25.2)	**-**	-	**(13.6)**	(28.7)
Change in third-party interests in consolidated investment funds	**(1.2)**	0.2	**-**	-	**-**	-	**-**	-	**(1.2)**	0.2
Net investment income/(loss)	**182.9**	(9.1)	**18.0**	15.2	**5,665.0**	(4,932.3)	**-**	-	**5,865.9**	(4,926.2)
Finance (expenses)/income from insurance contracts issued	-	-	**(22.4)**	(6.1)	**(5,245.4)**	5,020.7	**14.0**	13.8	**(5,253.8)**	5,028.4
Finance income from reinsurance contracts held	**-**	-	**9.0**	4.1	**5.6**	12.7	**-**	-	**14.6**	16.8
Net insurance financial result	**-**	-	**(13.4)**	(2.0)	**(5,239.8)**	5,033.4	**14.0**	13.8	**(5,239.2)**	5,045.2
Net insurance and investment result	**182.9**	(9.1)	**34.7**	21.5	**918.9**	859.8	**65.0**	56.8	**1,201.5**	929.0
Fees and other income	**443.1**	430.9	**-**	-	**-**	-	**(424.1)**	(394.8)	**19.0**	36.1
Other expenses	**(435.6)**	(426.9)	**-**	(0.8)	**(73.5)**	(65.4)	**359.1**	338.0	**(150.0)**	(155.1)
Other income and expenses	**7.5**	4.0	**-**	(0.8)	**(73.5)**	(65.4)	**(65.0)**	(56.8)	**(131.0)**	(119.0)
Profit/(loss) before income tax	**190.4**	(5.1)	**34.7**	20.7	**845.4**	794.4	**-**	-	**1,070.5**	810.0
Income tax expense	**(46.0)**	(34.9)	**(7.0)**	(4.4)	**(228.3)**	(158.0)	**-**	-	**(281.3)**	(197.3)
Profit/(loss) after income tax	**144.4**	(40.0)	**27.7**	16.3	**617.1**	636.4	**-**	-	**789.2**	612.7

[1] Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

30 SEGMENTAL INFORMATION (continued)

(1) By Business Segments (continued)

	Group									
in Singapore Dollars (millions)	**Shareholders**		**Non-life Insurance**		**Life Insurance**		**Adjustments and Eliminations** [1]		**Consolidated**	
	2023	2022 (restated)	**2023**	2022 (restated)	**2023**	2022 (restated)	**2023**	2022 (restated)	**2023**	2022 (restated)
Other material items:										
Staff costs and related expenses	**42.7**	43.1	**41.9**	36.1	**414.3**	318.6	**0.7**	1.1	**499.6**	398.9
Rental expense	**2.3**	2.4	**1.3**	1.4	**23.5**	24.8	**(22.9)**	(24.7)	**4.2**	3.9
Non-cash items:										
Depreciation and amortisation expenses	**4.0**	5.0	**4.4**	4.8	**79.4**	78.2	**-**	-	**87.8**	88.0
Increase/(decrease) in provision for impairment of financial assets	**0.1**	3.8	**0.7**	(0.3)	**12.8**	25.2	**-**	-	**13.6**	28.7
Changes in fair value of investments:										
- through profit or loss statement	**71.2**	(95.2)	**1.3**	2.6	**2,868.1**	(7,644.5)	**-**	-	**2,940.6**	(7,737.1)
- through equity	**57.4**	(267.0)	**8.4**	(19.2)	**354.6**	(1,238.2)	**-**	-	**420.4**	(1,524.4)
Assets and liabilities:										
Segment assets	**7,516.4**	5,891.2	**966.8**	1,001.3	**100,440.2**	97,788.5	**(1.3)**	(1.3)	**108,922.1**	104,679.7
Investments in associate	**95.1**	122.5	**-**	-	**-**	-	**-**	-	**95.1**	122.5
Deferred tax assets	**10.6**	43.6	**2.2**	6.8	**3.8**	2.9	**-**	-	**16.6**	53.3
Total assets	**7,622.1**	6,057.3	**969.0**	1,008.1	**100,444.0**	97,791.4	**(1.3)**	(1.3)	**109,033.8**	104,855.5
Segment liabilities	**130.1**	125.6	**789.6**	842.4	**99,691.8**	96,267.9	**-**	-	**100,611.5**	97,235.9
Income tax and deferred tax liabilities	**36.7**	102.6	**(1.8)**	-	**398.4**	241.7	**-**	-	**433.3**	344.3
Total liabilities	**166.8**	228.2	**787.8**	842.4	**100,090.2**	96,509.6	**-**	-	**101,044.8**	97,580.2
Other segment information:										
Additions to non-current assets										
- property, plant and equipment	**1.7**	0.7	**0.7**	1.3	**32.6**	11.9	**-**	-	**35.0**	13.9
- investment properties	**-**	-	**-**	-	**1.1**	1.0	**-**	-	**1.1**	1.0
- goodwill and intangible assets	**2.6**	2.0	**2.6**	4.7	**52.4**	49.3	**-**	-	**57.6**	56.0

[1] Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

30 SEGMENTAL INFORMATION (continued)

(2) By Geographical Segments

	Group									
in Singapore Dollars (millions)	Singapore		Malaysia		Other Asia		Adjustments and Eliminations		Consolidated	
	2023	2022 (restated)	**2023**	2022 (restated)	**2023**	2022 (restated)	**2023**	2022 (restated)	**2023**	2022 (restated)
Insurance revenue from customers	**3,202.3**	3,027.3	**2,819.0**	2,802.9	**239.9**	195.7	**(1.3)**	(1.4)	**6,259.9**	6,024.5
Dividend from subsidiaries	**295.4**	300.5	**-**	-	**-**	-	**(295.4)**	(300.5)	**-**	-
Total revenue	**3,497.7**	3,327.8	**2,819.0**	2,802.9	**239.9**	195.7	**(296.7)**	(301.9)	**6,259.9**	6,024.5
Profit after income tax	**683.0**	512.3	**374.9**	357.8	**26.7**	43.1	**(295.4)**	(300.5)	**789.2**	612.7
Non-current assets	**2,152.9**	2,160.2	**439.2**	470.1	**13.4**	17.2	**-**	-	**2,605.5**	2,647.5

Non-current assets information presented above consist of intangible assets, investment properties, property, plant and equipment and deferred tax assets as presented in the consolidated balance sheet.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES

Governance framework

Managing risk is an integral part of the Group's core business. As stated in the Enterprise Risk Management ("ERM") Framework, the Group shall:

- Operate within parameters and limits that are calibrated to the risk appetite approved by the Board; and
- Pursue appropriate risk-adjusted returns.

Group Risk Management department spearheads the development and implementation of the ERM Framework for the Group.

The Board is responsible for overseeing the Group's risk exposure and management matters. The Board may delegate this responsibility to the Risk Management Committee ("RMC") and Senior Management for the execution of these initiatives. At the Group level, detailed risk management and oversight activities are undertaken by the following Group Management committees, all of which are chaired by the Group Chief Executive Officer and comprise key Senior Management Executives:

- Group Management Committee ("GMC")
- Group Asset-Liability Committee ("Group ALC")
- Group Investment Committee ("Group IC")
- Group Product Management and Approval Committee ("Group PMAC")
- Group Technology Strategy Committee ("Group TSC")

GMC is responsible for providing leadership, direction and functional oversight on all matters including sustainability performance of the Group. In addition to complying with regulatory requirements, the GMC is also responsible for ensuring compliance and alignment with Group standards and guidelines. The GMC is supported by the Group IC, Group ALC, Group PMAC, Group TSC, Local Senior Management Team ("SMT"), Local ALC, Local Product Development Committee ("PDC") and Local IT Steering Committee ("ITSC").

Group IC is responsible for overseeing all investment management activities of the Group and ensuring that the interests and rights of policyholders are not compromised.

Group ALC is responsible for balance sheet management. Specifically, Group ALC reviews and formulates frameworks, policies, processes and methodologies relating to balance sheet management. Group ALC is supported by the Local ALC.

Group TSC is responsible for assisting GMC in providing the overall strategic direction and approval of all IT related issues and initiatives, including the digitalisation and transformation programs to support the Group's strategic growth into the future. Group TSC is supported by Local ITSC.

Group PMAC is responsible for reviewing, approving and managing new and existing products, ensuring the business operates within the risk appetite in delivering the annual business targets. Local PDC is responsible for reviewing and endorsing new products at the local operating subsidiaries.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Regulatory framework

As set out in its Compliance Risk Management Framework, the Group operates its business on a sound and responsible basis, which entails compliance with the applicable laws, regulations, rules and standards.

Insurers are required to comply with the Insurance Act 1966 and relevant regulatory requirements, including requirements governing its investment activities. The responsibility for the formulation, establishment and approval of the policy for the investment of the funds rests with the respective Board of Directors (“Board”). The Board exercises oversight on investments to safeguard the interests of policyholders and shareholders.

Capital management

The objectives of GEH’s capital management policy are to create shareholder value, deliver sustainable returns to shareholders, maintain a strong capital position with sufficient buffer to meet policyholders’ obligations and regulatory requirements and make strategic investments for business growth.

The Group had no significant changes in the policies and processes relating to its capital structure during the year.

Regulatory Capital

The Group and its insurance subsidiaries are required to comply with the capital requirements prescribed by the Insurance Regulations of the jurisdictions in which they operate. The Capital Adequacy Ratios of the Group and its insurance subsidiaries in Singapore, Malaysia and Indonesia remained well above the regulatory minimum ratios under the Risk-based Capital Frameworks established by the Monetary Authority of Singapore, Bank Negara Malaysia and Otoritas Jasa Keuangan, Indonesia respectively.

The Group's approach to capital management aims to maintain an adequate level of capital to meet regulatory requirements, including any additional amounts required by the regulators of the Group and its insurance subsidiaries. This involves managing asset liability decisions and the associated risks in a coordinated way by assessing and monitoring the available and required capital (by each regulated entity) on a regular basis and, where appropriate, taking appropriate actions to adjust the asset liability position of the Group and/or its subsidiaries in light of changes in economic conditions and risk characteristics.

The primary sources of capital of the Group are shareholders' equity. The Group defines available capital as the amount of assets in excess of liabilities measured in accordance with the Insurance Regulations of the respective jurisdictions in which the insurance subsidiaries operate.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

Dividend

GEH's dividend policy aims to provide shareholders with a predictable and sustainable dividend return, payable on a half-yearly basis.

The following sections provide details of the Group's and Company's exposure to insurance and key financial risks, as well as the objectives, policies and processes for managing these risks.

There has been no change to the Group's exposure to these insurance and key financial risks or the manner in which it manages and measures the risks.

Insurance Risk

The principal activity of the Group is the provision of insurance products and related financial advisory services. The products cover risks such as mortality, morbidity (health, disability, critical illness, personal accident) property and casualty, investment saving protection and wealth accumulation guarantees.

The Group's underwriting strategy is designed to ensure that risks are well diversified across the types of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes into account current health conditions and family medical history, regular review of actual claims experience, as well as detailed claims handling procedures. Underwriting limits are also established to enforce appropriate risk selection criteria. For example, the Group has the right to reject renewal of insurance policy, impose deductibles and reject payment of fraudulent claims.

Risks inherent in the Group's activities include but are not limited to the following:

Insurance Risks of Life Insurance Contracts

Insurance risks arise when the Group underwrites insurance contracts. While insurance risks may not vary significantly across the geographical locations in which the Group currently operates, the types of risks insured, assumptions used in pricing the insurance products and subsequent setting aside of provisions may give rise to potential shortfalls in provision for future claims and expenses when actual claims experience are worse than projections. Assumptions that may cause insurance risks to be underestimated include assumptions on policy lapses, mortality, morbidity and expenses.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

Insurance Risks of Life Insurance Contracts (continued)

The Group utilises reinsurance to manage the mortality and morbidity risks. The Group's reinsurance management strategy and policy are reviewed annually by RMC and Group ALC. Reinsurance is structured according to the type of risk insured. Catastrophe reinsurance is procured to limit catastrophic losses.

In general, reinsurance business will only be given to reinsurers with a minimum credit rating of S&P A- or equivalent. The Group limits its risk to any one reinsurer by ceding different products to different reinsurers or to a panel of reinsurers.

Group ALC reviews the actual experience of mortality, morbidity, lapses and surrenders, and expenses and ensures that the policies, guidelines and limits established for managing the risks remain adequate and appropriate.

A substantial portion of the Group's life insurance funds is participating in nature. In the event of volatile investment climate and/or unusual claims experience, the insurer has the option of revising the bonus payable to policyholders.

For non-participating funds, the risk is that the guaranteed policy benefits must be met even when investment portfolios perform below expectations, or claims experience is higher than expected.

For investment-linked funds, the risk exposure for the Group is limited only to the underwriting aspect as all investment risks are borne by policyholders. Nevertheless, the fees earned by the Group for managing the investment-linked funds would fluctuate with the changes in underlying fund values.

Stress testing is performed at least once a year to assess the solvency of the life insurance fund under various stress scenarios. The stress scenarios include regulatory prescribed scenarios, as well as scenarios depicting drastic changes in key parameters such as new business volume, market volatilities, expense patterns, mortality/morbidity patterns and lapse rates.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

TABLE 31(A): The table below sets out the concentration of the insurance contract liabilities by distribution of various life insurance risk as at the balance sheet date:

(i) by Class of business:

in Singapore Dollar (millions)	Gross	Reinsurance	Net
2023			
Whole life	**59,278.6**	**(10.0)**	**59,268.6**
Endowment	**35,797.7**	**(63.8)**	**35,733.9**
Term	**1,831.7**	**(272.7)**	**1,559.0**
Annuity	**385.0**	**-**	**385.0**
Others	**77.9**	**-**	**77.9**
Total	**97,370.9**	**(346.5)**	**97,024.4**
2022 (restated)			
Whole life	55,723.3	(37.1)	55,686.2
Endowment	35,924.5	(59.5)	35,865.0
Term	1,745.8	(270.3)	1,475.5
Annuity	400.3	-	400.3
Others	6.3	0.5	6.8
Total	93,800.2	(366.4)	93,433.8

(ii) by Country:

in Singapore Dollar (millions)	Gross	Reinsurance	Net
2023			
Singapore	**70,520.7**	**(337.0)**	**70,183.7**
Malaysia	**25,603.9**	**(8.7)**	**25,595.2**
Others	**1,246.3**	**(0.8)**	**1,245.5**
Total	**97,370.9**	**(346.5)**	**97,024.4**
2022 (restated)			
Singapore	66,770.5	(317.8)	66,452.7
Malaysia	25,964.8	(44.8)	25,920.0
Others	1,064.9	(3.8)	1,061.1
Total	93,800.2	(366.4)	93,433.8

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

The sensitivity analysis below shows the impact of changes in key parameters on the value of insurance contract liabilities, and hence on the Profit or Loss Statement and shareholders' Equity.

Sensitivity analysis produced are based on parameters set out as follows:

	Change in assumptions
(a) Scenario 1 – Mortality and Major Illness	+ 25% for all future years
(b) Scenario 2 – Mortality and Major Illness	- 25% for all future years
(c) Scenario 3 – Health and Disability	+ 25% for all future years
(d) Scenario 4 – Health and Disability	- 25% for all future years
(e) Scenario 5 – Lapse and Surrender rates	+ 25% for all future years
(f) Scenario 6 – Lapse and Surrender rates	- 25% for all future years
(g) Scenario 7 - Expenses	+ 30% for all future years

TABLE 31(B1): Profit/(loss) after tax and shareholders' equity sensitivity for the Singapore segment:

Impact on 1-year's Profit/(loss) after tax and shareholders' equity

	Impact on Profit/(Loss) After Tax			**Impact on Equity**		
in Singapore Dollars (millions)	**Gross Impact**	**Reinsurance Ceded**	**Net Impact**	**Gross Impact**	**Reinsurance Ceded**	**Net Impact**
2023						
Scenario 1 – Mortality and Major Illness	**(651.6)**	**314.8**	**(336.8)**	**(596.0)**	**289.6**	**(306.4)**
Scenario 2 – Mortality and Major Illness	**155.9**	**(81.0)**	**74.9**	**81.9**	**(48.8)**	**33.1**
Scenario 3 – Health and Disability	**(113.9)**	**8.2**	**(105.7)**	**(139.1)**	**26.8**	**(112.3)**
Scenario 4 – Health and Disability	**81.6**	**(1.2)**	**80.4**	**106.9**	**(19.8)**	**87.1**
Scenario 5 – Lapse and Surrender rates	**(41.0)**	**(27.6)**	**(68.6)**	**(21.4)**	**(25.5)**	**(46.9)**
Scenario 6 – Lapse and Surrender rates	**(24.6)**	**61.6**	**37.0**	**(50.4)**	**58.9**	**8.5**
Scenario 7 - Expenses	**(176.5)**	**17.0**	**(159.5)**	**(177.8)**	**17.0**	**(160.8)**
2022 (restated)						
Scenario 1 – Mortality and Major Illness	(467.3)	202.5	(264.8)	(392.8)	160.3	(232.5)
Scenario 2 – Mortality and Major Illness	93.6	(20.5)	73.1	6.1	32.7	38.8
Scenario 3 – Health and Disability	(79.1)	2.3	(76.8)	(117.8)	27.0	(90.8)
Scenario 4 – Health and Disability	57.8	(0.1)	57.7	96.5	(24.9)	71.6
Scenario 5 – Lapse and Surrender rates	(53.9)	(7.5)	(61.4)	(37.6)	(5.2)	(42.8)
Scenario 6 – Lapse and Surrender rates	47.4	12.9	60.3	32.1	10.3	42.4
Scenario 7 - Expenses	(111.6)	6.2	(105.4)	(113.3)	6.2	(107.1)

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

TABLE 31(B2): Profit/(Loss) After Tax and Shareholders' Equity sensitivity for the Malaysia segment:

Impact on 1-year's Profit/(Loss) After Tax and Equity

	Impact on Profit/(Loss) After Tax			Impact on Equity		
in Singapore Dollars (millions)	Gross Impact	Reinsurance Ceded	Net Impact	Gross Impact	Reinsurance Ceded	Net Impact
2023						
Scenario 1 – Mortality and Major Illness	**(187.1)**	**37.8**	**(149.3)**	**(215.6)**	**48.3**	**(167.3)**
Scenario 2 – Mortality and Major Illness	**32.7**	**(8.1)**	**24.6**	**58.1**	**(17.1)**	**41.0**
Scenario 3 – Health and Disability	**(230.7)**	**11.4**	**(219.3)**	**(312.0)**	**12.4**	**(299.6)**
Scenario 4 – Health and Disability	**18.7**	**(1.5)**	**17.2**	**117.9**	**(2.5)**	**115.4**
Scenario 5 – Lapse and Surrender rates	**(54.5)**	**4.6**	**(49.9)**	**(75.2)**	**3.2**	**(72.0)**
Scenario 6 – Lapse and Surrender rates	**(7.2)**	**(0.5)**	**(7.7)**	**21.7**	**1.2**	**22.9**
Scenario 7 - Expenses	**(50.2)**	**3.1**	**(47.1)**	**(93.3)**	**3.1**	**(90.2)**
2022 (restated)						
Scenario 1 – Mortality and Major Illness	(212.6)	42.4	(170.2)	(238.9)	49.2	(189.7)
Scenario 2 – Mortality and Major Illness	34.1	(7.6)	26.5	61.4	(14.6)	46.8
Scenario 3 – Health and Disability	(234.7)	15.8	(218.9)	(303.7)	17.7	(286.0)
Scenario 4 – Health and Disability	17.4	(2.6)	14.8	100.5	(4.6)	95.9
Scenario 5 – Lapse and Surrender rates	(67.5)	6.2	(61.3)	(89.2)	5.1	(84.1)
Scenario 6 – Lapse and Surrender rates	(8.4)	(0.4)	(8.8)	22.0	1.1	23.1
Scenario 7 - Expenses	(55.4)	3.9	(51.5)	(91.3)	3.9	(87.4)

The above tables demonstrate the sensitivity of the Group's profit and loss after tax and equity to a change in actuarial valuation assumptions on an individual basis with all other variables held constant.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

Insurance Risk of Non-Life Insurance Contracts

Risks under non-life insurance policies usually cover a twelve-month duration. The risk inherent in non-life insurance contracts is reflected in the insurance contract liabilities which include the liability for remaining coverage and liability for incurred claims, as set out under Note 13 of the financial statements.

TABLE 31(C1): The table below sets out the distribution of the various categories of the non-life insurance risk for insurance contract liabilities as at the balance sheet date:

(i) by Class of business:

	Non-life Insurance Contracts					
	As at 31 December 2023			As at 31 December 2022 (restated)		
in Singapore Dollars (millions)	**Gross**	**Reinsurance**	**Net**	Gross	Reinsurance	Net
Fire	**118.1**	**(83.4)**	**34.7**	118.2	(74.6)	43.6
Motor	**93.7**	**(1.5)**	**92.2**	89.9	(2.7)	87.2
Marine & aviation	**22.1**	**(4.3)**	**17.8**	25.4	(10.5)	14.9
Workmen's compensation	**37.0**	**(10.6)**	**26.4**	41.4	(12.5)	28.9
Personal accident & health	**61.1**	**(8.4)**	**52.7**	48.1	(6.1)	42.0
Miscellaneous	**259.1**	**(193.9)**	**65.2**	310.0	(254.3)	55.7
Total	**591.1**	**(302.1)**	**289.0**	633.0	(360.7)	272.3

(ii) by Country:

	Non-life Insurance Contracts					
	As at 31 December 2023			As at 31 December 2022 (restated)		
in Singapore Dollars (millions)	**Gross**	**Reinsurance**	**Net**	Gross	Reinsurance	Net
Singapore	**262.2**	**(120.9)**	**141.3**	263.1	(121.2)	141.9
Malaysia	**284.0**	**(164.6)**	**119.4**	308.7	(206.2)	102.5
Indonesia	**44.9**	**(16.6)**	**28.3**	61.2	(33.3)	27.9
Total	**591.1**	**(302.1)**	**289.0**	633.0	(360.7)	272.3

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

Key Assumptions

Non-life insurance contract liabilities are determined based on claims experience, knowledge of existing events, terms and conditions of the relevant policies and interpretation of circumstances. Of particular relevance is past experience with similar cases, trends in historical claims, legislative changes, judicial decisions, economic conditions and claims handling procedures. The estimates of the non-life insurance contract liabilities are therefore sensitive to various factors. The actual future premium and claims liabilities will not develop exactly as projected and may vary from initial estimates.

Insurance risk of non-life insurance contracts is mitigated by achieving a large and well-diversified portfolio of insurance contracts across various industries and geographical areas. The risks are further mitigated by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. Comprehensive assessment of new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to further reduce the risk exposure of the Group. In addition, the Group further enforces a policy of active management and prompt pursuit of claims to reduce its exposure to unpredictable future developments that can negatively impact the Group.

The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events such as hurricanes, earthquakes and flood damages.

Table 31(C2): The sensitivity analysis below shows the impact of changes in key assumptions on profit/(loss) after tax and equity.

		Impact on Profit/(Loss) After Tax			Impact on Equity		
in Singapore Dollars (millions)	**Change in assumptions**	**Gross Impact**	**Reinsurance Ceded**	**Net Impact**	**Gross Impact**	**Reinsurance Ceded**	**Net Impact**
As at 31 December 2023							
Risk adjustment	**+20%**	**(11.6)**	**7.3**	**(4.3)**	**(11.6)**	**7.3**	**(4.3)**
Loss ratio[(1)]	**+20%**	**(55.1)**	**20.4**	**(34.7)**	**(55.1)**	**20.4**	**(34.7)**
As at 31 December 2022 (restated)							
Risk adjustment	+20%	(14.5)	9.6	(4.9)	(16.1)	10.1	(6.0)
Loss ratio[(1)]	+20%	(39.5)	10.0	(29.5)	(59.9)	21.0	(38.9)

The above tables demonstrate the sensitivity of the Group's profit and loss after tax and equity to a change in actuarial valuation assumptions on an individual basis with all other variables held constant.

[(1)] Best estimate reserves and current accident year payments.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

TABLE 31(C3): The table below shows the cumulative claims estimates, at each balance sheet date, together with cumulative payments to date.

Gross non-life liabilities for incurred claims as at 31 December 2023:

in Singapore Dollars (millions)	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimate of cumulative claims									
Accident Year	187.7	203.8	174.0	206.2	254.7	233.5	242.3	233.2	
One year later	203.4	201.6	154.0	215.1	228.9	210.4	205.9	-	
Two years later	200.7	182.2	146.9	217.8	259.0	201.8	-	-	
Three years later	195.3	186.5	230.0	221.3	179.3	-	-	-	
Four years later	194.2	187.5	230.3	194.8	-	-	-	-	
Five years later	193.6	185.2	221.5	-	-	-	-	-	
Six years later	189.7	167.8	-	-	-	-	-	-	
Seven years later	154.8	-	-	-	-	-	-	-	
Current estimate of cumulative claims	**154.8**	**167.8**	**221.5**	**194.8**	**179.3**	**201.8**	**205.9**	**233.2**	
Cumulative payments	**153.3**	**159.0**	**129.9**	**170.0**	**138.4**	**159.5**	**139.2**	**84.6**	
Non-life gross claims liabilities	**1.5**	**8.8**	**91.6**	**24.8**	**40.9**	**42.3**	**66.7**	**148.6**	**425.2**
Gross claim liabilities - prior years									7.4
Effect of discounting									(13.3)
Effect of the risk adjustment margin for non-financial risk									47.9
Non-life liabilities for incurred claims, gross									**467.2**

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

TABLE 31(C3): The table below shows the cumulative claims estimates, at each balance sheet date, together with cumulative payments to date (continued).
Net non-life liabilities for incurred claims as at 31 December 2023:

in Singapore Dollars (millions)	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimate of cumulative claims									
Accident Year	100.2	116.7	112.5	114.2	101.5	96.3	124.4	138.2	
One year later	101.6	118.4	107.2	109.8	98.1	90.6	116.0	-	
Two years later	100.1	114.7	105.1	112.9	93.5	87.2	-	-	
Three years later	96.9	113.5	106.6	112.7	88.3	-	-	-	
Four years later	95.9	113.3	106.2	107.9	-	-	-	-	
Five years later	95.7	110.8	102.1	-	-	-	-	-	
Six years later	93.3	107.1	-	-	-	-	-	-	
Seven years later	91.3	-	-	-	-	-	-	-	
Current estimate of cumulative claims	**91.3**	**107.1**	**102.1**	**107.9**	**88.3**	**87.2**	**116.0**	**138.2**	
Cumulative payments	**90.8**	**104.7**	**96.7**	**99.2**	**78.2**	**74.4**	**85.1**	**57.7**	
Non-life net claims liabilities	**0.5**	**2.4**	**5.4**	**8.7**	**10.1**	**12.8**	**30.9**	**80.5**	**151.3**
Net claim liabilities - prior years									4.6
Non-performing risk									5.5
Effect of discounting									(3.8)
Effect of the risk adjustment margin for non-financial risk									10.7
Others									10.6
Non-life liabilities for incurred claims, net									**178.9**

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk

Market risk arises when market values of assets and liabilities are adversely affected by changes in financial markets. Changes in interest rates, foreign exchange rates, equity prices and prices of alternative investment assets can impact present and future earnings of the insurance operations, as well as shareholders' equity.

The Group is exposed to market risk through its investment portfolios, as well as in the mismatches between assets and liabilities of the Insurance Funds. In the case of the third-party funds managed by Lion Global Investors, investment risks are borne by investors and the Group does not assume any liability in the event of occurrence of loss or write-down in market valuations.

Group ALC, Group IC and Local ALCs actively manage market risks through the setting of investment policies and asset allocations, approving portfolio construction, risk measurement methodologies, as well as hedging and alternative risk transfer strategies. Investment limits are monitored at various levels to ensure that all investment activities are conducted within the Group's risk appetite and in line with the Group's management principles and philosophies. Compliance with established limits forms an integral part of the risk governance and financial reporting framework. The approach adopted by the Group in managing the various types of risk, including interest rate risk, foreign exchange risk, equity price risk, credit risk, alternative investment risk and liquidity risk, is briefly described below:

(a) ***Interest rate risk (including asset liability mismatch).*** The Group is exposed to interest rate risk through (i) investments in fixed income instruments and (ii) policy liabilities in the Insurance Funds. Since the Shareholders' Fund has exposure to investments in fixed income instruments but no exposure to insurance policy liabilities, it will incur economic losses when interest rates rise. Given the long duration of policy liabilities and the uncertainties in the cash flows of Insurance Funds, it is not possible to hold assets with duration that perfectly matches the duration of the policy liabilities. This results in interest rate risk and asset liability mismatch risk, and these risks are managed and monitored by Group ALC and Local ALCs.

Where the liabilities of the portfolios are predominantly measured using the VFA and the backing assets are measured using the FVTPL, the changes in liabilities due to interest rates are expected to closely match the changes in assets.

For portfolios whose liabilities are predominantly measured using the GMM and Modified GMM, and elect to disaggregate the insurance finance income and expenses between Profit or Loss and Other Comprehensive Income, the backing assets would also elect a similar option. Therefore, the effect of changes in assets due to interest rates are also expected to closely match changes in liabilities in profit or loss.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(a) *Interest rate risk (including asset liability mismatch) (continued)*

Managing interest rate benchmark reform

i) Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBOR) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has moderate exposure to IBORs on its financial instruments that will be reformed as part of this market-wide initiative. Most reforms affecting the Group had been completed by the end of 2021. However, the transition deadlines for USD LIBOR and SIBOR have been extended to end June 2023 and end December 2024 respectively, hence some instruments referencing these rates may not be transited until those dates. In 2023, Federal Libor Act came into force, establishing benchmark replacements for contracts governed by U.S. law that reference certain tenors of U.S. dollar LIBOR, which will assist with the transition for tough legacy contracts with no fallback arrangements.

The Group anticipates that IBOR reform will have low to moderate operational, risk management and accounting impacts across all of its business lines. The main risks to which the Group is exposed as a result of IBOR reform are operational. For example, the bilateral renegotiation with private debt issuers, updating of contractual terms, updating of systems that use IBOR curves and revision of operational controls related to the reform. Financial risk is predominantly limited to interest rate risk.

The Group established a cross-functional IBOR Working Group to manage its transition to alternative rates. The objectives of the IBOR Working Group include evaluating the extent to which fixed income holdings, derivatives and liabilities reference IBOR cash flows, whether such contracts need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

ii) Non-derivative financial assets

The Group's IBOR exposures on bonds/FRNs holdings include SGD Swap Offer Rate ("SOR"), USD LIBOR, EUR LIBOR and GBP LIBOR primarily at Great Eastern Life Singapore ("GELS").

The alternative reference rate for SOR and SIBOR is the Singapore Overnight Rate Average ("SORA"); and for USD LIBOR is the Secured Overnight Financing Rate (SOFR). The changes to the contractual terms of financial assets indexed to SOR, SIBOR, and USD LIBOR to incorporate new benchmark rates are still in progress as at 31 December 2023.

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(a) ***Interest rate risk (including asset liability mismatch) (continued)***

Managing interest rate benchmark reform (continued)

ii) Non-derivative financial assets (continued)

The following table shows the total amounts of unreformed non-derivative financial assets as at 31 December 2023. The amounts of trading assets and investment securities are shown at their carrying amounts.

	Group		
	Gross carrying amount		
in Singapore Dollars (millions)	SOR	USD LIBOR	Total
Debt securities	634.0	426.0	1,060.0

iii) Non-derivative financial liabilities

The Group does not have any floating-rate liabilities which would be impacted by the IBOR reform.

iv) Derivatives

The Group holds derivatives for risk management and efficient portfolio management purposes, and are not designated in hedging relationships. The instruments used principally include interest rate, cross-currency, and total return swaps, which have floating legs that are indexed to various IBORs. Typically, derivative transactions that reference interest rate benchmarks incorporate standard terms such as the 2006 ISDA Definitions published by ISDA. ISDA has reviewed such definitions in light of IBOR reform and issued an IBOR fallback protocol on 23 October 2020 and a supplement to amend the 2006 ISDA Definitions effective 25 January 2021. This sets out how the amendments to new alternative benchmark rates (e.g. SORA, SOFR) in the 2006 ISDA Definitions will be accomplished. The effect of the supplement is to create fallback provisions in derivatives that describe what floating rates will apply on the permanent discontinuation of certain key IBORs or on ISDA declaring a non-representative determination of an IBOR. The Group has adhered to the protocol to implement the fallbacks to derivative contracts that were entered into before the effective date of the supplement, where the existing derivative counterparties have also adhered to the protocol. All new derivative contracts entered into on or after the effective date of the supplement that reference the 2006 ISDA Definitions will also include the fallback.

The following table shows the total amounts of unreformed derivative instruments as at 31 December 2023. For cross-currency swaps, the Group used the notional amount of the receive leg of the swap. The Group expects both legs of cross-currency swaps to be reformed simultaneously.

	Group	
	Notional amount	
in Singapore Dollars (millions)	SOR	Total
Derivatives	20.0	20.0

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(b) ***Foreign exchange risk.*** The foreign exchange risk inherent in foreign currency fixed income portfolio is typically hedged using currency forwards and swaps wherever practical and cost-effective. Foreign exchange instruments are also used for efficient portfolio management.

The SGD and RM positions predominately arose from the entities within the Group with the same respective functional currencies.

Limits are set on the total amount of foreign currency (net of liabilities) to cap the Group's foreign exchange risk.

TABLE 31(D): The tables below show the foreign exchange position of the Group's financial and insurance-related assets and liabilities by major currencies:

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2023					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	**152.8**	**246.3**	**427.3**	**1,079.7**	**1,906.1**
Debt securities	**6,441.3**	**1,955.8**	**4,864.0**	**734.1**	**13,995.2**
Financial assets at FVTPL					
Equity securities	**798.9**	**6,297.7**	**1,011.7**	**3,422.4**	**11,530.7**
Debt securities	**19,145.2**	**14,850.2**	**11,532.5**	**3,112.6**	**48,640.5**
Other investments	**9,307.5**	**215.7**	**8,089.2**	**1,632.5**	**19,244.9**
Financial assets at amortised cost					
Debt securities	**438.8**	**-**	**747.2**	**32.2**	**1,218.2**
Derivative financial assets	**19,513.0**	**2.2**	**(19,617.3)**	**1,066.0**	**963.9**
Loans	**201.0**	**120.6**	**-**	**189.4**	**511.0**
Other debtors	**342.2**	**206.2**	**409.9**	**106.9**	**1,065.2**
Cash and cash equivalents	**3,813.3**	**881.2**	**1,171.1**	**437.3**	**6,302.9**
Insurance contract assets	**6.5**	**11.1**	**8.1**	**13.9**	**39.6**
Reinsurance contract assets	**505.9**	**308.7**	**45.6**	**8.5**	**868.7**
	60,666.4	**25,095.7**	**8,689.3**	**11,835.5**	**106,286.9**
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	**766.0**	**380.2**	**548.6**	**85.6**	**1,780.4**
Derivative financial liabilities	**(3,092.0)**	**(101.3)**	**(2,631.6)**	**6,004.6**	**179.7**
Provision for agents' retirement benefits	**1.6**	**296.0**	**-**	**-**	**297.6**
Insurance contract liabilities	**67,331.5**	**25,899.0**	**4,035.0**	**736.1**	**98,001.6**
Reinsurance contract liabilities	**91.4**	**135.2**	**(6.6)**	**0.1**	**220.1**
	65,098.5	**26,609.1**	**1,945.4**	**6,826.4**	**100,479.4**

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(b) *Foreign exchange risk. (continued)*

TABLE 31(D): The tables below show the foreign exchange position of the Group's financial and insurance-related assets and liabilities by major currencies (continued):

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2022 (restated)					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	231.6	250.0	203.0	977.4	1,662.0
Debt securities	4,312.7	1,934.8	3,750.0	588.5	10,586.0
Financial assets at FVTPL					
Equity securities	878.6	6,608.1	668.1	3,336.2	11,491.0
Debt securities	20,252.5	14,140.2	11,253.3	3,346.2	48,992.2
Other investments	6,500.2	203.9	5,988.4	1,534.2	14,226.7
Financial assets at Amortised Cost					
Debt securities	804.1	-	995.0	3.4	1,802.5
Derivative financial assets	18,684.9	0.3	(15,907.1)	(2,016.4)	761.7
Loans	222.1	144.3	-	114.1	480.5
Other debtors	356.3	199.2	161.2	43.3	760.0
Cash and cash equivalents	6,819.6	1,509.4	886.1	392.8	9,607.9
Insurance contract assets	1.5	357.1	3.2	10.8	372.6
Reinsurance contract assets	473.3	665.6	51.2	18.6	1,208.7
	59,537.4	26,012.9	8,052.4	8,349.1	101,951.8
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	739.2	341.7	88.9	53.4	1,223.2
Derivative financial liabilities	(978.7)	4.8	(1,502.1)	2,768.0	292.0
Provision for agents' retirement benefits	0.8	295.0	-	-	295.8
Insurance contract liabilities	63,693.5	26,630.6	3,865.7	616.0	94,805.8
Reinsurance contract liabilities	66.7	414.7	0.1	0.1	481.6
	63,521.5	27,686.8	2,452.6	3,437.5	97,098.4

The financial assets and financial liabilities of the Company are not material.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(c) ***Equity price risk.*** Exposure to equity price risk exists in investment assets through direct equity, equity derivatives and fund investments, where the Group, through investments, bears all or most of the equity volatility and investment risks. Equity price risk also exists in investment-linked products where the revenues of the insurance operations are linked to the performances of underlying equity funds since this has an impact on the level of fees earned. Limits are set for single security holdings as a percentage of total equity holdings.

(d) ***Credit spread risk.*** Exposure to credit spread risk exists in the Group's bond investments and credit derivatives. Credit spread is the difference between the quoted yields of a credit and a government bond of the same maturity. Credit spreads widen when the default risk of credit bonds increases. Hence, widening credit spreads will result in mark-to-market losses in the Group's bond portfolio.

(e) ***Alternative investment risk.*** The Group is exposed to alternative investment risk through investments in real estate that it owns in Singapore and Malaysia, and through real estate funds, private equities, private debt, infrastructure and hedge funds. A monitoring process is established to manage foreign exchange, country and manager concentration risks. This process and the acquisition or divestment of alternative investments are reviewed and approved by RMC and Group IC.

(f) ***Commodity risk.*** The Group does not have any exposure to commodity risk.

(g) ***Liquidity risk.*** Liquidity risk arises when the Group is unable to meet its cash flow demands, or if the assets backing the liabilities cannot be sold quickly enough without incurring significant losses. For an insurance company, the greatest liquidity needs typically arise from its insurance liabilities. Demands for funds can usually be met through ongoing normal operations via premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by surrender of insurance policies due to negative publicity, deterioration of the economy, adverse news on other companies in the same or similar lines of business, unanticipated policy claims, other unexpected cash demands from policyholders or derivative margin requirements.

Expected liquidity demands are managed through a combination of treasury, investment and asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are regularly monitored, and a reasonable amount of liquid assets are maintained 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 these have been quite stable over the past several years.

Unexpected liquidity demands are mitigated through product design, risk diversification, credit facilities, investment strategies and systematic monitoring. Surrender penalty in insurance contracts also protects the Group from losses due to unexpected surrender trends and reduces the sensitivity of surrenders to changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(g) ***Liquidity risk. (continued)***

Maturity Profile

TABLE 31(E1): The following tables show the expected recovery or settlement of financial assets and maturity profile of the Group's financial liabilities which are presented based on contractual undiscounted cash flows basis.

in Singapore Dollars (millions)	Carrying amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2023						
FINANCIAL ASSETS						
Financial assets at FVOCI						
Equity securities	1,906.1	-	-	-	1,906.1	1,906.1
Debt securities	13,995.2	2,957.2	5,899.2	9,556.7	-	18,413.1
Financial assets at FVTPL						
Equity securities	11,530.7	-	-	-	11,530.7	11,530.7
Debt securities	48,640.5	6,023.3	15,723.3	44,280.1	740.4	66,767.1
Other investments	19,244.9	-	-	-	19,244.9	19,244.9
Financial assets at Amortised Cost						
Debt securities	1,218.2	779.6	158.7	633.8	-	1,572.1
Derivative financial assets	963.9	852.9	77.5	33.5	-	963.9
Loans	511.0	95.5	435.6	12.1	-	543.2
Other debtors	1,065.2	1,060.0	4.4	0.8	-	1,065.2
Cash and cash equivalents	6,302.9	6,302.9	-	-	-	6,302.9
	105,378.6	18,071.4	22,298.7	54,517.0	33,422.1	128,309.2
FINANCIAL LIABILITIES						
Other creditors	1,780.4	1,738.9	5.4	0.2	35.9	1,780.4
Derivative financial liabilities	179.7	142.0	33.6	4.1	-	179.7
Provision for agents' retirement benefits	297.6	151.6	56.4	89.6	-	297.6
	2,257.7	2,032.5	95.4	93.9	35.9	2,257.7

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(g) ***Liquidity risk. (continued)***

Maturity Profile (continued)

TABLE 31(E1): The following tables show the expected recovery or settlement of financial assets and maturity profile of the Group's financial liabilities which are presented based on contractual undiscounted cash flows basis (continued).

in Singapore Dollars (millions)	Carrying amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2022 (restated)						
FINANCIAL ASSETS						
Financial assets at FVOCI						
Equity securities	1,662.0	-	-	-	1,662.0	1,662.0
Debt securities	10,586.0	957.7	5,165.4	9,502.8	-	15,625.9
Financial assets at FVTPL						
Equity securities	11,491.0	-	-	-	11,491.0	11,491.0
Debt securities	48,992.2	4,966.9	19,283.5	39,202.5	1,185.4	64,638.3
Other investments	14,226.7	-	-	-	14,226.7	14,226.7
Financial assets at Amortised Cost						
Debt securities	1,802.5	788.5	845.5	640.7	-	2,274.7
Derivative financial assets	761.7	640.9	80.1	40.7	-	761.7
Loans	480.5	113.7	395.0	14.3	-	523.0
Other debtors	760.0	756.7	1.5	1.6	0.2	760.0
Cash and cash equivalents	9,607.9	9,607.9	-	-	-	9,607.9
	100,370.5	17,832.3	25,771.0	49,402.6	28,565.3	121,571.2
FINANCIAL LIABILITIES						
Other creditors	1,223.2	1,183.1	4.4	0.3	35.4	1,223.2
Derivative financial liabilities	292.0	221.1	12.3	58.6	-	292.0
Provision for agents' retirement benefits	295.8	139.7	56.7	99.4	-	295.8
	1,811.0	1,543.9	73.4	158.3	35.4	1,811.0

The Company's financial assets and financial liabilities are not material.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(g) ***Liquidity risk. (continued)***

Maturity Profile for insurance and reinsurance contract liabilities

TABLE 31(E2): The following tables show the maturity profile of insurance contracts issued and reinsurance contracts held that are liabilities of the Group based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

in Singapore Dollars (millions)	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
As at 31 December 2023							
Insurance contract liabilities	**15,644.9**	**5,091.2**	**2,266.5**	**2,197.3**	**3,013.1**	**58,825.7**	**87,038.7**
Reinsurance contract liabilities held	**56.8**	**8.1**	**10.8**	**11.5**	**12.0**	**172.8**	**272.0**
Total	**15,701.7**	**5,099.3**	**2,277.3**	**2,208.8**	**3,025.1**	**58,998.5**	**87,310.7**
As at 31 December 2022 (restated)							
Insurance contract liabilities	11,079.1	8,021.9	3,501.4	1,986.5	2,043.7	57,316.3	83,948.9
Reinsurance contract liabilities held	343.3	15.0	23.4	12.6	11.9	113.1	519.3
Total	11,422.4	8,036.9	3,524.8	1,999.1	2,055.6	57,429.4	84,468.2

Amounts payable on demand

The amounts payable on demand are as follows.

	2023		2022	
in Singapore Dollars (millions)	**Amounts payable on demand**	**Carrying Amount**	Amounts payable on demand	Carrying Amount
Universal life contracts	**3,493.2**	**3,692.5**	3,222.5	3,418.4
Investment-linked contracts	**8,439.7**	**8,966.0**	7,909.2	8,225.0
Participating contracts	**54,292.5**	**65,640.4**	54,544.7	63,781.5
Total	**66,225.4**	**78,298.9**	65,676.4	75,424.9

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(g) ***Liquidity risk. (continued)***

Current/non-current classification of assets and liabilities

TABLE 31(E3): The following tables show the current/non-current classification of assets and liabilities:

in Singapore Dollars (millions)	Current*	Non-Current	Total
As at 31 December 2023			
ASSETS			
Cash and cash equivalents	6,302.9	-	6,302.9
Other debtors	1,076.4	35.1	1,111.5
Loans	86.9	424.1	511.0
Derivative financial assets	852.9	111.0	963.9
Investments	19,286.0	77,249.6	96,535.6
Deferred tax assets	3.3	13.3	16.6
Reinsurance contract assets	159.9	708.8	868.7
Insurance contract assets	37.9	1.7	39.6
Investment in associate	-	95.1	95.1
Intangible assets	45.3	167.2	212.5
Investment properties	-	1,880.7	1,880.7
Property, plant and equipment	43.8	451.9	495.7
	27,895.3	81,138.5	109,033.8
LIABILITIES			
Other creditors	1,824.6	87.9	1,912.5
Income tax payable	164.6	-	164.6
Derivative financial liabilities	142.0	37.7	179.7
Provision for agents' retirement benefits	19.5	278.1	297.6
Deferred tax liabilities	1.0	267.7	268.7
Reinsurance contract liabilities	61.6	158.5	220.1
Insurance contract liabilities	17,216.5	80,785.1	98,001.6
	19,429.8	81,615.0	101,044.8

* expected recovery or settlement within 12 months from the balance sheet date.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)
(g) *Liquidity risk. (continued)*

TABLE 31(E3): The following tables show the current/non-current classification of assets and liabilities (continued):

in Singapore Dollars (millions)	Current*	Non-Current	Total
As at 31 December 2022 (restated)			
ASSETS			
Cash and cash equivalents	9,607.9	-	9,607.9
Other debtors	757.3	63.8	821.1
Assets held for sale	72.6	-	72.6
Loans	103.3	377.2	480.5
Derivative financial assets	640.9	120.8	761.7
Investments	18,800.9	69,959.5	88,760.4
Deferred tax assets	20.6	32.7	53.3
Reinsurance contract assets	712.2	496.5	1,208.7
Insurance contract assets	190.2	182.4	372.6
Investment in associate	-	122.5	122.5
Intangible assets	42.6	161.0	203.6
Investment properties	-	1,881.2	1,881.2
Property, plant and equipment	45.6	463.8	509.4
	30,994.1	73,861.4	104,855.5
LIABILITIES			
Other creditors	1,264.1	96.6	1,360.7
Income tax payable	238.5	-	238.5
Derivative financial liabilities	221.1	70.9	292.0
Provision for agents' retirement benefits	19.9	275.9	295.8
Deferred tax liabilities	-	105.8	105.8
Reinsurance contract liabilities	351.1	130.5	481.6
Insurance contract liabilities	12,677.6	82,128.2	94,805.8
	14,772.3	82,807.9	97,580.2

* expected recovery or settlement within 12 months from the balance sheet date.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(h) ***Credit risk.*** Credit risk is the risk of loss arising from an obligor failing to discharge an obligation. The Group is mainly exposed to credit risk through (i) investments in cash, bonds and credit derivatives, (ii) corporate lending activities and (iii) exposure to counterparty's credit risk in derivative transactions and reinsurance contracts. For all three types of exposures, financial loss may materialise as a result of a downgrading of credit rating or credit default by the borrower or counterparty.

Group-wide credit risk is managed by Group ALC. The Group establishes internal limits by issuer and counterparty according to their investment credit rating which are actively monitored to manage the credit and concentration risk, and are reviewed on a regular basis. The creditworthiness of reinsurers is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available information. The task of evaluating and monitoring credit risk at the subsidiary level is undertaken by Local ALCs.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is mitigated through counterparty limits that are reviewed and approved on an annual basis.

Credit risk arising from customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated.

The Group issues unit-linked investment policies in which the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Group has no material credit risk or market risk on unit-linked financial assets.

The loans in the Group's portfolio are generally secured by collateral, with a maximum loan-to-value ratio of 70%. The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines on the collateral eligibility have been established, and all collaterals are revalued on a regular basis. Management monitors the market values of collaterals, requests additional collaterals when needed and performs an impairment valuation when applicable. The fair values of collaterals, held by the Group as lender, for which it is entitled to sell or pledge in the event of default is as tabulated below:

in Singapore Dollars (millions)	**Type of Collateral**	**Carrying Amount**	**Fair Value**
As at 31 December 2023			
Secured loans	**Properties**	**372.2**	**882.0**
	Others	**0.6**	**0.6**
Derivatives	**Cash**	**257.3**	**257.3**
		630.1	**1,139.9**
As at 31 December 2022			
Secured loans	Properties	291.8	545.4
	Others	0.2	0.2
Derivatives	Cash	186.1	186.1
		478.1	731.7

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(h) ***Credit risk. (continued)***

There were no securities lending arrangements as at 31 December 2023 (31 December 2022: nil).

As at the balance sheet date, no investments (2022: nil) were placed as collateral for currency hedging purposes.

The following table sets out information about the credit quality of loans and debt securities measured at amortised cost and debt securities measured at FVOCI. The maximum exposure is shown on a gross basis, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives.

For explanation of the terms: '12-month ECL', 'lifetime ECL' and 'credit-impaired', refer to Note 2.10.9.

	31 December 2023			
in Singapore Dollars (millions)	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Loans and other receivables at amortised cost				
Investment Grade*(BBB to AAA)	**400.8**	**116.4**	**-**	**517.2**
Not Rated	**2.1**	**-**	**47.2**	**49.3**
	402.9	**116.4**	**47.2**	**566.5**
Loss allowance	**(0.5)**	**(7.8)**	**(47.2)**	**(55.5)**
Carrying amount	**402.4**	**108.6**	**-**	**511.0**
Debt securities at amortised cost				
Investment Grade*(BBB to AAA)	**1,219.4**	**-**	**-**	**1,219.4**
	1,219.4	**-**	**-**	**1,219.4**
Loss allowance	**(1.2)**	**-**	**-**	**(1.2)**
Carrying amount	**1,218.2**	**-**	**-**	**1,218.2**
Debt securities at FVOCI				
Investment Grade*(BBB to AAA)	**13,944.8**	**48.6**	**-**	**13,993.4**
Non Investment Grade*(C to BB)	**-**	**1.8**	**-**	**1.8**
	13,944.8	**50.4**	**-**	**13,995.2**

* Based on internal ratings grades which are equivalent to grades of external rating agencies.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(h) *Credit risk. (continued)*

	31 December 2022 (restated)			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Loans and other receivables at amortised cost				
Investment Grade*(BBB to AAA)	373.2	112.1	-	485.3
Not Rated	1.7	-	36.7	38.4
	374.9	112.1	36.7	523.7
Loss allowance	(0.6)	(5.9)	(36.7)	(43.2)
Carrying amount	374.3	106.2	-	480.5
Debt securities at amortised cost				
Investment Grade*(BBB to AAA)	1,803.6	-	-	1,803.6
	1,803.6	-	-	1,803.6
Loss allowance	(1.1)	-	-	(1.1)
Carrying amount	1,802.5	-	-	1,802.5
Debt securities at FVOCI				
Investment Grade*(BBB to AAA)	10,404.3	79.1	-	10,483.4
Non Investment Grade*(C to BB)	-	5.3	-	5.3
Not Rated	97.3	-	-	97.3
	10,501.6	84.4	-	10,586.0

* Based on internal ratings grades which are equivalent to grades of external rating agencies.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(h) ***Credit risk. (continued)***

The following table sets out the credit analysis for financial assets and reinsurance contract assets that are not subjected to ECL:

in Singapore Dollars (millions)	Investment Grade* (BBB to AAA)	Non Investment Grade* (C to BB)	Not Rated	Not subject to credit risk	Total carrying amount
As at 31 December 2023					
Financial assets at FVOCI					
Equity securities	**-**	**-**	**-**	**1,906.1**	**1,906.1**
Financial assets at FVTPL					
Equity securities	**-**	**-**	**-**	**11,530.7**	**11,530.7**
Debt securities	**40,852.3**	**3,089.7**	**4,698.5**	**-**	**48,640.5**
Other investments	**-**	**-**	**-**	**19,244.9**	**19,244.9**
Derivative financial assets	**963.9**	**-**	**-**	**-**	**963.9**
Other debtors	**3.0**	**12.0**	**1,050.2**	**-**	**1,065.2**
Cash and cash equivalents	**5,672.9**	**-**	**630.0**	**-**	**6,302.9**
Reinsurance contract assets	**868.7**	**-**	**-**	**-**	**868.7**
	48,360.8	**3,101.7**	**6,378.7**	**32,681.7**	**90,522.9**
As at 31 December 2022 (restated)					
Financial assets at FVOCI					
Equity securities	-	-	-	1,662.0	1,662.0
Financial assets at FVTPL					
Equity securities	-	-	-	11,491.0	11,491.0
Debt securities	42,302.5	2,362.4	4,327.3	-	48,992.2
Other investments	-	-	-	14,226.7	14,226.7
Derivative financial assets	737.5	-	24.2	-	761.7
Other debtors	2.4	1.1	756.5	-	760.0
Cash and cash equivalents	8,024.0	-	1,583.9	-	9,607.9
Reinsurance contract assets	1,208.7	-	-	-	1,208.7
	52,275.1	2,363.5	6,691.9	27,379.7	88,710.2

The Company's financial assets are not material.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(h) ***Credit risk. (continued)***

Amounts arising from Expected Credit Losses ("ECL")

ECL provisioning is the setting of allowance for credit-impaired and non-credit impaired exposure in accordance to SFRS(I) 9 through forward-looking ECL models.

Measurement of ECL - Explanation of inputs, assumptions and estimation techniques

The key inputs into the measurement of ECL are the following variables:

- probability of default ('PD');
- loss given default ('LGD'); and
- exposure at default ('EAD').

These parameters are derived from statistical models internally developed by the Group.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ('12M PD'), or over the remaining lifetime ('Lifetime PD') of the obligation. PD estimates are derived from PD models that incorporate both quantitative and qualitative inputs, which are in turn derived from internally and externally compiled data. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

LGD is the magnitude of the likely loss incurred during a default. LGD is expressed as a percentage of loss per unit of exposure at the time of default and represents an estimate of the economic loss in the event of the default of the counterparty. Factors in determining LGDs include claim seniority, availability and quality of collateral, legal enforceability processes in the jurisdiction and industry of borrower and prevailing market conditions. They are estimates at a certain date and are derived using statistical models. These statistical models are developed using internally compiled data and incorporate both quantitative and qualitative factors. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

EAD represents the expected exposure in the event of a default. The Group derives the EAD based on the current exposure to the counterparty and potential future exposure.

The ECL is determined by the PD, LGD and EAD for each individual exposure. The ECLs are first determined from the product of these three components, which are then adjusted to take into account forward-looking information. The ECLs are finally discounted to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(h) ***Credit risk. (continued)***

Significant increase in credit risk

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default assessed at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information, which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

A movement of an obligor's credit rating along the rating scale represents a change in the credit risk as measured by the change in PD.

The criteria for assessing whether credit risk has increased significantly will be determined by changes in 12M PDs and other qualitative factors. The credit risk of an obligor is deemed to have increased significantly since initial recognition if, based on the Group's quantitative model, the 12M PD is determined to have more than doubled since origination, except when the obligor remains within the investment grade ratings.

Using expert credit judgment and, where possible, relevant historical experience, the Group may determine that an obligor has undergone a significant increase in credit risk based on qualitative factors that are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The Group uses the watch-list as an additional trigger for the identification of significant increase in credit risk.

The Group considers an obligor to have relatively lower credit risk if it is of investment grade quality, taking into account both internal and external credit ratings.

Credit risk grades

The Group assigns each obligor to a credit risk grade that reflects the PD of the obligor. Credit risk grades are established based on qualitative and quantitative factors that are indicative of default risk. These factors vary depending on the nature of the exposure and the type of counterparty.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(h) ***Credit risk. (continued)***

Credit risk grades (continued)

Credit risk grades are defined and calibrated such that the default risk increases as credit risk deteriorates. Each exposure is assigned with a credit risk grade at initial recognition, based on available information on the borrower. Obligors are subject to ongoing monitoring and review, and may be assigned with new credit risk grades that better reflects their creditworthiness. The monitoring typically involves the use of information obtained during periodic review, including published financial statements, external rating (where available), as well as qualitative information on an obligor's industry, competitive positioning, management, financial policy and financial flexibility.

Definition of default

The Group considers a financial asset to be in default by assessing the following criteria:

Quantitative criteria

For insurance receivables, the obligor is said to be in default if it fails to make contractual payments within 6 months after it falls due (i.e. after expiration of the maximum granted credit terms). For bonds and loans, the obligor is said to be in default if it fails to meet its contractual obligation and there are non-payments on another debt obligation of the same issuer to the Group.

Qualitative criteria

The counterparty is in bankruptcy or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty; distressed exchange, merger or amalgamation without assumption or breach of material loan covenants not rectified within a given timeframe, restructuring with expected principal haircut or a breach in material loan covenant that is not rectified within given timeframe.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected loss calculations.

Incorporating of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and in its ECL measurement. The Group has performed historical analysis and identified key economic variables impacting credit risk and ECLs for each portfolio.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(h) ***Credit risk. (continued)***

Incorporating of forward-looking information (continued)

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are obtained from publicly available economic databases published on a quarterly basis and provide the best estimate view of the economy over the next four to five years, and based on such information to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach is used. The impact of these economic variables on PDs, EADs and LGDs has been determined via regression analyses.

In addition to the base economic scenario, the Group uses multiple scenarios to ensure non-linear risks are captured. The number of scenarios and their attributes are reviewed at each reporting date. At 31 December 2023, the Group concluded that two particular scenarios are capable of capturing non-linear risks inherent in all portfolios. The scenario weightings are determined by expert credit judgment, taking into account the range of possible outcomes presented by the chosen scenarios. The assessment of significant increase in credit risk is performed using the 12M PD under each scenario multiplied by the associated scenario weights. This determines whether the financial instrument is in Stage 1, 2 or 3, and hence whether 12M or lifetime ECL should be applied. Following this assessment, the Group measures ECL as either a probability- weighted 12M ECL (Stage 1), or a probability-weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of uncertainty and the actual outcomes may be significantly different from projected outcomes. The Group considers these forecasts being representative of the best estimates of the possible outcomes and has analysed the non-linear risks and asymmetries within the various portfolios of the Group to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Group for the year ended 31 December 2023.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(h) ***Credit risk. (continued)***

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

		31 December 2023			
in Singapore Dollars (millions)	Note	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and other receivables at amortised cost					
Balance at the beginning of the year		0.6	5.9	36.7	43.2
Net remeasurement of loss allowance		-	1.9	10.5	12.4
New financial assets purchased		0.4	-	-	0.4
Financial assets that have been derecognised		(0.4)	-	-	(0.4)
Changes in models/risk parameters		(0.1)	-	-	(0.1)
Balance at the end of the year		0.5	7.8	47.2	55.5
Debt securities at Amortised Cost					
Balance at the beginning of the year		1.1	-	-	1.1
Net remeasurement of loss allowance		0.3	-	-	0.3
New financial assets purchased		0.2	-	-	0.2
Financial assets that have been derecognised		(0.4)	-	-	(0.4)
Balance at the end of the year		1.2	-	-	1.2
Debt securities at FVOCI					
Balance at the beginning of the year		8.2	11.7	2.8	22.7
Transfer to 12-month ECL		1.1	(1.1)	-	-
Additional losses due to transfer		(1.0)	-	-	(1.0)
Net remeasurement of loss allowance		0.3	0.7	-	1.0
New financial assets purchased		5.8	(0.4)	-	5.4
Financial assets that have been derecognised		(3.4)	(0.7)	-	(4.1)
Changes in models/risk parameters		(0.2)	0.1	-	(0.1)
Foreign exchange and other movements		-	(0.2)	-	(0.2)
Balance at the end of the year		10.8	10.1	2.8	23.7
Increase in provision for impairment of financial assets for the year	5	2.6	0.5	10.5	13.6

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(h) ***Credit risk. (continued)***

Loss allowance (continued)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

		31 December 2022 (restated)			
in Singapore Dollars (millions)	Note	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and other receivables at amortised cost					
Balance at the beginning of the year		0.9	9.5	2.3	12.7
Net remeasurement of loss allowance		-	-	34.4	34.4
New financial assets purchased		0.6	3.7	-	4.3
Financial assets that have been derecognised		(0.7)	(4.2)	-	(4.9)
Changes in models/risk parameters		(0.2)	(2.5)	-	(2.7)
Foreign exchange and other movements		-	(0.6)	-	(0.6)
Balance at the end of the year		0.6	5.9	36.7	43.2
Debt securities at Amortised Cost					
Balance at the beginning of the year		1.7	-	-	1.7
Net remeasurement of loss allowance		0.1	-	-	0.1
New financial assets purchased		0.6	-	-	0.6
Financial assets that have been derecognised		(1.2)	-	-	(1.2)
Changes in models/risk parameters		0.1	-	-	0.1
Foreign exchange and other movements		(0.2)	-	-	(0.2)
Balance at the end of the year		1.1	-	-	1.1
Debt securities at FVOCI					
Balance at the beginning of the year		7.2	4.4	2.8	14.4
Adoption of SFRS(I) 17		0.9	9.5	-	10.4
Balance at the beginning of the year, restated		8.1	13.9	2.8	24.8
Net remeasurement of loss allowance		0.1	(0.1)	-	-
New financial assets purchased		4.0	2.4	-	6.4
Financial assets that have been derecognised		(3.3)	(3.4)	-	(6.7)
Changes in models/risk parameters		(0.7)	(0.9)	-	(1.6)
Foreign exchange and other movements		-	(0.2)	-	(0.2)
Balance at the end of the year		8.2	11.7	2.8	22.7
(Decrease)/increase in provision for impairment of financial assets for the year	5	(0.7)	(5.0)	34.4	28.7

The changes in risk parameters may consist of management overlays, including but not limited to, the application of judgment to:

i) key economic variables including GDP growth projections;
ii) scenario weightings;
iii) obligor's credit rating to reflect a deterioration of credit risk;
iv) events arose after post-model-run that require adjustment.

Loss allowances are reviewed quarterly, taking into consideration the adequacy of key variables.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(i) ***Concentration risk.*** An important element of managing market, credit and liquidity risks is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place to manage concentration risk. These limits are reviewed on a regular basis by the respective management committees. The Group's exposures are within the concentration limits set by the respective local regulators.

The Group actively manages its investment mix to ensure that there is no significant concentration in Market, Credit and Liquidity Risk.

(j) ***Sensitivity analysis on financial risks.*** The sensitivity analysis below shows the impact on the Group's net profit after tax by applying possible shocks to each key variables, with all other variables constant. Co-movement of key variables can significantly affect the fair values and/or amortised cost of financial assets. To demonstrate the impact due to changes in each key variable, the variables are changed individually.

The impact on net profit after tax represents the effect caused by changes in fair value of financial assets whose fair values are recorded in the Profit or Loss Statement, and changes in valuation of insurance and reinsurance contract liabilities/assets. The equity sensitivity represents the impact on net profit after tax and the effect on changes in fair value of financial assets measured at FVOCI.

Market risk sensitivity analysis:

	Impact on Profit After Tax					
	2023			2022 (restated)		
in Singapore Dollars (millions)	**Financial assets**	**Insurance & reinsurance contracts**	**Total**	Financial assets	Insurance & reinsurance contracts	Total
Change in variables:						
(a) Interest rate						
+ 100 basis points	**(2,798.1)**	**2,739.9**	**(58.2)**	(2,225.9)	2,205.0	(20.9)
- 100 basis points	**3,238.4**	**(3,210.7)**	**27.7**	2,526.7	(2,530.2)	(3.5)
(b) Foreign Currency						
5% increase in market value of USD denominated assets	**109.1**	**(146.5)**	**(37.4)**	120.0	(123.1)	(3.1)
5% decrease in market value of USD denominated assets	**(109.1)**	**140.7**	**31.6**	(120.0)	123.1	3.1
(c) Equity						
20% increase in market indices:						
- STI	**333.9**	**(317.5)**	**16.4**	272.6	(260.3)	12.3
- KLCI	**947.8**	**(951.4)**	**(3.6)**	681.1	(681.5)	(0.4)
20% decrease in market indices:						
- STI	**(334.7)**	**318.0**	**(16.7)**	(272.6)	260.2	(12.4)
- KLCI	**(947.8)**	**927.3**	**(20.5)**	(681.1)	656.4	(24.7)
(d) Credit						
Spread + 100 basis points	**(1,237.3)**	**1,193.8**	**(43.5)**	(1,073.0)	1,065.7	(7.3)
Spread - 100 basis points	**1,417.4**	**(1,372.6)**	**44.8**	1,191.4	(1,178.3)	13.1
(e) Alternative Investments[1]						
10% increase in market value of all alternative investments	**592.4**	**(520.1)**	**72.3**	425.9	(354.2)	71.7
10% decrease in market value of all alternative investments	**(592.4)**	**519.9**	**(72.5)**	(425.9)	353.9	(72.0)

(1) Alternative Investments comprise investments in real estate, private equity, infrastructure and hedge funds.

The above tables demonstrate the sensitivity of the Group's profit and loss after tax and equity to a change in the specified variables on an individual basis with all other variables held constant.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(j) ***Sensitivity analysis on financial risks. (continued)***

	Impact on Equity					
	2023			2022 (restated)		
in Singapore Dollars (millions)	**Financial assets**	**Insurance & reinsurance contracts**	**Total**	Financial assets	Insurance & reinsurance contracts	Total
Change in variables:						
(a) Interest rate						
+ 100 basis points	**(3,374.3)**	**3,054.4**	**(319.9)**	(2,728.6)	2,460.7	(267.9)
- 100 basis points	**3,888.7**	**(3,644.3)**	**244.4**	3,097.5	(2,882.0)	215.5
(b) Foreign Currency						
5% increase in market value of USD denominated assets	**109.1**	**(144.6)**	**(35.5)**	120.0	(131.5)	(11.5)
5% decrease in market value of USD denominated assets	**(109.1)**	**138.8**	**29.7**	(120.0)	134.1	14.1
(c) Equity						
20% increase in market indices:						
- STI	**357.7**	**(327.8)**	**29.9**	308.7	(269.5)	39.2
- KLCI	**981.6**	**(983.6)**	**(2.0)**	716.3	(715.3)	1.0
20% decrease in market indices:						
- STI	**(358.6)**	**328.3**	**(30.3)**	(308.7)	269.5	(39.2)
- KLCI	**(981.6)**	**959.5**	**(22.1)**	(716.3)	690.2	(26.1)
(d) Credit						
Spread + 100 basis points	**(1,587.1)**	**1,277.6**	**(309.5)**	(1,382.6)	1,149.9	(232.7)
Spread - 100 basis points	**1,807.3**	**(1,478.3)**	**329.0**	1,541.1	(1,280.9)	260.2
(e) Alternative Investments[1]						
10% increase in market value of all alternative investments	**609.6**	**(536.8)**	**72.8**	449.4	(377.6)	71.8
10% decrease in market value of all alternative investments	**(609.6)**	**536.6**	**(73.0)**	(449.4)	377.3	(72.1)

[1] Alternative Investments comprise investments in real estate, private equity, infrastructure and hedge funds.

The above tables demonstrate the sensitivity of the Group's profit and loss after tax and equity to a change in the specified variables on an individual basis with all other variables held constant.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Operational and Compliance Risk

Operational risk is an event or action that may potentially impact partly or completely the achievement of the organisation's objectives resulting from inadequate or failed internal processes and systems, human factors, or external events.

Compliance risk is any event or action that may potentially impact partly or completely the achievement of the organisation's objectives and its reputation as a result of its failure to comply with the following applicable laws, regulations and standards:
- local laws, regulations and rules governing licensed activities undertaken by the Group;
- foreign laws, regulations and rules that have extraterritorial jurisdiction over the Group's licensed activities;
- codes of practice promoted by industry associations of which the Group are members of; and
- any other applicable regulations which do not specifically govern the licensed activities undertaken by the Group but can expose the organisation to legal, regulatory or reputational loss.

The day-to-day management of operational and compliance risk is through the maintenance of comprehensive internal control frameworks, supported by an infrastructure of systems and procedures to monitor processes and transactions. GMC reviews operational and compliance issues on a group basis at its monthly meetings while local level issues are managed and monitored by the local SMTs. The Internal Audit team reviews the systems of internal controls to assess their ongoing relevance and effectiveness, and reports at least quarterly to the Audit Committee.

Technology, Information and Cyber Risks

Technology risk is defined as risk related to any potential adverse outcome, damage, loss, disruption, violation, system/hardware failure, capacity deficiency arising from the use of technologies such as electronic hardware/ devices, software, online networks and telecommunications systems.

Information Risk is defined as risk related to confidentiality, integrity and availability of information (in physical or digital form).

Cyber Risk is defined as risk related to acts perpetrated by malicious threat actors including internal sabotage, espionage, malicious attacks, hacking incidents, fraudulent conduct using information and communication technologies.

The Group adopts a risk-based approach in managing technology, risks relating to IT disruption, cyber threats, data loss and third parties. The Group has put in place technological and procedural risk controls to defend against external and insider threats. Key risk indicators related to technology, information and cyber risks are reported to the Board on a regular basis. Independent assessment is performed by Internal Audit on the adequacy and effectiveness of the technology risk controls.

Sustainability Risk

Sustainability risk is defined as any environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and enterprise value. The Group has integrated ESG considerations into the investment, underwriting and its own operational activities.

At present, the Group manages social and governance-related risk through existing frameworks and policies. In order to build resilience as the world transits to a low-carbon economy, the Group has formalised the Group Environmental Risk Management Policy which sets forth guiding principles and minimum standards in managing environmental risk within the Group. Environmental risk arises from the potential adverse impact of changes in the environment on economic activities and human well-being. Environmental issues that are of concern include climate change, loss of biodiversity, pollution and changes in land use. Environmental risk can manifest in three dimensions of risk as follows:
• Physical risk – impact of weather events and long-term or widespread environmental changes. It arises from acute (event-driven) and chronic (long term shift) climate-related events that damage property, reduce productivity and disrupt trade.
• Transition risk – arises from the process of adjustment to an environmentally sustainable economy, including change in public policies, disruptive technological developments, and shifts in consumer and investor preferences.
• Liability risk – arises from legal risk and claims on damages and losses incurred from inaction or lack of action that results in the effects of physical and transition risks.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Sustainability Risk (continued)

The Group's risk assessment considers the financial and non-financial impacts from physical and transition risks arising from climate change. With this, the Group organisation has put in place processes, methodology, and both qualitative and quantitative tools to identify and assess environmental risk for investment and underwriting portfolios.

For underwriting portfolio, risk transfer tool such as reinsurance is used to assist in managing environmental risk. For investment portfolio, the objective is to build resilient investment portfolios whilst striking a balance between ESG considerations, impact and financial returns.

The Group has made its first disclosures on climate-related risks aligned to the Task Force on Climate-related Financial Disclosures ("TCFD") in May 2021 as part of GEH Sustainability Report 2021. The report provides some insights into the Group's governance approach, strategy and risk management, as well as key metrics and targets for climate-related financial risks.

32 FAIR VALUE OF ASSETS AND LIABILITIES

32.1 Fair Value Hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, quotes from brokers and market makers, cash flow discounting and other valuation techniques commonly used by market participants, and

Level 3 - Unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement would be categorised in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement (with Level 3 being the lowest).

<u>Transfers between levels of the fair value hierarchy</u>

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.2 Assets and Liabilities Measured at Fair Value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting year:

	Group			
	31 December 2023			
	Fair value measurements at the end of the reporting year using			
in Singapore Dollars (millions)	**Quoted prices in active markets for identical assets and liabilities (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	-	392.5	-	392.5
Currency swaps	-	96.1	-	96.1
Interest rates				
Swaps	-	23.7	-	23.7
Exchange traded futures	371.1	-	-	371.1
Equity				
Futures	13.8	-	-	13.8
Options	-	54.6	-	54.6
Credit				
Swaps	-	9.9	-	9.9
Bond				
Forwards	-	2.2	-	2.2
	384.9	579.0	-	963.9
Financial assets at FVOCI				
Equity securities	1,883.8	-	22.3	1,906.1
Debt securities	9,234.3	4,760.9	-	13,995.2
	11,118.1	4,760.9	22.3	15,901.3

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)
32.2 Assets and Liabilities Measured at Fair Value (continued)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting year (continued):

	Group			
	31 December 2023			
	Fair value measurements at the end of the reporting year using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Financial assets at FVTPL				
Equity securities	11,505.8	3.5	21.4	11,530.7
Debt securities	28,485.2	20,155.3	-	48,640.5
Other investments	1,980.5	14,352.1	2,912.3	19,244.9
	41,971.5	34,510.9	2,933.7	79,416.1
Financial assets as at 31 December 2023	53,474.5	39,850.8	2,956.0	96,281.3
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,880.7	1,880.7
Investment in associate	-	-	95.1	95.1
Non-financial assets as at 31 December 2023	-	-	1,975.8	1,975.8
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	-	124.5	-	124.5
Currency swaps	-	14.0	-	14.0
Interest rates				
Swaps	-	32.7	-	32.7
Exchange traded futures	4.1	-	-	4.1
Equity				
Swaps	-	0.6	-	0.6
Futures	3.0	-	-	3.0
Bond				
Forwards	-	0.8	-	0.8
Financial liabilities as at 31 December 2023	7.1	172.6	-	179.7

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.2 Assets and Liabilities Measured at Fair Value (continued)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting year (continued):

	Group			
	31 December 2022 (restated)			
	Fair value measurements at the end of the reporting year using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	-	510.6	-	510.6
Currency swaps	-	182.9	-	182.9
Options	-	12.0	-	12.0
Interest rates				
Swaps	-	9.0	-	9.0
Exchange traded futures	2.2	-	-	2.2
Equity				
Swaps	-	0.2	-	0.2
Futures	3.4	-	-	3.4
Options	6.3	32.9	-	39.2
Credit				
Swaps	-	1.9	-	1.9
Bond				
Forwards	-	0.3	-	0.3
	11.9	749.8	-	761.7
Financial assets at FVOCI				
Equity securities	1,639.3	-	22.7	1,662.0
Debt securities	5,295.0	5,215.7	75.3	10,586.0
	6,934.3	5,215.7	98.0	12,248.0

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.2 Assets and Liabilities Measured at Fair Value (continued)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting year (continued):

	Group			
	31 December 2022 (restated)			
	Fair value measurements at the end of the reporting year using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Financial assets at FVTPL				
Equity securities	11,469.0	0.2	21.8	11,491.0
Debt securities	33,577.1	14,844.5	570.6	48,992.2
Other investments	6,869.6	4,514.9	2,842.2	14,226.7
	51,915.7	19,359.6	3,434.6	74,709.9
Financial assets as at 31 December 2022	58,861.9	25,325.1	3,532.6	87,719.6
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,881.2	1,881.2
Investment in associate	-	-	122.5	122.5
Asset held for sale	-	-	72.6	72.6
Non-financial assets as at 31 December 2022	-	-	2,076.3	2,076.3
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	-	152.2	-	152.2
Currency swaps	-	6.8	-	6.8
Interest rates				
Swaps	-	64.5	-	64.5
Exchange traded futures	17.2	-	-	17.2
Equity				
Swaps	-	35.6	-	35.6
Futures	0.1	-	-	0.1
Options	2.3	4.8	-	7.1
Credit				
Swaps	-	3.7	-	3.7
Bond				
Forwards	-	4.8	-	4.8
Financial liabilities as at 31 December 2022	19.6	272.4	-	292.0

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.3 Level 3 Fair Value Measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements:

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	**Fair value as at 31 December 2023**	**Valuation techniques**	**Unobservable inputs**	**Range (weighted average)**
Investment properties	**1,880.7**	**Income approach**	**Rental per square foot ("p.s.f.") per month**	**SGD 2.11 to SGD 2.13**
			Car park bay rental rate	**SGD 88.96**
			Monthly outgoing rate p.s.f	**SGD 0.40**
			Capitalisation rate	**5.75% - 6.00%**
			Void rate	**5%**
		Comparison approach	**Estimated per square foot ("psf")**	**$11 to $3,482**
		Capitalisation approach	**Capitalisation rate**	**3.25%**
Investment in associate	**95.1**	**Income approach**	**Discount for liquidity**	**28%-45%**
Investments				
Unquoted equities	**43.7**	**Net asset value(1)**	**Not applicable**	**Not applicable**
Collective Investment Schemes	**2,912.3**	**Net asset value(1)**	**Not applicable**	**Not applicable**

Description	Fair value as at 31 December 2022	Valuation techniques	Unobservable inputs	Range (weighted average)
Investment properties	1,881.2	Comparison approach	Estimated per square foot ("psf")	$10 to $4,173
		Capitalisation approach	Capitalisation rate	3.25%
Asset held for sale	72.6	Income approach	Rental psf per month	$0.72 to $1.78
			Rental growth rate	0.00%
			Long-term vacancy rate	12.50%
			Discount rate	5.75% to 6.00%
Investment in associate	122.5	Market approach	Discount for liquidity	40%-50%
Investments				
Unquoted debt securities	22.3	Discounted cash flow	Yield	4.00% to 6.00%
Unquoted debt securities	623.6	Income approach	Risk adjusted discounted rate	Spread of 1-2% above risk free interest rate
Unquoted equities	44.5	Net asset value(1)	Not applicable	Not applicable
Collective Investment Schemes	2,842.2	Net asset value(1)	Not applicable	Not applicable

(1) These investments are valued using net asset value. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy.

For investment properties, a significant increase/(decrease) in unobservable inputs would result in a significantly higher/(lower) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.3 Level 3 Fair Value Measurements (continued)

(ii) Valuation process:

The valuations of financial instruments are performed by the custodians and the valuations of investment properties are performed by the external valuers. The valuations conducted by the custodians are verified and assessed for reasonableness by Group Finance against available market conditions. The valuations of investment properties are based primarily on the comparable approach and the capitalisation approach. The major inputs of the valuation of investment properties are reviewed by management. The property management department also held discussions with external valuers on any significant fluctuation noted from the independent valuation reports. The valuations conducted by the external valuers are verified and assessed for reasonableness by management against property values of other comparable properties.

(iii) Movements in Level 3 assets and liabilities measured at fair value:

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Group						
	Fair value measurements using significant unobservable inputs (Level 3)						
	31 December 2023						
	Investments						
in Singapore Dollars (millions)	Unquoted debt securities	Unquoted equities	Collective investment schemes	Investment in associate	Investment properties	Asset held for sale	Total
Opening balance as at 1 January 2023	645.9	44.5	2,842.2	122.5	1,881.2	72.6	5,608.9
Total gain/(loss) for the year:							
Included in Profit or Loss Statement							
- Gain/(loss) on sale of investments and changes in fair value	14.9	(0.5)	(151.7)	(27.4)	16.3	-	(148.4)
Included in other comprehensive income							
- Changes in fair value	-	(0.3)	-	-	-	-	(0.3)
Purchases and sales for the year:							
Purchases	-	-	221.8	7.8	1.1	-	230.7
Sales	(636.1)	-	-	-	-	(72.6)	(708.7)
Transfer to/from during the year:							
Transfer to Level 2	(24.7)	-	-	-	-	-	(24.7)
Currency translation reserve adjustment	-	-	-	(7.8)	(17.9)	-	(25.7)
Closing balance as at 31 December 2023	-	43.7	2,912.3	95.1	1,880.7	-	4,931.8

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.3 Level 3 Fair Value Measurements (continued)

(iii) Movements in Level 3 assets and liabilities measured at fair value (continued):

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3) (continued):

	Group						
	Fair value measurements using significant unobservable inputs (Level 3)						
	31 December 2022						
	Investments						
in Singapore Dollars (millions)	Unquoted debt securities	Unquoted equities	Collective investment schemes	Investment in associate	Investment properties	Asset held for sale	Total
Opening balance as at 1 January 2022	-	51.5	2,680.5	95.2	1,883.9	-	4,711.1
Total gain/(loss) for the year:							
Included in Profit or Loss Statement							
- Gain/(loss) on sale of investments and changes in fair value	-	(2.7)	(85.9)	24.4	91.3	-	27.1
Included in other comprehensive income							
- Changes in fair value	-	(4.3)	-	-	-	-	(4.3)
Purchases and sales for the year:							
Purchases	-	-	609.4	-	1.0	-	610.4
Sales	-	-	(361.8)	-	-	-	(361.8)
Reclassification	-	-	-	-	(72.6)	72.6	-
Transfer to/from during the year:							
Transfer from Level 1	636.9	-	-	-	-	-	636.9
Transfer from Level 2	9.0	-	-	-	-	-	9.0
Currency translation reserve adjustment	-	-	-	2.9	(22.4)	-	(19.5)
Closing balance as at 31 December 2022	645.9	44.5	2,842.2	122.5	1,881.2	72.6	5,608.9

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.4 Assets and Liabilities Not Carried at Fair Value but for which Fair Value is Disclosed

The following table shows an analysis of the Group's assets and liabilities not measured at fair value but for which fair value is disclosed:

	Group				
	31 December 2023				
	Fair value measurements at the end of the reporting year using				
in Singapore Dollars (millions)	**Quoted prices in active markets for identical assets (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**	**Carrying Amount**
Assets					
Debt securities at amortised cost	**1,089.2**	**109.6**	**-**	**1,198.8**	**1,218.2**
Loans	**-**	**524.7**	**-**	**524.7**	**511.0**
Freehold land, leasehold land and buildings	**-**	**-**	**847.6**	**847.6**	**365.9**

	Group				
	31 December 2022				
	Fair value measurements at the end of the reporting year using				
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying Amount
Assets					
Debt securities at amortised cost	1,609.6	105.6	-	1,715.2	1,802.5
Loans	-	485.3	-	485.3	480.5
Freehold land, leasehold land and buildings	-	-	846.6	846.6	381.6

33 DIVIDENDS

	Group and Company	
in Singapore Dollars (millions)	**2023**	2022
Final one-tier tax exempt dividend for the previous year of 55 cents per ordinary share (2022: 55 cents per ordinary share)	**260.3**	260.3
Interim one-tier tax exempt dividend of 35 cents per ordinary share (2022: 10 cents per ordinary share)	**165.7**	47.3
	426.0	307.6

The Directors proposed a final one-tier tax exempt dividend of 40 cents per ordinary share amounting to $189.3 million (2022: $260.3 million) be paid in respect of the financial year ended 31 December 2023. This has not been recognised as distributions to shareholders.

There are no income tax consequences attached to the dividend to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

34 AUTHORISATION OF FINANCIAL STATEMENTS

At the Board of Directors' Meeting held on 23 February 2024, the Board authorised these financial statements for issue and that two Directors of the Board, Mr Soon Tit Koon and Mr Tam Chee Chong, sign the Directors' Report on behalf of the Board.

GREAT EASTERN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199903008M)

Directors' Statement and Audited Consolidated Financial Statements

For the Financial Year Ended 31 December 2022

DIRECTORS' STATEMENT

The Directors are pleased to present this statement to the members together with the audited consolidated financial statements of Great Eastern Holdings Limited ("GEH" or the "Company") and its subsidiaries (collectively the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

Mr Koh Beng Seng, Chairman
Mr Law Song Keng
Mr Lee Fook Sun
Mr Kyle Lee
Mr Ng Chee Peng
Mr Soon Tit Koon
Mrs Teoh Lian Ee
Mr Thean Nam Yew
Mr Wee Joo Yeow
Ms Helen Wong

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangements whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, save as disclosed in this statement.

DIRECTORS' STATEMENT (continued)

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of Directors' shareholdings, the Director who held office at the end of the financial year had an interest in shares in, or debentures of, the Company as at the end of the financial year and as at 21 January 2023, is as follows:

	Holdings registered in the name of Directors or in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 1.1.2022 or date of appointment	**As at 31.12.2022**	As at 1.1.2022 or date of appointment	**As at 31.12.2022**
Ordinary shares in the capital of the Company				
Mrs Teoh Lian Ee	–	**–**	5,000[1]	**5,000[1]**

The interests in shares in, or debentures of, the Company's holding company, Oversea-Chinese Banking Corporation Limited ("OCBC Bank") and its related corporations, of Directors who held office at the end of the financial year, were as follows:

	Holdings registered in the name of Directors or in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 1.1.2022 or date of appointment	**As at 31.12.2022**	As at 1.1.2022 or date of appointment	**As at 31.12.2022**
Ordinary shares in the capital of OCBC Bank				
Mr Koh Beng Seng	7,644	**13,644**	–	**–**
Mr Law Song Keng	126,246	**126,246**	15,249 [1]	**15,249** [1]
Mr Lee Fook Sun	–	**–**	190,158[2]	**190,158**[2]
Mr Kyle Lee	135,121	**135,121**	–	**–**
Mr Ng Chee Peng	13,109	**13,109**	1,500[1]	**1,500**[1]
Mr Soon Tit Koon	472	**472**	–	**–**
Mrs Teoh Lian Ee	24,711	**24,711**	299[1]	**299**[1]
Mr Wee Joo Yeow	83,627	**83,627**	4,892[1]	**4,892**[1]
Ms Helen Wong	135,779	**262,431**	342,061[3]	**434,713**[3]

Notes:
(1) Held by spouse.
(2) Held under Halden Joy Trust.
(3) Comprises deemed interest in 434,713 ordinary shares subject to award(s) granted under the OCBC Deferred Share Plan.

Save as disclosed above, the Directors holding office at the end of the financial year did not have any interest in shares in, or debentures of, the Company or any related corporation either at the beginning of the financial year, date of appointment, or at the end of the financial year.

There were no changes to any of the above mentioned interests between the end of the financial year and 21 January 2023.

DIRECTORS' STATEMENT (continued)

5. SHARE OPTIONS

The Company does not have any share option scheme in place.

6. AUDIT COMMITTEE

The Audit Committee ("AC") comprises five non-executive Directors. The AC members at the date of this statement are Mr Kyle Lee (AC Chairman), Mr Law Song Keng, Mr Ng Chee Peng, Mrs Teoh Lian Ee and Mr Thean Nam Yew. The AC convened nine meetings during the financial year under review.

The AC performs the functions specified under Section 201B(5) of the Companies Act 1967, including reviewing with the auditor its audit plan, its evaluation of the system of internal accounting controls and its audit report, reviewing the assistance given by the Company's officers to the auditor, reviewing the scope and results of the internal audit procedures, reviewing the financial statements of the Company and of the Group and the auditor's report thereon prior to their submission to the Company's Board of Directors. Details of the functions performed by the AC, including functions specified in the SGX-ST Listing Manual, Financial Holding Companies Act 2013, Financial Holdings Companies Regulations 2022, Financial Holding Companies (Corporate Governance of Designated Financial Holding Companies with Licensed Insurer Subsidiary) Regulations 2022, Guidelines on Corporate Governance for Designated Financial Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued by the Monetary Authority of Singapore on 9 November 2021 and the Code of Corporate Governance 2018, are set out in the Report on Corporate Governance included in the Company's Annual Report for the financial year ended 31 December 2022.

The AC has nominated PricewaterhouseCoopers LLP for reappointment as auditor at the forthcoming Annual General Meeting of the Company.

7. AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the Board of Directors

Koh Beng Seng	**Kyle Lee**
Chairman	Director

Singapore
21 February 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT EASTERN HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Great Eastern Holdings Limited ("the Company") and its subsidiaries ("the Group"), the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated profit or loss statement of the Group for the year ended 31 December 2022;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2022;
- the statements of changes in equity of the Group and of the Company for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's 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

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report on the Audit of the Financial Statements (continued)

Our Audit Approach (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of life insurance contract liabilities Refer to the following notes in the consolidated financial statements: Note 2.10.3 Life Insurance Contract Liabilities, Note 2.30(a) Critical accounting estimates and judgments on liabilities of insurance business, Note 14.1 Life Insurance Contracts and Note 33 Insurance Risk. As at 31 December 2022, the Group has life insurance contract liabilities of S$85,565.0 million representing approximately 87% of the Group's total liabilities. Management's valuation of life insurance contract liabilities uses complex actuarial methods and models. The valuation process involves significant judgment about the assumptions of uncertain future events, including: mortality, morbidity, expense, lapse, surrender and interest rates. In addition to historical experience, management judgment is involved in the application of these assumptions. Changes in these assumptions used could result in a material impact to the valuation of the life insurance contract liabilities and the related movements in the consolidated profit or loss statement of the Group.	We performed the following audit procedures to address this matter: • We understood the actuarial valuation process, including model changes and assumptions setting; • We tested the design and operating effectiveness of controls over the accuracy and completeness of the data used; • We understood the valuation methodologies used, identified changes in methodologies from the previous valuation and assessed the reasonableness and impact for material changes identified. We carried out these procedures by applying our industry knowledge and experience and assessed whether the methodologies and changes to those methodologies are consistent with recognised actuarial practices and expectations derived from market experience; • We performed an independent review of model points on a sample basis to assess that the methodologies and assumptions have been applied appropriately; • We assessed the reasonableness of the key assumptions used by management including: mortality, morbidity, expense, lapse, surrender and interest rates, by comparing against the Group's historical experiences and market observable data, where applicable;

Report on the Audit of the Financial Statements (continued)

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of life insurance contract liabilities (continued)	• We reviewed the reasonableness of the movement analysis of the insurance contract liabilities prepared by management. The movement analysis provides a reconciliation of the balance as at 31 December 2021 to 31 December 2022, showing the key drivers of the changes during the year; and • We assessed the appropriateness of the disclosures in the financial statements. Based on the work performed and the evidence obtained, we found the methodologies and assumptions used by management to be appropriate. Our audit procedures on the disclosures showed that they were in accordance with the relevant SFRS(I) disclosure requirements.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement, Awards, Corporate Social Responsibility, Group Network, Key Executives, List of Major Properties and Management Team (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT EASTERN HOLDINGS LIMITED (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Hans Koopmans.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 21 February 2023

CONSOLIDATED PROFIT OR LOSS STATEMENT

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	2022	2021
Income			
Gross premiums		**18,577.2**	18,956.3
Premiums ceded to reinsurers		**(870.0)**	(766.9)
(Increase)/decrease in premium liabilities	14	**(5.2)**	0.2
Net premiums		**17,702.0**	18,189.6
Commissions received from reinsurers		**51.5**	51.4
Investment income, net	4	**2,858.0**	2,699.5
Rental income, net		**28.0**	27.8
Fees and other income		**36.1**	39.7
Loss on sale of investments and changes in fair value	5	**(8,002.6)**	(1,080.3)
Change in third-party interests in consolidated investment funds		**0.2**	-
(Loss)/gain on exchange differences		**(78.0)**	36.7
Total income		**12,595.2**	19,964.4
less: **Expenses**			
Gross claims, maturities, surrenders and annuities		**11,148.4**	11,388.2
Claims, maturities, surrenders and annuities recovered from reinsurers		**(656.1)**	(530.7)
Commissions and distribution expenses		**1,386.5**	1,489.7
Increase in provision for impairment of assets		**29.1**	1.5
Management and other expenses	7	**661.3**	665.0
Interest expense		**-**	0.2
Increase in provision for agents' retirement benefits	6	**38.3**	19.7
Depreciation and amortisation expenses	7	**88.0**	79.4
Gross change in insurance contract liabilities	14	**(669.9)**	2,605.2
Change in insurance contract liabilities ceded to reinsurers	14	**(137.7)**	1,597.7
Total expenses		**11,887.9**	17,315.9
Profit before income tax		**707.3**	2,648.5
Income tax credit/(expense) attributable to policyholders' returns	8	**248.9**	(1,294.0)
Profit before tax attributable to shareholders' profits		**956.2**	1,354.5
Income tax credit/(expense)		**79.6**	(1,515.1)
less: Income tax (credit)/expense attributable to policyholders' returns		**(248.9)**	1,294.0
Income tax expense attributable to shareholders' profits	8	**(169.3)**	(221.1)
Profit after income tax		**786.9**	1,133.4
Attributable to:			
Shareholders		**784.2**	1,113.0
Non-controlling interests		**2.7**	20.4
		786.9	1,133.4
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	9	**$1.66**	$2.35

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Group 2022	Group 2021
Profit after income tax for the year	**786.9**	1,133.4
Other comprehensive (loss)/income:		
Items that will not be reclassified to the Profit or Loss Statement:		
Exchange differences arising on translation of overseas entities attributable to non-controlling interests	**(1.0)**	(0.2)
Revaluation (loss)/gain on equity instruments at fair value through other comprehensive income	**(257.1)**	139.2
Income tax related to the above	**44.1**	(23.6)
Items that may be reclassified subsequently to the Profit or Loss Statement:		
Exchange differences arising on translation of overseas entities	**(102.2)**	(23.7)
Debt instruments at fair value through other comprehensive income:		
Changes in fair value	**(1,011.1)**	(253.2)
Changes in allowance for expected credit losses	**(1.6)**	(0.4)
Reclassification of realised loss/(gain) on disposal of investments to the Profit or Loss Statement	**95.4**	(49.3)
Income tax related to the above	**157.7**	50.6
Other comprehensive loss for the year, after tax	**(1,075.8)**	(160.6)
Total comprehensive (loss)/income for the year	**(288.9)**	972.8
Total comprehensive (loss)/income attributable to:		
Shareholders	**(290.6)**	952.6
Non-controlling interests	**1.7**	20.2
	(288.9)	972.8

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
As at 31 December 2022

in Singapore Dollars (millions)	Note	Group 31 Dec 2022	Group 31 Dec 2021	Company 31 Dec 2022	Company 31 Dec 2021
Share capital	10	**152.7**	152.7	**152.7**	152.7
Reserves					
Merger reserve	11	**-**	-	**419.2**	419.2
Currency translation reserve	11	**(119.3)**	(17.1)	**-**	-
Fair value reserve	11	**(711.3)**	281.7	**-**	-
Retained earnings		**10,109.3**	9,612.3	**2,962.5**	3,121.7
SHAREHOLDERS' EQUITY		**9,431.4**	10,029.6	**3,534.4**	3,693.6
NON-CONTROLLING INTERESTS		**99.2**	106.8	**-**	-
TOTAL EQUITY		**9,530.6**	10,136.4	**3,534.4**	3,693.6
LIABILITIES					
Insurance payables	12	**7,146.6**	6,620.6	**-**	-
Other creditors	13	**2,109.9**	1,924.3	**8.5**	8.1
Income tax payable		**238.5**	328.6	**-**	-
Derivative financial liabilities	20	**292.0**	111.4	**-**	-
Provision for agents' retirement benefits	6	**295.8**	291.3	**-**	-
Deferred tax liabilities	8	**2,032.4**	2,579.0	**-**	-
Insurance contract liabilities	14	**86,272.5**	88,398.5	**-**	-
TOTAL EQUITY AND LIABILITIES		**107,918.3**	110,390.1	**3,542.9**	3,701.7
ASSETS					
Cash and cash equivalents		**9,607.9**	9,117.7	**20.4**	19.8
Other debtors	15	**877.8**	904.5	**-**	0.4
Insurance receivables	16	**3,579.8**	3,335.6	**-**	-
Asset held for sale	27	**72.6**	-	**-**	-
Reinsurers' share of insurance contract liabilities	17	**1,002.5**	886.7	**-**	-
Amount due from subsidiaries	18	**-**	-	**2,480.9**	2,674.3
Loans	19	**480.5**	592.2	**-**	-
Derivative financial assets	20	**761.7**	369.9	**-**	-
Investments	21	**88,760.4**	92,462.4	**-**	-
Deferred tax assets	8	**58.4**	-	**-**	-
Investment in associate	22	**122.5**	95.2	**-**	-
Investment in subsidiaries	23	**-**	-	**1,041.6**	1,007.1
Intangible assets	25	**203.6**	195.0	**-**	-
Investment properties	26	**1,881.2**	1,883.9	**-**	-
Property, plant and equipment	28	**509.4**	547.0	**-**	0.1
TOTAL ASSETS		**107,918.3**	110,390.1	**3,542.9**	3,701.7

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY - GROUP
For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Attributable to shareholders of the Company: Share Capital	Currency Translation Reserve	Fair Value Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 2022		**152.7**	**(17.1)**	**281.7**	**9,612.3**	**10,029.6**	**106.8**	**10,136.4**
Profit for the year		**-**	**-**	**-**	**784.2**	**784.2**	**2.7**	**786.9**
Other comprehensive (loss)/income								
Exchange differences arising on translation of overseas entities		**-**	**(102.2)**	**-**	**-**	**(102.2)**	**(1.0)**	**(103.2)**
Net revaluation loss on equity instruments at fair value through other comprehensive income		**-**	**-**	**(213.0)**	**-**	**(213.0)**	**-**	**(213.0)**
Debt instruments at FVOCI:								
Changes in fair value		**-**	**-**	**(1,011.1)**	**-**	**(1,011.1)**	**-**	**(1,011.1)**
Changes in allowance for expected credit losses	33	**-**	**-**	**(1.6)**	**-**	**(1.6)**	**-**	**(1.6)**
Reclassification of realised loss on disposal of investments to the Profit or Loss Statement		**-**	**-**	**95.4**	**-**	**95.4**	**-**	**95.4**
Income tax related to the above		**-**	**-**	**157.7**	**-**	**157.7**	**-**	**157.7**
Other comprehensive loss for the year, after tax		**-**	**(102.2)**	**(972.6)**	**-**	**(1,074.8)**	**(1.0)**	**(1,075.8)**
Total comprehensive (loss)/income for the year		**-**	**(102.2)**	**(972.6)**	**784.2**	**(290.6)**	**1.7**	**(288.9)**
Reclassification of net change in fair value of equity instruments upon derecognition	21	**-**	**-**	**(20.4)**	**20.4**	**-**	**-**	**-**
Distributions to shareholders								
Dividends paid during the year:								
Final one-tier tax exempt dividend for the previous year	35	**-**	**-**	**-**	**(260.3)**	**(260.3)**	**-**	**(260.3)**
Interim one-tier tax exempt dividend	35	**-**	**-**	**-**	**(47.3)**	**(47.3)**	**-**	**(47.3)**
Dividends paid to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**(9.3)**	**(9.3)**
Total distributions to shareholders		**-**	**-**	**-**	**(307.6)**	**(307.6)**	**(9.3)**	**(316.9)**
Total transactions with shareholders in their capacity as shareholders		**-**	**-**	**-**	**(307.6)**	**(307.6)**	**(9.3)**	**(316.9)**
Balance at 31 December 2022		**152.7**	**(119.3)**	**(711.3)**	**10,109.3**	**9,431.4**	**99.2**	**9,530.6**

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2022

		Attributable to shareholders of the Company						
in Singapore Dollars (millions)	Note	Share Capital	Currency Translation Reserve	Fair Value Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 2021		152.7	6.6	464.9	8,736.8	9,361.0	113.5	9,474.5
Profit for the year		-	-	-	1,113.0	1,113.0	20.4	1,133.4
Other comprehensive (loss)/income								
Exchange differences arising on translation of overseas entities		-	(23.7)	-	-	(23.7)	(0.2)	(23.9)
Net revaluation gain on equity instruments at fair value through other comprehensive income		-	-	115.6	-	115.6	-	115.6
Debt instruments at FVOCI:								
Changes in fair value		-	-	(253.2)	-	(253.2)	-	(253.2)
Changes in allowance for expected credit losses	33	-	-	(0.4)	-	(0.4)	-	(0.4)
Reclassification of realised gain on disposal of investments to the Profit or Loss Statement		-	-	(49.3)	-	(49.3)	-	(49.3)
Income tax related to the above		-	-	50.6	-	50.6	-	50.6
Other comprehensive loss for the year, after tax		-	(23.7)	(136.7)	-	(160.4)	(0.2)	(160.6)
Total comprehensive (loss)/income for the year		-	(23.7)	(136.7)	1,113.0	952.6	20.2	972.8
Reclassification of net change in fair value of equity instruments upon derecognition	21	-	-	(46.5)	46.5	-	-	-
Distributions to shareholders								
Dividends paid during the year:								
Final one-tier tax exempt dividend for the previous year	35	-	-	-	(236.7)	(236.7)	-	(236.7)
Interim one-tier tax exempt dividend	35	-	-	-	(47.3)	(47.3)	-	(47.3)
Dividends paid to non-controlling interests		-	-	-	-	-	(26.9)	(26.9)
Total distributions to shareholders		-	-	-	(284.0)	(284.0)	(26.9)	(310.9)
Total transactions with shareholders in their capacity as shareholders		-	-	-	(284.0)	(284.0)	(26.9)	(310.9)
Balance at 31 December 2021		152.7	(17.1)	281.7	9,612.3	10,029.6	106.8	10,136.4

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY - COMPANY
For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Share Capital	Merger Reserve	Retained Earnings	Total Equity
Balance at 1 January 2022		**152.7**	**419.2**	**3,121.7**	**3,693.6**
Profit for the year		**-**	**-**	**148.4**	**148.4**
Total comprehensive income for the year		**-**	**-**	**148.4**	**148.4**
Distributions to shareholders					
Dividends paid during the year:					
Final one-tier tax exempt dividend for the previous year	35	**-**	**-**	**(260.3)**	**(260.3)**
Interim one-tier tax exempt dividend	35	**-**	**-**	**(47.3)**	**(47.3)**
Total distributions to shareholders		**-**	**-**	**(307.6)**	**(307.6)**
Total transactions with shareholders in their capacity as shareholders		**-**	**-**	**(307.6)**	**(307.6)**
Balance at 31 December 2022		**152.7**	**419.2**	**2,962.5**	**3,534.4**
Balance at 1 January 2021		152.7	419.2	3,130.7	3,702.6
Profit for the year		-	-	275.0	275.0
Total comprehensive income for the year		-	-	275.0	275.0
Distributions to shareholders					
Dividends paid during the year:					
Final one-tier tax exempt dividend for the previous year	35	-	-	(236.7)	(236.7)
Interim one-tier tax exempt dividend	35	-	-	(47.3)	(47.3)
Total distributions to shareholders		-	-	(284.0)	(284.0)
Total transactions with shareholders in their capacity as shareholders		-	-	(284.0)	(284.0)
Balance at 31 December 2021		152.7	419.2	3,121.7	3,693.6

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	**2022**	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**707.3**	2,648.5
Adjustments for non-cash items:			
Loss on sale of investments and changes in fair value	5	**8,002.6**	1,080.3
Increase in provision for impairment of assets		**29.1**	1.5
Increase in provision for agents' retirement benefits	6	**38.3**	19.7
Depreciation and amortisation expenses	7	**88.0**	79.4
Unrealised loss/(gain) on exchange differences		**78.0**	(36.7)
Gross change in insurance contract liabilities	14	**(669.9)**	2,605.2
Change in insurance contract liabilities ceded to reinsurers	14	**(137.7)**	1,597.7
Change in premium liabilities	14	**5.2**	(0.2)
Dividend income	4	**(716.8)**	(668.8)
Interest income	4	**(2,284.6)**	(2,165.9)
Interest expense		**-**	0.2
Interest expense on policy benefits and lease liabilities	7	**208.7**	201.0
Share-based payments	7	**8.2**	7.1
		5,356.4	5,369.0
Changes in working capital:			
Insurance receivables		**(533.2)**	(318.3)
Other debtors		**(30.7)**	93.4
Insurance payables		**(322.9)**	595.0
Other creditors		**(117.4)**	(945.9)
Cash generated from operations		**4,352.2**	4,793.2
Income tax paid		**(418.1)**	(299.9)
Interest paid on policy benefits and lease liabilities		**(208.7)**	(201.0)
Agents' retirement benefits paid	6	**(16.2)**	(18.7)
Net cash flows generated from operating activities		**3,709.2**	4,273.6

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	**2022**	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities and sale of investments		**37,062.9**	36,754.2
Purchase of investments		**(42,882.2)**	(43,589.0)
Proceeds from sale of property, plant and equipment		**0.5**	3.0
Purchase of property, plant and equipment and investment properties	26,28	**(14.9)**	(41.1)
Acquisition of intangible assets	25	**(56.0)**	(63.3)
Interest income received		**2,282.5**	2,178.1
Interest expense paid		**-**	(9.3)
Dividends received		**719.0**	686.5
Net cash flows used in investing activities		**(2,888.2)**	(4,080.9)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	35	**(307.6)**	(284.0)
Dividends paid to non-controlling interests		**(9.3)**	(26.9)
Principal element of lease payments	28	**(13.9)**	(13.9)
Redemption of debt issued		**-**	(400.0)
Net cash flows used in financing activities		**(330.8)**	(724.8)
Net increase/(decrease) in cash and cash equivalents		**490.2**	(532.1)
Cash and cash equivalents at the beginning of the year		**9,117.7**	9,649.8
Cash and cash equivalents at the end of the year		**9,607.9**	9,117.7
Cash and cash equivalents comprise:			
Cash and bank balances		**3,026.1**	2,544.0
Cash on deposit		**2,683.2**	2,623.9
Short term instruments		**3,898.6**	3,949.8
		9,607.9	9,117.7

Included in the cash and cash equivalents are bank deposits amounting to $9.4 million (31 December 2021: $8.4 million) which are lodged with the regulator as statutory deposits, which are not available for use by the Group.

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

Great Eastern Holdings Limited (the "Company" or "GEH") is a limited liability company which is incorporated and domiciled in the Republic of Singapore. The notes refer to the Company and the Group unless otherwise stated. The registered office and principal place of business of the Company is located at 1 Pickering Street, #16-01, Great Eastern Centre, Singapore 048659.

The principal activity of the Company is that of an investment holding company. The principal activities of the significant subsidiaries within the Group are stated in Note 3. There have been no significant changes in the nature of these activities during the financial year.

The Company's immediate and ultimate holding company is Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), which prepares financial statements for public use.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations as issued by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest $0.1 million except as otherwise stated.

2.2 Changes in Accounting Policies

2.2.1 New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual financial periods beginning or after 1 January 2022.

SFRS(I)	Title	Effective date (Annual periods beginning on or after)
SFRS(I) 3	Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Various	Annual improvements to SFRS(I)s 2018-2020	1 January 2022

The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective

The Group and the Company have not applied the following SFRS(I)s that have been issued but which are not yet effective:

SFRS(I)	Title	Effective date (Annual periods beginning on or after)
SFRS(I) 17	Insurance Contracts	1 January 2023
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
SFRS(I) 17	Amendments to SFRS(I) 17 Insurance Contract	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Various	Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

The Directors expect that the adoption of the new standards above will not have any material impact on the financial statements in the year of initial application, except for SFRS(I) 17, as described below.

SFRS(I) 17 Insurance Contracts

The Group will apply SFRS(I) 17 for the first time on 1 January 2023. It is a comprehensive new accounting standard for insurance and reinsurance contracts covering recognition, measurement, presentation and disclosure, and is expected to have a material impact on the Group's consolidated financial statements in the period of initial application.

A. SFRS(I) 17 Insurance Contracts

SFRS(I) 17 replaces SFRS(I) 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023. The nature and effects of the changes in the Group accounting policies are summarised below.

i. Identifying contracts in the scope of SFRS(I) 17

SFRS(I) 17 establishes specific principles for the recognition, measurement, presentation and disclosure of insurance contracts issued and reinsurance contracts held by the Group.

The key principles of SFRS(I) 17 are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance contracts and accounts for them in accordance with other standards; and
- Divides the insurance and reinsurance contracts into groups they will recognise and measure.

ii. Level of aggregation

Under SFRS(I) 17, insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into quarterly cohorts (by quarter of issuance) for life insurance or annual cohorts (by year of issuance) for non-life insurance, into three groups based on the expected profitability of the contracts:

(i) any contracts that are onerous at initial recognition;
(ii) any contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
(iii) any remaining contracts in the portfolio.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The profitability groupings are not reassessed under subsequent measurement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

ii. Level of aggregation (continued)

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts into quarterly cohorts (by quarter of issuance) for life reinsurance treaties or annual cohorts (by year of issuance) for non-life reinsurance contracts into groups of:

(i) contracts for which there is a net gain at initial recognition, if any;
(ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
(iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual reinsurance treaty basis.

The level of aggregation requirements of SFRS(I) 17 limits the offsetting of gains on groups of profitable contracts, which are generally deferred as a Contractual Service Margin ("CSM"), against losses on groups of onerous contracts, which are recognised immediately.

iii. Contract Boundary

Under SFRS(I) 17, the measurement of a group of insurance contracts includes all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- Both of the following criteria are satisfied:
  - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
  - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Fulfilment cash flows relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

For life insurance contracts with renewal periods, the Group assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Group by considering all the risks covered for the policyholder by the Group, that the Group would consider when underwriting equivalent contracts on the renewal dates for the remaining service. Therefore, the cash flows related to renewals of insurance contracts will not be included in the contract boundary.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

iii. Contract Boundary (continued)

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer. A substantive right to receive services from the reinsurer ends either when the reinsurer can reprice the contract to fully reflect the reinsured risk, or when the reinsurer has a substantive right to terminate coverage.

The Group reassesses contract boundaries of each group at the end of each reporting period.

Cash flows that are not directly attributable to a portfolio of insurance contracts, are recognised in other operating expenses as incurred.

iv. Measurement - Overview

SFRS(I) 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a Contractual Service Margin ("CSM"). For an explanation of how the Group will apply the measurement model, see Note 2.2.2A(v).

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which the Group promises an investment return based on underlying items; they are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All other insurance and all reinsurance contracts are expected to be classified as contracts without direct participation features.

Some of these contracts are measured under the Premium Allocation Approach ("PAA") (see Note 2.2.2A(vi)). The PAA is an optional simplified measurement model in SFRS(I) 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. This approach will be used for non-life insurance yearly renewable contracts, because each of these contracts have a coverage period of one year or less, or meets the eligibility criteria.

v. Measurement – contracts not measured under the PAA

On initial recognition, the Group measures a group of insurance contracts as the total of (a) the fulfilment cash flows, and (b) the CSM. The fulfilment cash flows of a group of insurance contracts do not reflect the Group's non-performance risk.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

v. Measurement – contracts not measured under the PAA (continued)

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised.

<u>Fulfilment Cash Flows (“FCF”)</u>
The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:
(a) are based on a probability-weighted mean of the full range of possible outcomes;
(b) are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
(c) reflect conditions existing at the measurement date.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows.

<u>CSM</u>
The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:
(a) the initial recognition of the FCF;
(b) cash flows arising from the contracts in the group at that date;
(c) the derecognition of any insurance acquisition cash flows asset; and
(d) the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

v. Measurement – contracts not measured under the PAA (continued)

Subsequent Measurement

Subsequently, the carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage ("LRC") comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims ("LIC") includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

- The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows:

Changes relating to future service	Adjusted against CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated cash flows	Recognised as insurance finance income or expenses in profit or loss, except for certain portfolios measured using the GMM where the OCI option is applied.

- The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future services.

Reinsurance contracts

The Group will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

v. Measurement – contracts not measured under the PAA (continued)

The risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance income or expense as it receives insurance contract services from the reinsurer in the future.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group; and to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Under SFRS(I) 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

SFRS(I) 17 will require the Group to assess at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

v. Measurement – contracts not measured under the PAA (continued)

Impact assessment

Under SFRS(I) 17, all profits will be recognised in profit or loss over the life of the contracts, and this will primarily be driven by the timing of the recognition in profit or loss of the CSM as services are provided and the risk adjustment for non-financial risk as the related risk expires. The Group expects that, even though the total profit recognised over the lifetime of the contracts will not change, it will emerge differently under SFRS(I) 17.

The increase in liabilities for Life contracts on transition to SFRS(I) 17 can mainly be attributed to the following.

Key changes from SFRS(I) 4	Impact on equity on transition to SFRS(I) 17 at 1 January 2022
The estimates of the present value of future cash flows will increase as a result of a reduction in the discount rates because of the SFRS(I) 17 requirements to measure future cash flows using current discount rates.	**Decrease**
The risk adjustment for non-financial risk under SFRS(I) 17 will be lower than the risk margin under SFRS(I) 4 as a result of (a) recalibration of the measurement techniques to conform with the SFRS(I) 17 requirements, and (b) exclusion of financial risk from the SFRS(I) 17 risk adjustment for non-financial risk for certain entities with the Group.	**Increase**
A CSM, determined using the transition approaches described under Note 2.2.2B, will be recognised for the unearned profit for these contracts.	**Decrease**

vi. Measurement – contracts measured under the PAA

For insurance contracts issued, on initial recognition, the Group measures the liability for remaining coverage (“LRC”) at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid net of commission, plus broker fees paid to a party other than the reinsurer.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of the LRC and the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of the asset for remaining coverage and the asset for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

vi. Measurement – contracts measured under the PAA (continued)

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:
(a) increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
(b) decreased for insurance acquisition cash flows paid in the period;
(c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period;
(d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses; and
(e) increased for net insurance finance expenses recognised during the period.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:
(a) increased for ceding premiums, net of commission, paid in the period;
(b) increased for broker fees paid in the period; and
(c) decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period; and
(d) increased for net reinsurance finance income recognised during the period.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the General Measurement Model ("GMM"). Future cash flows are adjusted for the time value of money and the effect of financial risk.

<u>Impact assessment</u>
Although the PAA is similar to the Group's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for contracts under PAA.

Changes from SFRS(I) 4	Impact on equity on transition to SFRS(I) 17 at 1 January 2022
Under SFRS(I) 17, the Group will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date of which the claims are incurred. The Group generally does not currently discount such future cash flows for non-life contracts.	**Increase**
The Group's accounting policy under SFRS(I) 17 to recognise separately eligible insurance acquisition cash flows when they are incurred as deferred acquisition costs differs from current practice.	**Increase**

vii. Measurement – Significant Judgments and Estimates

The Group makes estimates, assumptions and judgments in its estimates of future cash flows, discount rates used, risk adjustments for non-financial risk, and CSM. At the date of these financial statements, the Group is still in the midst of finalising the judgments and estimation techniques employed, which are subject to change until the Group reports SFRS(I) 17 for the first time in calendar year 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

vii. Measurement – Significant Judgments and Estimates (continued)

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the observable market yields of Government Securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates. The Group does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The confidence level technique was used to derive the overall risk adjustment for non-financial risk. Applying a confidence level technique, the Group will estimate the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associate risks over all future years. The target confidence level will be at 85^{th} percentile.

Estimates of future cash flows

In estimating future cash flows, the Group will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience updated to reflect current expectations of future events.

The estimates of future cash flows will reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group will take into account current expectations of future events that might affect cash flows. Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows will be attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities will be allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

viii. Presentation and disclosure

Under SFRS(I) 17, for presentation in the balance sheet, the Group will aggregate portfolios of insurance and reinsurance contracts held and present separately:

- Portfolios of insurance contracts that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts that are liabilities; and
- Portfolios of reinsurance contracts held that are labilities.

The portfolios referred to above are those established at initial recognition in accordance with the SFRS(I) 17 requirements.

The descriptions of the line items in the Consolidated Profit or Loss Statement will change significantly compared with the Group's current practice. Under SFRS(I) 4, the Group reports the following line items: premiums, claims, maturities, surrenders and annuities and change in insurance contract liabilities. SFRS(I) 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expense;
- Insurance finance income or expense; and
- Income or expenses from reinsurance contracts held.

The Group will provide disaggregated qualitative and quantitative information in the notes to the financial statements about:

- The amounts recognised in its financial statements from insurance contracts and reinsurance contracts; and
- Significant judgments, and changes in those judgments made when applying the standard.

Insurance service result comprises insurance revenue and insurance service expenses.

<u>Insurance revenue</u>
As the Group provides insurance contract services under the insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

The requirements of SFRS(I) 17 to recognise insurance revenue over the coverage period will result in slower revenue recognition compared with the Group's current practice of recognising revenue when the related premiums are written. Many insurance premiums include an investment (that is, deposit) component – an amount that will be paid to policyholders or their beneficiaries in all circumstances, regardless of whether an insured event occurs. The receipt and repayment of these non-distinct investment components do not relate to the provision of insurance services; therefore, such amounts are not presented as part of the Group's revenue or insurance service expenses.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

viii. Presentation and disclosure (continued)

Insurance service expense

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses that relate directly to the fulfilment of insurance contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment contracts are included in other operating expenses in the consolidated statement of profit or loss.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

(a) the effect of the time value of money and changes in the time value of money; and
(b) the effect of financial risk and changes in financial risk.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income or expenses for life insurance. For non-life insurance, the entire change in the risk adjustment for non-financial risk is included in insurance service results.

For conventional life and non-life insurance contracts, the Group includes all insurance finance income or expenses for the period in profit or loss, except for certain portfolios measured using the GMM where the Other Comprehensive Income (“OCI”) option is applied. This is expected to reduce accounting mismatches in profit or loss, considering that many of the supporting financial assets will be debt investments measured at fair value through other comprehensive income (“FVOCI”).

The Group systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts.

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Group reclassifies the insurance finance income or expenses to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

viii. Presentation and disclosure (continued)

Disclosure

SFRS(I) 17 requires extensive new disclosures about amounts recognised in the financial statements, including detailed reconciliations of contracts, effects of newly recognised contracts and information on the expected CSM emergence pattern, as well as disclosures about significant judgments made when applying SFRS(I) 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts and reinsurance contracts. Disclosures will generally be made at a more granular level than under SFRS(I) 4, providing more transparent information for assessing the effects of contracts on the financial statements.

B. Transition

The Group will restate the comparative information based on the transition approaches taken on adoption of SFRS(I) 17.

Changes in accounting policies resulting from the adoption of SFRS(I) 17 will be applied using the full retrospective approach to the extent practicable. The full retrospective approach was applied to insurance contracts that were originated less than one year prior to the effective date. The modified retrospective approach will be applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date. The fair value approach will be applied to the remaining insurance contracts in force at transition date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Basis of Consolidation and Business Combinations

2.3.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances, except for insurance contracts (Note 2.10). A list of the Company's significant subsidiaries is shown in Note 3.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group’s share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest at fair value, or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group’s previously held equity interest in the acquiree (if any), over the net fair value of the acquiree’s identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.22. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses, if any.

2.5 Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control and is generally established for a narrow and well-defined objective.

For the purpose of disclosure, the Group would be considered to sponsor a structured entity if it has a key role in establishing the structured entity or its name appears in the overall structure of the structured entity.

2.6 Joint Arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interests in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in a joint venture is set out in Note 2.7.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Associates and Joint Ventures

Associates are entities over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investment in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture. If the investment in an associate is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the Group may elect to measure that investment at fair value through profit or loss in accordance with SFRS(I) 9. The Group will make this election separately for each associate, at initial recognition of the associate or joint venture.

On acquisition of the investment, an excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, investments in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in an associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and the respective carrying value and recognises the amount in the profit or loss.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures the retained investment at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Transactions with Non-Controlling Interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to shareholders of the Company, and is presented separately in the Consolidated Profit or Loss Statement, Consolidated Statement of Comprehensive Income and within equity in the Consolidated Balance Sheet, separately from Shareholders' Equity. An exception to this occurs when non-controlling interests arise through minority unit holders' interest in consolidated investment funds, when they are recognised as a liability, reflecting the net assets of the consolidated entity. These interests qualify as a financial liability as they give the holder the right to put the instrument back to the issuer for cash. Changes in these liabilities are recognised in the Consolidated Profit or Loss Statement as expenses.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

2.9 Foreign Currency Conversion and Translation

2.9.1 Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional and presentation currency.

2.9.2 Transactions and Balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Profit or Loss Statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation. Exchange differences on items such as equity investments classified as fair value through other comprehensive income financial assets are included in the fair value reserve in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Foreign Currency Conversion and Translation (continued)

2.9.3 Consolidated Financial Statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange ruling at the end of the reporting period. The Profit or Loss Statement is translated at the exchange rates prevailing at the dates of the transactions. The exchange differences arising from the translation are recognised in the Statement of Comprehensive Income as foreign currency translation reserve.

On disposal of a foreign operation, the cumulative amount of exchange differences recognised in other comprehensive income relating to that particular foreign operation is recognised in the Profit or Loss Statement as gain or loss on disposal of the operation.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences is re-attributed to non-controlling interest and is not recognised in Profit or Loss Statement. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the Profit or Loss Statement.

2.10 Insurance Contracts

2.10.1 Product Classification

Insurance contracts are those contracts where the Group (the insurer) has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are contracts that may transfer financial risk but do not transfer significant insurance 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 rates, 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.

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

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

- Likely to be a significant portion of the total contractual benefits;
- Whose amount or timing is contractually at the discretion of the issuer; and 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 company, fund or other entity that issues the contract.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Insurance Contracts (continued)

2.10.1 Product Classification (continued)

For financial options and guarantees which are not closely related to the host insurance contract with DPF, bifurcation is required to measure these embedded derivatives separately at fair value through the Profit or Loss Statement. However, bifurcation is not required if the embedded derivative is itself an insurance contract with DPF, or if the host insurance contract itself is measured at fair value through the Profit or Loss Statement.

For the purpose of SFRS(I) 4, the Group adopts maximum policy benefits as the proxy for insurance risk and cash surrender value or discounted maturity value as the proxy for realisable value of the insurance contract. The Group defines insurance risk to be significant when the ratio of the insurance risk over the deposit component is not less than 105% of the deposit component at inception of the insurance contract. Based on this definition, all policy contracts issued by insurance subsidiaries within the Group are considered insurance contracts as at the balance sheet date.

The insurance subsidiaries within the Group write insurance contracts in accordance with the local Insurance Regulations prevailing in the jurisdictions in which the insurance subsidiaries operate.

2.10.2 Types of Insurance Contracts

Insurance contract liabilities are classified into principal components as follows:

(a) Life Insurance contract liabilities; comprising
   - Participating Fund contract liabilities;
   - Non-Participating Fund contract liabilities; and
   - Investment Linked Fund contract liabilities.

(b) Non-life Insurance contract liabilities.

(c) Reinsurance contracts.

2.10.3 Life Insurance Contract Liabilities

Insurance contracts are recognised and measured in accordance with the terms and conditions of the respective contracts and are based on guidelines laid down by the respective insurance regulations. Premiums, claims and benefit payments, acquisition and management expenses and valuation of future policy benefit payments or premium reserves as the case may be, are recognised in the Profit or Loss Statement.

The valuation of insurance contract liabilities is determined according to the Insurance Regulations:

(a) Singapore Insurance Act 1966, Insurance (Valuation and Capital) Regulations 2004 for insurance funds regulated in Singapore ("MAS Regulations"); and

(b) Risk-Based Capital Framework for Insurers for insurance funds regulated in Malaysia.

Life insurance contract liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium valuation method. The liability is determined as the sum of the present value of future guaranteed and, where relevant, appropriate level of non-guaranteed benefits and expenses, less the present value of future gross considerations arising from the policy discounted at the appropriate discount rate. The liability is based on best estimate assumptions and with due regard to significant recent experience. An appropriate risk margin allowance for adverse deviation from expected experience is made in the valuation of non-participating life policies, the guaranteed benefit liabilities of participating life policies and liabilities of non-unit investment-linked policies.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Insurance Contracts (continued)

2.10.3 Life Insurance Contract Liabilities (continued)

The liability in respect of participating insurance contracts is based on the higher of the guaranteed benefit liabilities or the total benefit liabilities at the contract level derived as stated above. Refer to Table 2.10 for details.

In the case of life policies where part of, or all the premiums are accumulated in a fund, the accumulated amounts, as declared to policyholders are shown as liabilities if the accumulated amounts are higher than the amounts as calculated using the gross premium valuation method.

In the case of short-term life policies covering contingencies other than death or survival, the liability for such life insurance contracts comprises the provision for unearned premiums and unexpired risks, together with provision for claims outstanding, including an estimate of the incurred claims that have not yet been reported to the Group.

Risk transfer

The Group issues a variety of short and long duration insurance contracts which transfer risks from the policyholders to the Group to protect policyholders from the consequences of insured events such as death, disability, illness, accident, including survival. These contracts may transfer both insurance and investment risk or insurance risk alone, from the policyholders to the Group.

For non-participating policy contracts other than medical insurance policy contracts, the payout to policyholders upon the occurrence of the insured event is pre-determined and the transfer of risk is absolute. For medical insurance policy contracts, the payout is dependent on the actual medical costs incurred upon the occurrence of the insured event.

Contracts which transfer insurance risk alone from policyholders to the Group are commonly known as investment linked policies. As part of the pricing for these contracts, the insurance subsidiaries within the Group include certain charges and fees to cover for expenses and insured risk. The net investment returns derived from the variety of investment funds as selected by the policyholders accrue directly to the policyholders.

The Group issues investment linked contracts as an insurance contract which insure human life events such as death or survival over a long duration; coupled with an embedded derivative linking death benefit payments on the contract to the value of a pool of investments within the investment linked fund set up by the insurance subsidiary. As an embedded derivative meets the definition of an insurance contract it need not be separately accounted for from the host insurance contract. The liability valuation for such contracts is adjusted for changes in the fair value of the underlying assets at frequencies in accordance with the terms and conditions of the insurance contracts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Insurance Contracts (continued)

2.10.3 Life Insurance Contract Liabilities (continued)

TABLE 2.10 below provide the key underlying assumptions used for valuation of life insurance contract liabilities.

	SINGAPORE	MALAYSIA
Valuation Method	Gross Premium Valuation For Participating Fund, the method that produces the higher reserves of: (i) Guaranteed and non-guaranteed cashflows discounted at the appropriate rate of return reflecting the strategic asset allocation; (ii) Guaranteed cashflows discounted using the interest rate outlined below; and (iii) Total assets less all liabilities except insurance contract liabilities of the Participant fund.	Gross Premium Valuation For Participating Fund, the method that produces the higher reserves of: (i) Guaranteed and non-guaranteed cashflows discounted at the appropriate rate of return reflecting the strategic asset allocation i.e. Total Benefit Reserves; and (ii) Guaranteed cashflows discounted using Malaysia Government Securities zero coupon spot yields (as outlined below). For Asset Share Participating Products, the Total Benefit Reserves will be further adjusted in accordance to the value of Policy Asset.
Discount Rate	For policies denominated in SGD / USD: (i) Singapore Government Securities / US Treasury yields for cash flows up to 20 years and 30 years respectively; (ii) Ultimate forward rate of 3.8% applicable for cash flows beyond 60 years; (iii) Extrapolated yields in between; and (iv) Adjustments for matching adjustment and illiquidity premium according to MAS Notice 133, if any.	Malaysia Government Securities yields determined based on the following: (i) For cashflows with duration less than 15 years, Malaysia Government Securities zero coupon spot yields of matching duration; and (ii) For cashflows with duration 15 years or more, Malaysia Government Securities zero coupon spot yields of 15 years to maturity.
Mortality, Disability, Dread disease, Expenses, Lapse and surrenders	Participating Fund: - Best estimates for Gross Premium Valuation method (i); and - Best estimates plus provision for adverse deviation (PAD) for Gross Premium Valuation method (ii). Non-Participating and Non-Unit reserves of Investment Linked Fund: Best estimates plus provision for adverse deviation (PAD).	Participating Fund: - Best estimates for Gross Premium Valuation method (i); and - Best estimates plus provision for risk of adverse deviation (PRAD) for Gross Premium Valuation method (ii). Non-Participating and Non-Unit reserves of Investment Linked Fund: Best estimates plus provision for risk of adverse deviation (PRAD).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Insurance Contracts (continued)

2.10.3 Life Insurance Contract Liabilities (continued)

Subsequent measurement of life insurance contract liabilities

Adjustments to liabilities at each reporting date are recorded in the Profit or Loss Statement. Profits originating from the release in margins for adverse deviations are recognised in the Profit or Loss Statement over the lives of the contracts, whereas losses are fully recognised in the Profit or Loss Statement during the first year.

Derecognition of life insurance contract liabilities

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

Benefits and claims

Insurance contract benefits reflect the cost of all maturities, surrenders, withdrawals and claims arising during the period, as well as policyholder dividends accrued in anticipation of dividend declarations. Accident and health claims incurred include all losses occurring during the period, whether reported or not, related handling costs, a reduction for recoveries, and any adjustments to claims outstanding from previous years.

Claims handling costs include internal and external costs incurred in connection with the negotiation and settlement of claims, and are included in operating expenses.

Insurance contracts and investment contracts with DPF

A significant portion of insurance contracts issued by subsidiaries within the Group contain discretionary participating features. These contracts are classified as participating policies. In addition to guaranteed benefits payable upon insured events associated with human life such as death or disability, the contracts entitle the policyholder to receive benefits, which could vary according to investment performance of the fund. The Group does not recognise the guaranteed components separately from the discretionary participating features.

Profits to shareholders from the participating fund are allocated from the surplus or surplus capital, determined from the results of the annual actuarial valuation parameters which are set out in the Insurance Regulations of the respective jurisdiction in which the insurance subsidiaries operate. The results of the annual actuarial valuation also determine the liabilities relating to all the policyholders' benefits of the participating fund. The provisions in the Articles of Association of the insurance subsidiaries within the Group are applied in conjunction with the prescriptions in the respective Insurance regulations, such that the distribution for any year to policyholders of the participating fund and shareholders approximate 90% and 10% respectively of total distribution from the participating fund. Any surplus that is not allocated is recognised as unallocated surplus. The unallocated surplus forms part of the life insurance contract liabilities. The annual declaration of the quantum of policyholder bonus and correspondingly the profits to shareholders to be distributed out of the participating fund is approved by the Board of Directors of each insurance subsidiary under the advice of the Appointed Actuary of the respective insurance subsidiary, in accordance with the Insurance Regulations and the Articles of Association of the respective insurance subsidiaries.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Insurance Contracts (continued)

2.10.3 Life Insurance Contract Liabilities (continued)

Liability adequacy test

Each insurance subsidiary within the Group is required by the Insurance Regulations and accounting standards to carry out a liability adequacy test using current estimates of future cash flows relating to its insurance contracts; the process is referred to as the gross premium valuation or bonus reserve valuation, depending on the jurisdiction in which the insurance subsidiary operates.

The liability adequacy test is applied to both the guaranteed benefits and the discretionary participating features; the assumptions are based on best estimates, the basis adopted is prescribed by the Insurance Regulations of the respective jurisdiction in which the insurance subsidiary operates. The Group performs liability adequacy tests on its actuarial reserves to ensure that the carrying amount of provisions is sufficient to cover estimated future cash flows. When performing the liability adequacy test, the Group discounts all contractual cash flows and compares this amount against the carrying value of the liability. Any deficiency is charged to the Profit or Loss Statement.

2.10.4 Non-life Insurance Contract Liabilities

The Group caters to the protection needs of individuals and business owners through a wide range of general insurance products including but not limited to Fire, Motor, Marine and Aviation, Workmen's Compensation, Personal Accident, Health, and Other Property and Casualty lines.

Non-life insurance contract liabilities include claim liabilities and premium liabilities.

Claim liabilities

Claim liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the balance sheet date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these claims cannot be known with certainty at the balance sheet date. The liabilities are calculated at the reporting date using a range of standard actuarial claim projection techniques based on empirical data and current assumptions that may include a provision for adverse deviation. The liabilities are derecognised when contracts expire, are discharged or are cancelled.

The valuation of non-life insurance claim liabilities at balance sheet date is based on best estimates of the ultimate settlement cost of claims plus a provision for adverse deviation. The provision for adverse deviation is set at 75% level of sufficiency for Singapore, Malaysia and Indonesia. The valuation methods used include the Paid and Incurred Loss Development methods (also known as the Link Ratio methods), the Paid and Incurred Bornhuetter-Ferguson methods and the Expected Loss Ratio method. For Singapore and Malaysia, the claim liabilities are not discounted for the time value of money. However, for Indonesia, the claim liabilities are discounted for the time value of money.

Premium liabilities

Premium liabilities is the higher of the aggregate of the Unearned Premium Reserves ("UPR") for all lines of business and the best estimate value of the Unexpired Risk Reserves ("URR") plus the required provision of risk margin for adverse deviation as required by the regulations.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Insurance Contracts (continued)

2.10.4 Non-life Insurance Contract Liabilities (continued)

Premium liabilities (continued)

In determining the unearned premium reserve at the balance sheet date, the method that most accurately reflects the actual unearned premium is used, as follows:

For Singapore:

- $1/365^{th}$ method for all classes of business

For Malaysia and Indonesia:

- 25% method for marine cargo
- $1/365^{th}$ method for all other classes of business

Further provisions are made if expected future cash flows of unexpired insurance contracts with a provision for adverse deviation exceed the unearned premiums of these contracts.

2.10.5 Reinsurance Contracts

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent amounts receivable in respect of ceded insurance liabilities. These amounts are estimated in a manner consistent with the reinsured insurance contract liabilities, the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract. Reinsurance assets arising from ceding of an in-force book and gross onerous contracts are recognised in the same period when the gross liabilities are accrued.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the financial period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive part or all outstanding amounts under the terms of the contract. The impairment loss is recorded in the Profit or Loss Statement. Gains or losses on reinsurance are recognised in the Profit or Loss Statement immediately at the date of contract and are not amortised. Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

The Group also assumes reinsurance risk in the normal course of business for life insurance and non-life insurance contracts where applicable. Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Recognition of Income and Expense

2.11.1 Premiums and Commissions

Life Insurance Business

First year premiums of insurance policies are recognised from inception date and subsequent renewal premiums are recognised when due. Single premiums are recognised on the dates on which the policies are effective. Premiums from the investment-linked business, universal life and certain Takaful Non-participating products are recognised as revenue when payment is received. Commission is recognised as an expense when incurred.

Non-Life Insurance Business

Premiums from the non-life insurance business are recognised as revenue in the Profit or Loss Statement upon commencement of insurance cover. Premiums pertaining to periods outside of the financial reporting period are adjusted through the movement in premium liabilities. Commission is recognised as an expense when incurred, typically upon the risk underwritten as reflected in the premium recognised.

Premiums ceded out and the corresponding commission income from non-life insurance contracts are recognised in the Profit or Loss Statement upon receipt of acceptance confirmation from the ceding company or in accordance with provisions incorporated in the treaty contracts. Premiums ceded out pertaining to periods outside of the financial reporting period are adjusted through the movement in unexpired risk reserve.

2.11.2 Interest Income

Interest income is recognised using the effective interest method.

2.11.3 Dividend Income

Dividend income is recognised as investment income when the Group's right to receive the payment is established. Dividend income from the Company's subsidiaries is recognised when the dividend is declared payable.

2.11.4 Rental Income

Rental income from operating leases is recognised on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

2.11.5 Gain/Loss on Sale of Investments

Gains or losses on sale of investments are derived from the difference between net sales proceeds and the purchase or amortised cost. They are recognised on trade date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Recognition of Income and Expense (continued)

2.11.6 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment test for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the Profit or Loss Statement.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the Profit or Loss Statement. Unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11.7 Impairment of Financial Assets

The Group recognises loss allowances for expected credit losses ("ECL") on the following financial instruments that are not measured at FVTPL:

(i) Debt instruments measured at FVOCI and amortised cost;
(ii) Loans and receivables measured at amortised cost; and
(iii) Loan commitments.

The Group assesses on a forward looking basis the ECL associated with its loans and debt instruments carried at amortised cost and FVOCI and its loan commitments. For trade and insurance receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. The Group recognises a loss allowance for ECL at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Recognition of Income and Expense (continued)

2.11.7 Impairment of Financial Assets (continued)

The Group measures loss allowances at an amount equal to lifetime ECL, except for financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL represents the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Note 33(h) provides more details on how the expected loss allowance is measured.

Not credit-impaired financial assets
For financial assets that are not credit-impaired at the reporting date, the ECL is the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Modified financial assets
If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected modification will not result in derecognition of the existing asset then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected modification will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets measured at amortised cost and debt financial assets measured at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group considers factors such as probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For financial assets that are credit-impaired at the reporting date, the ECL is the difference between the gross carrying amount and the present value of estimated future cash flows.

Write-off
Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Recognition of Income and Expense (continued)

2.11.8 Fees and Other Income

Fees and other income comprise mainly management and advisory fee income. Management and advisory fee income includes income earned from the provision of administration services, investment management services, surrenders and other contract fees. This fee income is recognised as revenue over the period in which the services are rendered. If the fees are for services to be provided in future periods, then they are deferred and recognised over those periods.

2.11.9 Employee Benefits

Defined Contribution Plans under Statutory Regulations

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore and Malaysia companies in the Group make contributions respectively to the Central Provident Fund and Employees' Provident Fund, which are defined contribution pension schemes. These contributions are recognised as an expense in the period in which the service is rendered.

Employee Leave Entitlements

An employee's entitlement to annual leave and long-service leave is estimated and accrued according to the Group's Human Resource policy.

Share Options

Senior executives of the Group are granted share options in the OCBC Bank's Share Option Scheme as consideration for services rendered. Options granted are exercisable for up to 10 years. The options may be exercised after the first anniversary of the date of the grant, and generally vest in one-third increments over a 3-year period. The cost of these options is recognised as expense in the Profit or Loss Statement based on the fair value of the options at the date of the grant. The share options are cash-settled share-based payment transactions. The expense is recognised over the vesting period of the grant, with a corresponding increase in liabilities.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as a result of a failure to meet a non-vesting condition that is within the control of the Group or the senior executives, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in the Profit or Loss Statement upon cancellation.

Deferred Share Plan

In addition to the OCBC Bank's Share Option Scheme, certain employees within the Group are granted OCBC shares under the OCBC Deferred Share Plan ("DSP"). The deferred share awards are granted as part of variable performance bonus. Half of the share awards will vest two years from the grant date and the remaining half will vest at the end of three years from the grant date. The cost of the DSP is recognised in the Profit or Loss Statement on the straight-line basis over the vesting period of the DSP.

At each balance sheet date, the cumulative expense is adjusted for the estimated number of shares granted under the DSP that have vested and/or lapsed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Recognition of Income and Expense (continued)

2.11.10 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration – i.e. the customer has the right to:

- Obtain substantially all of the economic benefits from using the asset; and
- Direct the use of the asset.

As Lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of lease liability, any lease payments made or before the commencement date, any indirect costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group generally uses its incremental borrowing rate as the discount rate.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the carrying amount of the right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently measured at amortised cost using the effect interest method. It is remeasured to reflect any lease modifications or reassessments.

The Group presents its right-of-use assets in 'property, plant and equipment' and lease liabilities in 'other creditors' in the balance sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As Lessor

The Group classifies all leases for which it is a lessor as operating leases, because each of these leases does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term and are included in 'rental income, net'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Taxes

2.12.1 Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.12.2 Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Exceptions include:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Taxes (continued)

2.12.2 Deferred Tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the year when the asset is realised or the liability is settled, based on tax rates (and applicable tax laws and jurisdictions) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2.12.3 Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Policy Benefits

Policy benefits are recognised when the policyholder exercises the option to deposit the survival benefits with the life insurance subsidiary companies when the benefit falls due. Policy benefits are interest bearing at rates adjusted from time to time by the life insurance subsidiary companies. Interest payable on policy benefits is recognised in the Profit or Loss Statement as incurred.

2.15 Claims Admitted or Intimated

Full provision is made for the estimated cost of all life insurance claims notified but not settled at balance sheet date. Provision is made for estimated claims incurred but not reported for all classes of non-life insurance business written.

2.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments, or are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.17 Insurance Receivables

Insurance receivables are recognised when due. They are measured at initial recognition at the fair value received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest method. A loss allowance is measured at an amount equal to lifetime expected credit losses, with the impairment loss recognised in the Profit or Loss Statement. Insurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 2.18 has been met. The Group's insurance receivables include outstanding premiums, policy loans and reinsurance receivables. Policy loans are loans and advances made to policyholders, and are collateralised by the underlying policies.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial asset. The Group determines the classification of its financial assets at initial recognition. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets carried at fair value through profit or loss are recognised as expense in the Profit or Loss Statement.

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

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

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI only if it meets both of the following conditions and is not designated as measured at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity security that is not held for trading may, by irrevocable election, be designated as measured at FVOCI. This election is made on an investment-by-investment basis. The Group has designated certain equity securities held for strategic purposes as measured at FVOCI.

A financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI may, by irrevocable election, be designated as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group has designated certain debt securities which are held with the intent to collect contractual cash flows and sell as measured at FVTPL.

All other financial assets are classified as measured at FVTPL.

Business model assessment

The Group assesses the objective of the business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or whose performance is evaluated on a fair value basis, are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Financial Assets (continued)

Business model assessment (continued)

The business model assessment is based on reasonably expected scenarios without taking “worst case” or “stress case” scenarios into account. If the cash flows after initial recognition are realised in a way that is different from the Group’s original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers the following key aspects:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets; and
- Features that modify consideration of the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Subsequent measurement

2.18.1 Debt Instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in the Profit or Loss Statement. Gains or losses are also recognised in profit or loss when the assets are derecognised.

(ii) Fair value through other comprehensive income (FVOCI)

Debt instruments that are held for collection of contractual cash flows and for sale, where the assets’ cash flows represent solely payments of principal and interest, are classified as FVOCI. Any gains or losses from changes in fair value are recognised in other comprehensive income and accumulated in fair value reserve. Impairment, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss when the financial asset is derecognised.

(iii) Fair value through profit or loss (FVTPL)

Debt instruments that do not meet the criteria for classification as amortised cost or FVOCI are measured at FVTPL. Any gains or losses from changes in fair value and interest are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Financial Assets (continued)

Subsequent measurement (continued)

2.18.2 Equity Instruments

The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Equity instruments are not subjected to impairment. Dividends, when representing a return from such investments are to be recognised in profit or loss when the Group’s right to receive payments is established.

Changes in fair value of equity instruments at FVTPL are recognised in profit or loss.

2.18.3 Derivatives and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group applies hedge accounting for hedges of net investments in foreign operations. At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For hedges of net investments in foreign operations, gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the Profit or Loss Statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the Profit or Loss Statement.

The Group uses forward currency contracts as hedges of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or has been transferred such that substantially all of the risks and rewards of ownership of the financial asset are transferred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Financial Assets (continued)

Derecognition (continued)

On derecognition of a financial asset, except for equity securities measured at FVOCI, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Profit or Loss Statement.

On derecognition of equity securities measured at FVOCI, any cumulative gain/loss recognised in OCI is not recognised in the Profit or Loss Statement, but retained in OCI.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.19 Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when the Group becomes a party to the contractual obligations of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

The Group's financial liabilities include other creditors, provision for agents' retirement benefits and derivative liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

2.19.1 Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term and include derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the Profit or Loss Statement.

2.19.2 Financial Liabilities at Amortised Cost

After initial recognition, other financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Profit or Loss Statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.21 Determination of Fair Value of Financial Instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted or published bid prices on the balance sheet date. If quoted prices are not available over the counter, broker or dealer price quotations are used.

For units in unit trusts and shares in open-ended investment companies, fair value is determined by reference to published bid-values.

For financial instruments where there is no 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. For discounted cash flow techniques, estimated future cash flows are based on management’s best estimates based on market’s perspective and the discount rate is a market-related rate for a similar instrument. Certain financial instruments, including derivative financial instruments, are valued using pricing models that consider, among other factors, contractual, and market prices, correlation, 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 overnight deposits with financial institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the balance sheet date.

2.22 Intangible Assets

2.22.1 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group’s cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the Profit or Loss Statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the cash-generating unit retained.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Intangible Assets (continued)

2.22.1 Goodwill (continued)

Goodwill and fair value adjustments which arose on acquisitions of foreign subsidiaries before 1 January 2005 are deemed to be assets and liabilities of the parent company and are recorded in SGD at the rates prevailing at the date of acquisition.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date.

2.22.2 Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

No amortisation is provided on capital works in progress as the assets are not yet available for use. Amortisation of an asset begins when it is available for use and calculated on a straight-line basis over the estimated useful life of an asset. The useful lives are as follows:

Computer software and software development costs	3 to 10 years
Distribution platform	6.5 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Profit or Loss Statement.

2.23 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and is not depreciated. No depreciation is provided for 999-year leasehold land. No depreciation is provided on capital works in progress as the assets are not yet available for use.

Depreciation of an asset begins when it is available for use and is calculated on a straight-line basis over the estimated useful life of an asset. The useful lives are as follows:

Buildings	50 years
Office furniture, fittings and equipment	5 to 10 years
Renovation	3 to 5 years
Computer equipment and software development costs	3 to 10 years
Motor vehicles	5 years

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Property, Plant and Equipment (continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate. This is to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the Profit or Loss Statement in the year the asset is derecognised.

2.24 Investment Properties

Investment properties are properties that are owned by the Group in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in the Profit or Loss Statement in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains or losses on the retirement or disposal of an investment property are recognised in the Profit or Loss Statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.23 up to the date of change in use.

2.25 Provision for Agents' Retirement Benefits

Provision for agents' retirement benefits is set aside for agents and is calculated in accordance with the terms and conditions in the respective agent's agreement ("the Agreement"). The terms and conditions of the Agreement stipulate that upon the agent maintaining his position for the qualifying year and achieving the required personal sales and minimum new business, the agent shall be allocated a deferred benefit/retirement benefit. The deferred benefit/retirement benefit accumulated at Balance Sheet date includes accrued interest. The accrued deferred benefit shall only become payable provided the Agreement has been in force for certain continuous contract years and the agent has attained the minimum retirement age stipulated in the Agreement. The carrying amount is based on amortised cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Related Parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:
- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of the employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In the Company's financial statements, loans to subsidiaries are interest-free and stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investment in subsidiaries in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest income in the Profit or Loss Statement over the expected repayment period.

2.27 Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services. The management regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.28 Share Capital and Share Issuance Expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.29 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

2.30 Critical Accounting Estimates and Judgments

In the preparation of the Group's financial statements, management makes estimates, assumptions and judgments that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. Estimates, assumptions and judgments are continually evaluated and based on internal studies of actual historical experience and other factors. Best estimates and assumptions are constantly reviewed to ensure that they remain relevant and valid. 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 future periods.

(a) Liabilities of insurance business

The estimation of the ultimate liability arising from claims made under life and non-life insurance contracts is the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liabilities that the Group will ultimately be required to pay as claims.

For life insurance contracts, estimates are made for future deaths, morbidity, disabilities, lapses, voluntary terminations, investment returns, administration expenses and discount rates (Note 2.10). The Group relies on standard industry and national mortality and morbidity tables which represent historical experience, and makes appropriate adjustments for its respective risk exposures and portfolio experience in deriving the mortality and morbidity estimates. These estimates provide the basis for the valuation of the future benefits to be paid to policyholders and to ensure adequate provisions which are monitored against current and future premiums. For those contracts that insure risk on longevity and disability, estimates are made based on recent past experience and emerging trends. Epidemics and changing patterns of lifestyle could result in significant changes to the expected future exposures. Each year, these estimates are assessed for adequacy and changes will be reflected as adjustments to insurance contract liabilities. The carrying value of life insurance contract liabilities, gross as at 31 December 2022 amounted to $84,936.2 million (31 December 2021: $86,958.4 million).

For non-life insurance contracts, estimates have to be made for both the expected ultimate cost of claims reported at the balance sheet date and for the expected ultimate cost of claims incurred but not yet reported ("IBNR") at the balance sheet date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.30 Critical Accounting Estimates and Judgments (continued)

(a) Liabilities of insurance business (continued)

Generally, claim liabilities are determined based upon the Group's past claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Estimations are made with reference to the past experience with similar cases, historical claims development trends, legislative changes, judicial decisions and economic conditions. It is certain that actual claim liabilities will not exactly develop as projected and may vary from the Group's projections.

The estimates of claim liabilities are therefore sensitive to various factors and uncertainties. The establishment of technical provisions is an inherently uncertain process and, as a consequence of this uncertainty, the eventual settlement of claim liabilities may vary from the initial estimates.

The carrying value of non-life insurance contract liabilities – claims liabilities, gross as at 31 December 2022 amounted to $513.3 million (31 December 2021: $491.1 million).

(b) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. Certain subsidiaries within the Group have significant open tax positions, which represent the positions that have not been finalised with the tax authorities. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made. The carrying amount of the income tax and deferred tax provisions as at 31 December 2022 amounted to $2,212.5million (31 December 2021: $2,907.6 million).

(c) Impairment of goodwill

The Group conducts impairment tests on the carrying value of goodwill in accordance with the accounting policy stated in Note 2.22. The recoverable amounts of cash-generating units are determined based on the value-in-use method, which adopts a discounted cash flow approach on projections, budgets and forecasts over a 5-year period. Cash flows beyond the fifth year are extrapolated using estimated terminal growth rates not exceeding the long-term average growth of the industry and country in which the cash-generating unit operates. The discount rates applied to the cash flow projections are derived from the Group's weighted average cost of capital at the date of assessment. Changes to the assumptions, particularly the discount rate and terminal growth rate, may significantly affect the results of the impairment test. Further details of the key assumptions applied in the impairment assessment of goodwill are provided in Note 25.

(d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 33(h).

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.30 Critical Accounting Estimates and Judgments (continued)

(e) Insurance contract classification

Contracts are classified as insurance contracts where they transfer significant insurance risk from the policyholder to the Group. The Group exercises judgment about the level of insurance risk transferred. The level of insurance risk is assessed by considering whether upon the insured event the Group is required to pay significant additional benefits. These additional benefits include claims liability and assessment costs, but exclude the loss of the ability to charge the policyholder for future services. The assessment covers the whole of the expected term of the contract where such additional benefits could be payable. Some contracts contain options for the policyholder to purchase insurance risk protection at a later date; these insurance risks are deemed not significant.

(f) Property classification

Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased separately under a finance lease), the Group would account for these portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

NOTES TO THE FINANCIAL STATEMENTS

3 SUBSIDIARIES AND ASSOCIATES

	Country of Incorporation	Principal Activities	Effective interest held by GEH 2022 %	2021 %
(i) **SIGNIFICANT SUBSIDIARIES**				
Held by the Company				
The Great Eastern Life Assurance Company Limited(3.1)	Singapore	Life assurance	**100.0**	100.0
Great Eastern General Insurance Limited (3.1)	Singapore	Composite insurance	**100.0**	100.0
Lion Global Investors Limited(3.1)	Singapore	Asset management	**70.0**	70.0
The Great Eastern Trust Private Limited(3.1)	Singapore	Investment holding	**100.0**	100.0
Held through subsidiaries				
Great Eastern Life Assurance (Malaysia) Berhad(3.2)	Malaysia	Life assurance	**100.0**	100.0
Great Eastern General Insurance (Malaysia) Berhad(3.2)	Malaysia	General insurance	**100.0**	100.0
P.T. Great Eastern Life Indonesia(3.2)	Indonesia	Life assurance	**99.5**	99.5
P.T. Great Eastern General Insurance Indonesia(3.2)	Indonesia	General insurance	**95.0**	95.0
Straits Eastern Square Private Limited(3.1)	Singapore	Property investment	**100.0**	100.0
218 Orchard Private Limited(3.1)	Singapore	Property investment	**100.0**	100.0
Great Eastern Takaful Bhd(3.2)	Malaysia	Family Takaful business	**70.0**	70.0
Aminstitutional Income Bond Fund(3.3)	Malaysia	Wholesale fixed income fund	**79.0**	100.0
Affin Hwang Wholesale Income Fund(3.2)	Malaysia	Wholesale fixed income fund	**100.0**	100.0
Affin Hwang Wholesale Equity Fund(3.2)	Malaysia	Wholesale equity fund	**99.8**	99.8
(ii) **SIGNIFICANT ASSOCIATES**				
Held through subsidiaries				
Boost Holdings Sdn Bhd(3.2)	Malaysia	Digital Financial Services	**21.9**	21.9

(3.1) Audited by PricewaterhouseCoopers ("PwC") LLP, Singapore.
(3.2) Audited by firms within the worldwide network of PricewaterhouseCoopers firms and entities.
(3.3) Audited by Ernst & Young PLT, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Note	Group 2022	2021
4 INVESTMENT INCOME, NET			
Dividend income			
- Investments			
Financial assets measured at FVOCI		**76.3**	81.3
Financial assets mandatorily measured at FVTPL		**640.5**	587.5
		716.8	668.8
Interest income			
- Investments			
Financial assets measured at FVOCI		**249.9**	192.2
Financial assets mandatorily measured at FVTPL		**267.9**	211.9
Financial assets designated at FVTPL		**1,464.7**	1,478.3
- Financial assets at amortised cost		**302.1**	283.5
		2,284.6	2,165.9
		3,001.4	2,834.7
less: Investment related expenses		**(143.4)**	(135.2)
		2,858.0	2,699.5

During the year ended 31 December 2022, $27.6 million (31 December 2021: $19.8 million) of the dividend income relates to equity investments measured at FVOCI which were derecognised during the reporting year.

	Note	2022	2021
5 LOSS ON SALE OF INVESTMENTS AND CHANGES IN FAIR VALUE			
Changes in fair value of investment properties	26	**91.3**	84.3
Net (loss)/gain on sale of debt securities measured at FVOCI		**(95.4)**	49.6
Changes in fair value of investment in associate		**24.4**	-
Changes in fair value of investments			
- mandatorily measured at FVTPL		**(4,257.4)**	1,202.3
- designated at FVTPL		**(3,765.5)**	(2,416.5)
		(8,022.9)	(1,214.2)
		(8,002.6)	(1,080.3)

		2022	2021
6 PROVISION FOR AGENTS' RETIREMENT BENEFITS			
Balance at the beginning of the year		**291.3**	295.5
Currency translation reserve adjustment		**(17.6)**	(5.2)
Increase in provision for the year		**38.3**	19.7
Paid during the year		**(16.2)**	(18.7)
Balance at the end of the year		**295.8**	291.3

As at 31 December 2022, $139.7 million (31 December 2021: $133.8 million) of the above provision for agents' retirement benefits is payable within one year.

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Note	Group 2022	Group 2021
7 ADDITIONAL PROFIT OR LOSS DISCLOSURES			
Fees paid to auditors		**5.1**	3.3
Audit fees paid to Auditor of the Company		**3.9**	2.1
Audit fees paid to other auditors		**0.8**	0.7
Non-audit fees paid to Auditor of the Company		**0.4**	0.5
Staff costs and related expenses[1]		**398.9**	401.0
Salaries, wages, bonuses and other costs		**353.7**	354.7
Central Provident Fund / Employee Provident Fund		**37.0**	39.2
Share-based payments		**8.2**	7.1
Fee income		**33.7**	37.4
Fund management fee		**27.3**	32.8
Financial advisory fee		**6.4**	4.6
Depreciation and amortisation expenses		**88.0**	79.4
Depreciation	28	**45.3**	44.2
Amortisation	25	**42.7**	35.2
Interest expense		**208.7**	201.0
On policy benefits		**206.8**	198.8
On lease liability	28	**1.9**	2.2

(1) Material items within management and other expenses.

8 INCOME TAX

Major components of income tax (credit)/expense

The major components of income tax (credit)/expense for the year ended 31 December 2022 and 2021 are:

(a) Income tax (credit)/expense attributable to policyholders' returns:

	2022	2021
Current income tax:		
- Current income taxation	**163.6**	165.0
- Over provision in respect of previous years	**(20.7)**	(1.0)
	142.9	164.0
Deferred income tax:		
- Origination and reversal of temporary differences	**(391.8)**	1,130.0
	(391.8)	1,130.0
	(248.9)	1,294.0

in Singapore Dollars (millions)	Group	
	2022	2021
8 INCOME TAX (continued)		
Major components of income tax (credit)/expense (continued)		
(b) Income tax expense attributable to shareholders' profits		
Current income tax:		
- Current income taxation	**220.7**	240.2
- Over provision in respect of previous years	**(49.3)**	(24.3)
	171.4	215.9
Deferred income tax:		
- Origination and reversal of temporary differences	**(2.1)**	5.2
	(2.1)	5.2
	169.3	221.1
Total tax (credit)/expense for the year recognised in the Profit or Loss Statement	**(79.6)**	1,515.1

Relationship between income tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 is as follows:

Profit before tax attributable to shareholders' profits	**956.2**	1,354.5
Tax at the domestic rates applicable to profits in the countries where the Group operates	**238.8**	291.5
Adjustments:		
Foreign tax paid not recoverable	**6.8**	8.3
Permanent differences	**120.0**	67.0
Tax exempt income	**(147.0)**	(121.4)
Over provision in respect of previous years	**(49.3)**	(24.3)
Income tax expense recognised in the the Profit or Loss Statement	**169.3**	221.1

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

in Singapore Dollars (millions)	Note	Group 2022	2021
8 INCOME TAX (continued)			

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

	Note	2022	2021
Presented after appropriate offsetting as follows:			
Deferred tax assets		**(58.4)**	-
Deferred tax liabilities		**2,032.4**	2,579.0
Net deferred tax liabilities		**1,974.0**	2,579.0
Deferred Tax			
The movement in the net deferred tax is as follows:			
Balance at the beginning of the year		**2,579.0**	1,484.6
Currency translation reserve adjustment		**(7.6)**	(3.9)
Deferred tax charge taken to the Profit or Loss Statement:			
Other temporary differences		**1.6**	15.0
Fair value changes		**(51.5)**	(88.8)
(Reversal of)/increase in provision against future policyholders' returns	14	**(344.0)**	1,209.0
Deferred tax on fair value changes of investments at FVOCI		**(203.5)**	(36.9)
Balance at the end of the year		**1,974.0**	2,579.0

Deferred taxes at 31 December related to the following:

	Balance Sheet 2022	2021
Deferred tax liabilities:		
Differences in depreciation for tax purposes	**18.4**	16.9
Accrued investment income	**0.6**	0.9
Net unrealised gains on investments	**1.4**	184.9
Net accretion on fixed income investments	**43.8**	46.6
Provision against future policyholders' returns	**1,898.2**	2,244.0
Differences in insurance items[(1)]	**119.9**	101.7
Deferred tax liabilities	**2,082.3**	2,595.0
Deferred tax assets:		
Net unrealised loss on investments	**77.0**	5.2
Unutilised tax losses carried forward	**20.2**	1.4
Net amortisation on fixed income investments	**1.9**	2.1
Other accruals and provisions	**8.8**	6.9
Leases	**0.4**	0.4
Deferred tax assets	**108.3**	16.0
Net deferred tax liabilities	**1,974.0**	2,579.0

(1) Treatment in the unallocated surplus.

8 INCOME TAX (continued)

in Singapore Dollars (millions)	Note	Group 2022	Group 2021
		Profit or Loss Statement	
Deferred tax liabilities:			
Differences in depreciation for tax purposes		**1.5**	3.9
Accrued investment income		**(0.3)**	(0.3)
Net unrealised gain/(loss) on investments		**28.5**	(81.4)
Net accretion on fixed income investments		**(2.8)**	(0.8)
Provision against future policyholders' returns	14	**(344.0)**	1,209.0
Differences in insurance items		**18.2**	13.6
Deferred tax assets:			
Net unrealised loss on investments		**(71.8)**	(5.2)
Unutilised tax losses carried forward		**(21.5)**	(0.1)
Net amortisation on fixed income investments		**0.2**	(1.8)
Other accruals and provisions		**(1.9)**	(1.5)
Leases		**-**	(0.2)
Deferred tax (credit)/expense		**(393.9)**	1,135.2

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately $28.7 million (31 December 2021: $27.7 million) expiring in 2023 - 2026 (31 December 2021: 2022 - 2025) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

With the adoption of SFRS(I) 17 Insurance Contracts, Singapore insurers will use the insurance returns filed with MAS for regulatory purposes (“MAS Statutory Returns”) instead of their financial statement prepared in accordance with the accounting standard as the basis for preparing tax computations with effect from Year of Assessment ("YA") 2024 (financial year 2023). With the change in taxation basis effective 1 January 2023, a one-time estimated adjustment of $120.0 million of deferred tax asset will be reclassified to current income tax in the Balance Sheet.

9 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted and basic earnings per share are the same as there are no dilutive potential ordinary shares.

The following reflects the profit for the year attributable to ordinary shareholders and the weighted average number of shares outstanding during the year, used in the computation of basic and diluted earnings per share for the years ended 31 December:

		Group	
		2022	2021
Profit attributable to ordinary shareholders for computation of basic and diluted earnings per share	(in millions of Singapore Dollars)	**784.2**	1,113.0
Weighted average number of ordinary shares on issue applicable to basic and diluted earnings per share	(in millions)	**473.3**	473.3
Basic and diluted earnings per share	(in Singapore Dollars)	**$1.66**	$2.35

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

10 SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares	**Amount $'mil**	Number of shares	Amount $'mil
Ordinary shares: Issued and fully paid				
Balance at the beginning and end of the year	**473,319,069**	**152.7**	473,319,069	152.7

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

In accordance with the Companies Act 1967, the shares of the Company have no par value.

11 RESERVES

Merger reserve represents the difference between the fair value and nominal value of shares issued for the acquisition of a subsidiary. The merger reserve had been utilised in part in prior years to write-off the goodwill on acquisition of the subsidiary.

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The currency translation reserve is also used to record the effect of hedging of net investment in foreign operations.

The fair value reserve comprises the cumulative net change in the fair value of financial assets measured at FVOCI and the related loss allowance recognised in the Profit or Loss Statement until the assets are derecognised, net of tax.

in Singapore Dollars (millions)	Group	
	2022	2021
12 INSURANCE PAYABLES		
Claims admitted or intimated	**501.9**	470.3
Policy benefits	**5,793.7**	5,487.1
Reinsurance liabilities	**851.0**	663.2
	7,146.6	6,620.6

The carrying amounts disclosed above approximate fair value at the balance sheet date.

Policy benefits bear interest at 2.5% per annum (2021: 2.5% per annum) for the Group's insurance subsidiaries in Singapore and at 4.4% per annum (2021: 4.5% per annum) for the Group's insurance subsidiaries in Malaysia.

in Singapore Dollars (millions)	Group		Company	
	2022	2021	**2022**	2021
13 OTHER CREDITORS				
Other creditors comprise the following:				
Accrued expenses and other creditors	**1,544.3**	1,585.6	**8.5**	8.1
Investment creditors	**410.7**	223.1	**-**	-
Amount due to holding company[(1)]	**6.2**	1.6	**-**	-
Third-party interests in consolidated investment funds[(2)]	**35.3**	0.5	**-**	-
Lease liabilities	**62.6**	74.4	**-**	-
Premiums in suspense	**48.0**	36.3	**-**	-
Provision for reinstatement costs	**2.8**	2.8	**-**	-
	2,109.9	1,924.3	**8.5**	8.1

(1) Amount due to holding company is non-trade related, unsecured, interest-free, repayable upon demand and is to be settled in cash.

(2) Third-party interests in consolidated investment funds consist of third-party unit holders' interests in consolidated investment funds which are reflected as a liability since they can be put back to the Group for cash.

in Singapore Dollars (millions)	Note	Group		

14 INSURANCE CONTRACT LIABILITIES

	Note	Gross	Reinsurance	Net
31 December 2022				
Life insurance contracts	14.1	**85,565.0**	**(579.8)**	**84,985.2**
Non-life insurance contracts	14.2	**707.5**	**(422.7)**	**284.8**
		86,272.5	**(1,002.5)**	**85,270.0**
31 December 2021				
Life insurance contracts	14.1	87,718.3	(472.5)	87,245.8
Non-life insurance contracts	14.2	680.2	(414.2)	266.0
		88,398.5	(886.7)	87,511.8

14.1 Life insurance contracts

	Gross	Reinsurance	Net
31 December 2022			
Life insurance contract liabilities	**84,936.2**	**(579.8)**	**84,356.4**
Unallocated surplus	**628.8**	**-**	**628.8**
	85,565.0	**(579.8)**	**84,985.2**
31 December 2021			
Life insurance contract liabilities	86,958.4	(472.5)	86,485.9
Unallocated surplus	759.9	-	759.9
	87,718.3	(472.5)	87,245.8

in Singapore Dollars (millions)	Note	Group		

14 INSURANCE CONTRACT LIABILITIES (continued)

14.1 Life insurance contracts (continued)

Movement in life insurance contract liabilities	Note	Gross	Reinsurance	Net
Balance at 1 January 2022		**87,718.3**	**(472.5)**	**87,245.8**
Currency translation reserve adjustment		**(1,439.4)**	**11.2**	**(1,428.2)**
Change in life insurance contract liabilities				
- Due to assumptions change		**(1,499.0)**	**(20.8)**	**(1,519.8)**
- Due to change in discount rate		**(3,625.5)**	**0.5**	**(3,625.0)**
- Due to movement during the year		**4,120.6**	**(98.2)**	**4,022.4**
Reversal of provision for deferred tax on future policyholders' returns	8	**344.0**	**-**	**344.0**
Unallocated surplus		**(53.1)**	**-**	**(53.1)**
Others		**(0.9)**	**-**	**(0.9)**
Balance at 31 December 2022		**85,565.0**	**(579.8)**	**84,985.2**
Balance at 1 January 2021		85,687.8	(2,209.0)	83,478.8
Currency translation reserve adjustment		(418.1)	2.3	(415.8)
Change in life insurance contract liabilities				
- Due to assumptions change		(524.5)	71.1	(453.4)
- Due to change in discount rate		(769.0)	51.8	(717.2)
- Due to movement during the year		6,948.7	1,611.3	8,560.0
Provision for deferred tax on future policyholders' returns	8	(1,209.0)	-	(1,209.0)
Unallocated surplus		(1,984.8)	-	(1,984.8)
Others		(12.8)	-	(12.8)
Balance at 31 December 2021		87,718.3	(472.5)	87,245.8

in Singapore Dollars (millions) Group

14 INSURANCE CONTRACT LIABILITIES (continued)

14.1 Life insurance contracts (continued)

	Gross	Reinsurance	Net
31 December 2022			
Contracts with Discretionary Participating Features ("DPF")	**58,951.3**	**8.5**	**58,959.8**
Contracts without Discretionary Participating Features ("DPF")	**17,295.5**	**(575.1)**	**16,720.4**
Investment-linked contracts	**8,689.4**	**(13.2)**	**8,676.2**
	84,936.2	**(579.8)**	**84,356.4**
31 December 2021			
Contracts with Discretionary Participating Features ("DPF")	63,333.9	10.3	63,344.2
Contracts without Discretionary Participating Features ("DPF")	13,931.3	(466.3)	13,465.0
Investment-linked contracts	9,693.2	(16.5)	9,676.7
	86,958.4	(472.5)	86,485.9

14.2 Non-life insurance contracts

	Gross	Reinsurance	Net
31 December 2022			
Claim liabilities	**513.3**	**(345.0)**	**168.3**
Premium liabilities	**194.2**	**(77.7)**	**116.5**
	707.5	**(422.7)**	**284.8**
31 December 2021			
Claim liabilities	491.1	(340.5)	150.6
Premium liabilities	189.1	(73.7)	115.4
	680.2	(414.2)	266.0

in Singapore Dollars (millions) — Group

14 INSURANCE CONTRACT LIABILITIES (continued)

14.2 Non-life insurance contracts (continued)

Movement in claims liabilities	Gross	Reinsurance	Net
Balance at 1 January 2022	**491.1**	**(340.5)**	**150.6**
Currency translation reserve adjustment	**(20.9)**	**14.7**	**(6.2)**
Movement during the year	**43.1**	**(19.2)**	**23.9**
Balance at 31 December 2022	**513.3**	**(345.0)**	**168.3**
Balance at 1 January 2021	351.0	(206.5)	144.5
Currency translation reserve adjustment	(3.7)	2.5	(1.2)
Movement during the year	143.8	(136.5)	7.3
Balance at 31 December 2021	491.1	(340.5)	150.6

Movement in premium liabilities	Gross	Reinsurance	Net
Balance at 1 January 2022	**189.1**	**(73.7)**	**115.4**
Currency translation reserve adjustment	**(18.4)**	**14.3**	**(4.1)**
Movement during the year	**23.5**	**(18.3)**	**5.2**
Balance at 31 December 2022	**194.2**	**(77.7)**	**116.5**
Balance at 1 January 2021	188.5	(72.1)	116.4
Currency translation reserve adjustment	(1.2)	0.4	(0.8)
Movement during the year	1.8	(2.0)	(0.2)
Balance at 31 December 2021	189.1	(73.7)	115.4

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Note	Group 2022	Group 2021
15 OTHER DEBTORS			
Other debtors comprise the following:			
Financial Assets:			
Accrued interest and dividend receivable		**632.0**	611.0
Investment debtors		**156.9**	193.4
Other receivables		**24.2**	37.5
Deposits collected		**3.6**	4.4
	19	**816.7**	846.3
Non-Financial Assets:			
Prepayments and others		**61.1**	58.2
		877.8	904.5

As at 31 December 2022, the Company has no prepayments (31 December 2021: $0.4 million).

in Singapore Dollars (millions)	Note	Group 2022	Group 2021
16 INSURANCE RECEIVABLES			
Insurance receivables comprise the following:			
Financial Assets:			
Due from policyholders:			
Outstanding premiums		**983.9**	663.3
Policy loans		**2,277.5**	2,355.8
Due from reinsurers:			
Amounts due from reinsurers		**318.4**	316.5
	19	**3,579.8**	3,335.6

in Singapore Dollars (millions)	Note	Group 2022	Group 2021
17 REINSURERS' SHARE OF INSURANCE CONTRACT LIABILITIES			
Reinsurance share of:			
Insurance contract liabilities		**579.8**	472.5
Premium liabilities		**77.7**	73.7
Claims liabilities		**345.0**	340.5
		1,002.5	886.7

in Singapore Dollars (millions)	Note	Company 2022	Company 2021
18 AMOUNT DUE FROM SUBSIDIARIES			
Amount due from subsidiaries		**2,478.8**	2,672.2
Loans to subsidiaries		**9.1**	9.1
Provision for impairment of unsecured loan to subsidiary		**(7.0)**	(7.0)
	19	**2,480.9**	2,674.3

The amounts due from subsidiaries and loans to subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and are to be settled in cash.

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021
19 LOANS AND OTHER FINANCIAL ASSETS AT AMORTISED COST					
Loans comprise the following:					
Secured loans		**294.6**	398.1	**-**	-
Unsecured loans		**194.7**	206.8	**-**	-
		489.3	604.9	**-**	-
less: Provision for impairment of secured loans		**2.6**	2.9	**-**	-
Provision for impairment of unsecured loans		**6.2**	9.8	**-**	-
		480.5	592.2	**-**	-

If loans were carried at fair value, the carrying amounts would be as follows:

	Note	Group 2022	Group 2021	Company 2022	Company 2021
Loans		**485.3**	604.1	**-**	-
Loans and other financial assets at amortised cost:					
Cash and cash equivalents		**9,607.9**	9,117.7	**20.4**	19.8
Other debtors	15	**816.7**	846.3	**-**	-
Insurance receivables	16	**3,579.8**	3,335.6	**-**	-
Loans		**480.5**	592.2	**-**	-
Debt securities	21	**1,802.5**	242.3	**-**	-
Amount due from subsidiaries	18	**-**	-	**2,480.9**	2,674.3
Total loans and financial assets at amortised cost		**16,287.4**	14,134.1	**2,501.3**	2,694.1

	Note	Group 2022	Group 2021	Company 2022	Company 2021
19.1 Loans analysed by interest rate sensitivity and geography					
Fixed					
Singapore		**4.9**	61.0	**-**	-
Malaysia		**144.3**	250.2	**-**	-
		149.2	311.2	**-**	-
Floating					
Singapore		**331.3**	281.0	**-**	-
Total		**480.5**	592.2	**-**	-

The analysis by interest rate sensitivity is based on where the transactions are booked and where the credit risk resides.

20 DERIVATIVE FINANCIAL INSTRUMENTS

in Singapore Dollars (millions)	Notional Principal	Derivative Financial Assets	Derivative Financial Liabilities
31 December 2022			
Foreign exchange:			
Forwards	**27,976.0**	**510.6**	**(152.2)**
Currency swaps	**3,309.3**	**182.9**	**(6.8)**
Options	**69.0**	**12.0**	**-**
Interest rates:			
Swaps	**877.1**	**9.0**	**(64.5)**
Exchange traded futures	**841.8**	**2.2**	**(17.2)**
Equity:			
Swaps	**227.4**	**0.2**	**(35.6)**
Futures	**622.1**	**3.4**	**(0.1)**
Options	**996.3**	**39.2**	**(7.1)**
Credit:			
Swaps	**588.8**	**1.9**	**(3.7)**
Bond:			
Forwards	**210.6**	**0.3**	**(4.8)**
	35,718.4	**761.7**	**(292.0)**
31 December 2021			
Foreign exchange:			
Forwards	29,578.6	182.4	(49.0)
Currency swaps	4,214.7	84.8	(41.9)
Options	882.9	0.8	(0.3)
Interest rates:			
Swaps	1,514.3	44.9	(12.9)
Exchange traded futures	696.8	3.8	(2.1)
Equity:			
Swaps	320.6	7.4	(2.8)
Futures	194.8	0.4	(0.5)
Options	259.1	43.7	(0.2)
Credit:			
Swaps	33.7	-	(0.3)
Bond:			
Forwards	265.4	1.7	(1.4)
	37,960.9	369.9	(111.4)

The table above shows the fair value of derivative financial instruments, recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and the basis upon which changes in the value of derivatives are measured.

The fair value of derivatives shown above represents the current risk exposure but not the maximum risk exposure that would arise in the future as a result of the changes in value.

in Singapore Dollars (millions)		Group	
		2022	2021
21	**INVESTMENTS**		
21.1	**Financial assets at FVOCI**		
	Equity securities designated at FVOCI		
	(i) Quoted equity securities	**1,639.3**	2,175.4
	- Singapore Exchange	**229.7**	477.0
	- Hong Kong Stock Exchange	**392.3**	305.1
	- Australian Stock Exchange	**110.1**	222.0
	- Taiwan Stock Exchange	**127.3**	285.2
	- Bursa Malaysia	**222.0**	219.8
	- New York Stock Exchange	**156.3**	215.4
	- Korea Exchange	**121.1**	161.1
	- Others	**280.5**	289.8
	(ii) Unquoted equity securities	**22.7**	27.0
		1,662.0	2,202.4
	Debt securities at FVOCI		
	(iii) Quoted debt securities[(1)]	**6,423.8**	5,697.5
	(iv) Unquoted debt securities	**2,069.6**	1,795.7
		8,493.4	7,493.2
	Total securities measured at FVOCI	**10,155.4**	9,695.6

During the financial year ended 31 December 2022 and 2021, the Group sold listed equity securities as the underlying investments are no longer aligned with the Group's long-term investment strategy. These investments had a fair value of $933.7 million (31 December 2021: $699.8 million) at the date of disposal. The cumulative gain on disposal of $20.4 million (31 December 2021: gain of $46.5 million) was reclassified from fair value reserve to retained earnings.

		2022	2021
21.2	**Financial assets at FVTPL**		
	Mandatorily measured at FVTPL		
	Equity securities		
	(i) Quoted equity securities	**11,469.2**	13,651.1
	(ii) Unquoted equity securities	**21.8**	24.5
		11,491.0	13,675.6
	Debt securities		
	(iii) Quoted debt securities	**5,750.4**	3,409.3
	(iv) Unquoted debt securities	**2,778.8**	2,178.5
		8,529.2	5,587.8
	Other investments		
	(v) Collective investment schemes [(2)]	**14,226.7**	16,685.3
	Total financial assets mandatorily measured at FVTPL	**34,246.9**	35,948.7

(1) Included in quoted debt securities are quoted government securities amounting to $33.8 million (2021: $26.4 million) which are lodged with the regulator as statutory deposits.

(2) Collective investment schemes include but are not limited to hedge funds, private equity funds,unit trusts, real estate investment funds, exchange traded funds and open-ended investment company funds.

	in Singapore Dollars (millions)	Note	Group 2022	2021
21	**INVESTMENTS (continued)**			
21.2	**Financial assets at FVTPL (continued)**			
	Designated at FVTPL			
	Debt securities			
	(i) Quoted debt securities		**29,556.4**	31,585.7
	(ii) Unquoted debt securities		**12,999.2**	14,990.1
	Total financial assets designated at FVTPL		**42,555.6**	46,575.8
	Total financial assets at FVTPL		**76,802.5**	82,524.5
21.3	**Financial assets at Amortised Cost**			
	Debt securities			
	(i) Quoted debt securities		**1,097.7**	242.3
	(ii) Unquoted debt securities		**704.8**	-
	Total financial assets at Amortised Cost [1]	19	**1,802.5**	242.3
	TOTAL INVESTMENTS		**88,760.4**	92,462.4

(1) If these financial assets are measured using market value, the carrying amount would be as follows:

in Singapore Dollars (millions)	Group 2022	2021
Quoted debt securities	**1,401.1**	266.3
Unquoted debt securities	**314.1**	-
	1,715.2	266.3

in Singapore Dollars (millions)	Group	
	2022	2021
22 INVESTMENT IN ASSOCIATE		
Investment in shares, at fair value	**122.5**	95.2
Carrying amount at 31 December	**122.5**	95.2

The Group's associate is as follows:

Name of associate	Principal place of business	Nature of the relationship with the Group	Effective % interest held 2022	Effective % interest held 2021
Boost Holdings Sdn Bhd	Malaysia	Strategic investment in digital payment solutions	**21.9**	21.9

The Group has elected to measure its investment in associate, Boost Holdings Sdn Bhd, at fair value through profit or loss in accordance with SFRS(I) 9 as it is held through its venture capital organisation.

Information about the Group's investment in associate is as follows:

in Singapore Dollars (millions)	Group	
	2022	2021
Loss after income tax from continuing operations	**(51.4)**	(53.9)
Total comprehensive loss	**(51.4)**	(53.9)

in Singapore Dollars (millions)	Company	
	2022	2021
23 INVESTMENT IN SUBSIDIARIES		
Investment in shares, at cost	**1,323.4**	1,288.9
Distribution from pre-acquisition reserve	**(281.8)**	(281.8)
	1,041.6	1,007.1
Investment in shares, at cost:		
Balance at the beginning of the year	**1,288.9**	1,279.8
Acquisition	**34.5**	9.1
Balance at the end of the year	**1,323.4**	1,288.9

Significant restrictions:

The ability of insurance subsidiaries to transfer funds to the Group in the form of cash dividends is subject to local insurance laws and regulations and solvency requirements in certain jurisdictions in which the subsidiaries operate. These requirements do not constitute a material limitation on the ability of the subsidiaries to transfer funds to the Group.

23.1 Interest in subsidiary with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that is material to the Group.

Name of Subsidiary in Singapore Dollars (millions)	Principal place of business	Proportion of ownership interest held by NCI	Profit allocated to NCI during the reporting year	Accumulated NCI at the end of the reporting year	Dividends paid to NCI
31 December 2022:					
Lion Global Investors Limited	**Singapore**	**30%**	**1.6**	**81.1**	**9.2**
31 December 2021:					
Lion Global Investors Limited	Singapore	30%	18.6	88.7	26.9

Significant restrictions:

There are no significant restrictions on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

23 INVESTMENT IN SUBSIDIARIES (continued)

23.2 Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

	Lion Global Investors Ltd	
in Singapore Dollars (millions)	**2022**	2021
Current		
Assets	**318.6**	347.6
Liabilities	**(46.9)**	(51.0)
Net current assets	**271.7**	296.6
Non-current		
Assets	**3.2**	3.5
Liabilities	**(0.1)**	(0.1)
Net non-current assets	**3.1**	3.4
Net assets	**274.8**	300.0

Summarised statement of comprehensive income

in Singapore Dollars (millions)	**2022**	2021
Revenue	**106.5**	117.3
Profit before income tax	**14.8**	72.8
Income tax expense	**(9.3)**	(11.5)
Profit after income tax from continuing operations	**5.5**	61.3
Total comprehensive income	**5.5**	61.3

Other summarised information

Net cash flows from operations	**45.4**	59.0

24 INTERESTS IN STRUCTURED ENTITIES

A structured entity is defined as 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, or when the relevant activities are directed by means of contractual arrangements. The Group has interests in unconsolidated structured entities as described below.

The Group holds shares or units in investment vehicles, which consist of:

- Debt securities which comprise: Mortgage-Backed-Securities (MBS), Asset Backed Securities (ABS) and Structured Deposits (SD).
- Collective Investment Schemes which comprise: hedge funds, private equity funds, unit trusts, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETF) and Open Ended Investment Companies (OEIC).

The Group's holdings in investment vehicles are subject to the terms and conditions of the respective investment vehicle's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those investment vehicles.

The investment vehicles in the investment portfolio are managed by portfolio managers who are compensated by the respective investment vehicles for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee, and is reflected in the valuation of the investment vehicles.

24.1 Interests in unconsolidated structured entities

As part of its investment activities, the Group invests in unconsolidated structured entities. As at 31 December 2022, the Group's total interest in unconsolidated structured entities was $15,094.6 million (31 December 2021: $17,446.3 million) on the Group's balance sheet.

The Group does not sponsor any of the unconsolidated structured entities.

A summary of the Group's interest in unconsolidated structured entities is as follows:

in Singapore Dollars (millions)	Group	
	2022	2021
Debt securities		
Analysed as:		
MBS	**201.7**	161.5
ABS	**197.4**	221.3
SD	**468.8**	378.2
Collective investment schemes		
Analysed as:		
Hedge funds	**1,508.6**	1,604.2
Private equity funds	**2,842.1**	2,680.5
Unit trusts	**3,071.1**	4,155.1
REITs	**780.5**	937.7
ETF	**551.5**	573.9
OEIC	**5,472.9**	6,733.9
Total	**15,094.6**	17,446.3

The Group's maximum exposure to loss on the interests presented above is the carrying amount of the Group's investments.

NOTES TO THE FINANCIAL STATEMENTS

24 INTERESTS IN STRUCTURED ENTITIES (continued)

24.1 Interests in unconsolidated structured entities (continued)

The Group has not provided any financial or other support to the unconsolidated structured entities as at the reporting date, and there are no intentions to provide support in the foreseeable future.

24.2 Other interests in unconsolidated structured entities

The Group receives management fees in respect of its asset management business. The Group does not sponsor any of the funds or investment vehicles from which it receives fees. Management fees received for investments that the Group manages but does not have a holding in also represent an interest in unconsolidated structured entities. As these investments are not held by the Group, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future management fees. The table below shows the assets under management of entities that the Group manages but does not have a holding in and the fees earned from those entities.

in Singapore Dollars (millions)	Assets under Management		Investment Management Fees	
	2022	2021	**2022**	2021
Collective investment schemes	**2,963.8**	4,126.6	**23.5**	33.4
Total	**2,963.8**	4,126.6	**23.5**	33.4

in Singapore Dollars (millions)	Note	Group	
		2022	2021
25 INTANGIBLE ASSETS			
Goodwill	25.1	**26.7**	27.2
Other intangible assets	25.3	**176.9**	167.8
Carrying amount at 31 December		**203.6**	195.0
25.1 Goodwill			
Cost:			
At 1 January		**34.0**	34.1
Currency translation reserve adjustment		**(0.5)**	(0.1)
At 31 December		**33.5**	34.0
Impairment:			
At 1 January and 31 December		**(6.8)**	(6.8)
Net carrying amount:			
At 31 December	25	**26.7**	27.2

25 INTANGIBLE ASSETS (continued)

25.2 Impairment test for goodwill

Subsidiary - Lion Global Investors Limited

Carrying value of capitalised goodwill as at 31 December 2022	$18.9 million
Basis on which recoverable values are determined [(1)]	Value in use
Terminal growth rate [(2)]	2%
Discount rate [(3)]	6%

Business acquired - Tahan Insurance Malaysia Berhad

Carrying value of capitalised goodwill as at 31 December 2022	$5.5 million
Basis on which recoverable values are determined [(1)]	Value in use
Terminal growth rate [(2)]	6%
Discount rate [(3)]	9%

Subsidiary - PT Great Eastern General Insurance Indonesia

Carrying value of capitalised goodwill as at 31 December 2022	$2.3 million
Basis on which recoverable values are determined [(1)]	Value in use
Terminal growth rate [(2)]	5%
Discount rate [(3)]	16%

(1) The value-in-use calculation applies a discounted cash flow model using cash flow projections based on financial budget and forecast approved by management covering a five-year period. Cash flows beyond the fifth year are extrapolated using the terminal growth rate stated above.

(2) The terminal growth rates used do not exceed the long term average past growth rates of the industries and countries in which Lion Global Investors Limited, Great Eastern General Insurance (Malaysia) Berhad and PT Great Eastern General Insurance Indonesia operate.

(3) The discount rate applied to the cash flow projections is pre-tax and is derived from the cost of capital plus a reasonable risk premium. This is the benchmark used by management to assess the operating performance.

No impairment loss (2021: nil) was recognised for the financial year ended 31 December 2022 against the amounts of goodwill recorded above to write down the carrying value to recoverable value. A reasonably possible change in key assumptions will not cause the carrying values above to materially exceed the recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

25 INTANGIBLE ASSETS (continued)
25.3 Other intangible assets

		Group				
in Singapore Dollars (millions)	Note	Software	Capital works in progress	Club Membership	Distribution Platform	Total
Cost						
At 1 January 2021		-	-	0.6	4.0	4.6
Transfer from property, plant and equipment	28	350.3	94.5	-	-	444.8
Additions		9.6	53.7	-	-	63.3
Disposals		(0.4)	(0.2)	-	-	(0.6)
Reclassification to software		52.0	(52.0)	-	-	-
Currency translation reserve adjustment		(1.3)	(0.6)	-	-	(1.9)
At 31 December 2021		410.2	95.4	0.6	4.0	510.2
Additions		**20.4**	**35.6**	**-**	**-**	**56.0**
Disposals		**(11.5)**	**(0.3)**	**-**	**-**	**(11.8)**
Reclassification		**62.8**	**(62.8)**	**-**	**-**	**-**
Currency translation reserve adjustment		**(8.2)**	**(2.4)**	**-**	**(0.2)**	**(10.8)**
At 31 December 2022		**473.7**	**65.5**	**0.6**	**3.8**	**543.6**
Accumulated amortisation						
At 1 January 2021		-	-	(0.1)	(0.6)	(0.7)
Transfer from property, plant and equipment		(308.1)	-	-	-	(308.1)
Amortisation charge for the year	7	(34.5)	-	-	(0.7)	(35.2)
Disposals		0.3	-	-	-	0.3
Currency translation reserve adjustment		1.3	-	-	-	1.3
At 31 December 2021		(341.0)	-	(0.1)	(1.3)	(342.4)
Amortisation charge for the year	7	**(42.1)**	**-**	**-**	**(0.6)**	**(42.7)**
Disposals		**11.3**	**-**	**-**	**-**	**11.3**
Currency translation reserve adjustment		**7.0**	**-**	**-**	**0.1**	**7.1**
At 31 December 2022		**(364.8)**	**-**	**(0.1)**	**(1.8)**	**(366.7)**
Net book value						
At 31 December 2021	25	69.2	95.4	0.5	2.7	167.8
At 31 December 2022	25	**108.9**	**65.5**	**0.5**	**2.0**	**176.9**

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Note	Group 2022	2021
26 INVESTMENT PROPERTIES			
Balance sheet:			
At 1 January		**1,883.9**	1,767.2
Additions (subsequent expenditure)		**1.0**	0.2
Net gain from fair value adjustments	5	**91.3**	84.3
Reclassification from property, plant and equipment	28	**-**	38.8
Reclassification to asset held for sale	27	**(72.6)**	-
Currency translation reserve adjustment		**(22.4)**	(6.6)
At 31 December		**1,881.2**	1,883.9
Profit or Loss Statement:			
Rental income from investment properties:			
- Minimum lease payments		**47.3**	46.9
Direct operating expenses (including repairs and maintenance) arising from:			
- Rental generating properties		**(17.1)**	(16.7)
- Non-rental generating properties		**(0.1)**	(0.4)
		(17.2)	(17.1)

Investment properties collectively form an asset class which is an integral part of the overall investment strategy for the asset-liability management of the life insurance business.

Investment properties are stated at fair value, which has been determined based on objective valuation undertaken by independent valuers as at the balance sheet date. Valuations are performed by accredited independent valuers with recent experience in the location and category of the properties being valued.

27 ASSET HELD FOR SALE

The directors of the Group's subsidiary approved the sale of a property, and this sale is expected to be completed by 2023. The property has been reclassified from investment property to asset held for sale during the year and measured at fair value. The fair value of the property amounting to $72.6 million was determined using the income approach. This is a level 3 measurement as per the fair value hierarchy set out in note 34.3.

NOTES TO THE FINANCIAL STATEMENTS

28 PROPERTY, PLANT AND EQUIPMENT

		Group								
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
in Singapore Dollars (millions)	Note	Leasehold Land [1]	Office space	Other Right-Of-Use Assets	Freehold Land [1]	Capital Works in Progress	Buildings [1]	Computer Equipment and Software Development Costs	Other Assets [2]	Total
Cost										
At 1 January 2021		38.0	102.7	1.1	60.6	31.7	608.9	577.1	115.4	1,535.5
Additions		-	0.4	0.2	-	23.5	-	15.4	1.4	40.9
Disposals/assets written off		-	(0.3)	-	-	(0.5)	-	(0.7)	(7.9)	(9.4)
Reclassification		-	-	-	-	(0.2)	-	-	0.2	-
Reclassification to intangible assets	25	-	-	-	-	-	-	(444.8)	-	(444.8)
Reclassification to investment properties	26	-	-	-	-	(38.8)	-	-	-	(38.8)
Currency translation reserve adjustment		(0.1)	-	-	(0.1)	(0.5)	(2.6)	(2.3)	(0.9)	(6.5)
At 31 December 2021 and 1 January 2022		37.9	102.8	1.3	60.5	15.2	606.3	144.7	108.2	1,076.9
Additions		**-**	**0.5**	**-**	**-**	**1.4**	**-**	**9.0**	**3.0**	**13.9**
Disposals/assets written off		**-**	**(0.5)**	**-**	**-**	**-**	**-**	**(2.1)**	**(8.6)**	**(11.2)**
Reclassification		**-**	**-**	**-**	**-**	**(11.6)**	**-**	**-**	**11.6**	**-**
Currency translation reserve adjustment		**(0.3)**	**(0.2)**	**(0.1)**	**(0.2)**	**-**	**(8.3)**	**(5.4)**	**(2.9)**	**(17.4)**
At 31 December 2022		**37.6**	**102.6**	**1.2**	**60.3**	**5.0**	**598.0**	**146.2**	**111.3**	**1,062.2**

NOTES TO THE FINANCIAL STATEMENTS

28 PROPERTY, PLANT AND EQUIPMENT (continued)

		Group								
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
in Singapore Dollars (millions)	Note	Leasehold Land [1]	Office space	Other Right-Of-Use Assets	Freehold Land [1]	Capital Works in Progress	Buildings [1]	Computer Equipment and Software Development Costs	Other Assets [2]	Total
Accumulated Depreciation and Impairment Loss										
At 1 January 2021		(2.1)	(14.8)	(0.6)	(1.4)	-	(291.2)	(419.2)	(74.4)	(803.7)
Depreciation charge for the year	7	-	(12.7)	(0.3)	-	-	(12.2)	(11.3)	(7.7)	(44.2)
Disposals/assets written off		-	0.1	-	-	-	-	0.3	6.0	6.4
Reclassification to intangible assets		-	-	-	-	-	-	308.1	-	308.1
Currency translation reserve adjustment		-	(0.2)	-	-	-	1.0	1.9	0.8	3.5
At 31 December 2021 and 1 January 2022		(2.1)	(27.6)	(0.9)	(1.4)	-	(302.4)	(120.2)	(75.3)	(529.9)
Depreciation charge for the year	**7**	**-**	**(12.4)**	**(0.3)**	**-**	**-**	**(12.1)**	**(11.2)**	**(9.3)**	**(45.3)**
Disposals/assets written off		**-**	**0.1**	**-**	**-**	**-**	**-**	**2.1**	**8.5**	**10.7**
Currency translation reserve adjustment		**-**	**0.2**	**-**	**-**	**-**	**3.7**	**5.3**	**2.5**	**11.7**
At 31 December 2022		**(2.1)**	**(39.7)**	**(1.2)**	**(1.4)**	**-**	**(310.8)**	**(124.0)**	**(73.6)**	**(552.8)**
Net Book Value										
At 31 December 2021		35.8	75.2	0.4	59.1	15.2	303.9	24.5	32.9	547.0
At 31 December 2022		**35.5**	**62.9**	**-**	**58.9**	**5.0**	**287.2**	**22.2**	**37.7**	**509.4**

As at year end, the Company held other assets with a net book value of $0.1 million (31 December 2021: other assets with a net book value of $0.1 million). Depreciation for the year on computer equipment was nil (31 December 2021: nil).

[1] If the freehold land, leasehold land and buildings were measured using market value, the carrying amount would be as follows:

in Singapore Dollars (millions)	Group	
	2022	2021
Freehold land, Leasehold land and Buildings	**846.6**	844.6

[2] Other assets include motor vehicles, office furniture, fittings and equipment.

NOTES TO THE FINANCIAL STATEMENTS

28 PROPERTY, PLANT AND EQUIPMENT (continued)

28.1 Leases

This note provides information for leases where the group is a lessee.

The Group has entered into operating lease agreements for computer equipment and office rental. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 3 years. There are several lease contracts that include extension and termination options.

The Group also has certain leases of office rental with lease terms of 12 months or less and leases of computer equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following are the amounts recognised in the Profit or Loss Statement:

in Singapore Dollars (millions)	Note	Group	
		2022	2021
Depreciation expense of right-of-use assets		**12.7**	13.0
Interest expense on lease liabilities	7	**1.9**	2.2
Expense relating to short-term leases		**2.7**	2.4
Expense relating to leases of low-value assets		**0.2**	0.3
Total amount recognised in the Profit or Loss Statement		**17.5**	17.9

The total cash outflow for leases in 2022 was $13.9 million (2021: $13.9 million).

29 EXECUTIVES' SHARE OPTION SCHEME

29.1 OCBC Share Option Scheme

In April 2005, the GEH Optionholders were nominated to participate in the OCBC Bank Share Option Scheme (2001) ("OCBC Option Scheme"). OCBC Bank has ceased granting share options under the OCBC Option Scheme effective from financial year 2018 remuneration. Share options granted in prior years continue to be outstanding until the options lapse or are exercised by the recipients. The share options have a validity period of 10 years from date of grant.

NOTES TO THE FINANCIAL STATEMENTS

29 EXECUTIVES' SHARE OPTION SCHEME (continued)

29.1 OCBC Share Option Scheme (continued)

For the financial year ended 31 December 2022, there were no options granted under the OCBC Share Option Scheme (2021: nil) to GEH Optionholders to acquire ordinary shares in OCBC Bank ("OCBC shares") pursuant to 2001 scheme, and no options were granted to a director of the Company (2021: nil).

Information with respect to the number of options granted under the OCBC Option Scheme to GEH Optionholders is as follows:

	2022		2021	
	Number of Options	**Average Price**	Number of Options	Average Price
Number of shares comprised in options:				
At beginning of year	**2,534,433**	**$10.186**	3,377,411	$10.031
Lapsed during the year	**(14,856)**	**$12.113**	(52,405)	$13.340
Exercised during the year	**(619,432)**	**$9.384**	(790,573)	$9.315
Outstanding at end of year	**1,900,145**	**$10.433**	2,534,433	$10.186
Exercisable at end of year	**1,900,145**	**$10.433**	2,534,433	$10.186
Average share price underlying the options exercised during the financial year		**$12.245**		$11.841

Details of the options outstanding as at 31 December 2022 are as follows:

				2022	
Grant Year	**Grant Date**	**Exercise Period**	**Acquisition Price**	**Outstanding**	**Exercisable**
2013	14.03.2013	15.03.2014 - 13.03.2023	$10.018	**375,890**	**375,890**
2014	14.03.2014	15.03.2015 - 13.03.2024	$9.169	**366,172**	**366,172**
2015	16.03.2015	16.03.2016 - 15.03.2025	$10.378	**141,309**	**141,309**
2016	16.03.2016	16.03.2017 - 15.03.2026	$8.814	**121,982**	**121,982**
2017	23.03.2017	23.03.2018 - 22.03.2027	$9.598	**474,908**	**474,908**
2018	22.03.2018	22.03.2019 - 21.03.2028	$13.340	**419,884**	**419,884**
				1,900,145	**1,900,145**

The carrying amount of the liability recognised on the Group's balance sheet related to the above options at 31 December 2022 is $6.3 million (31 December 2021: $1.6 million).

As at 31 December 2022, the weighted average remaining contractual life of outstanding options was 2.9 years (2021: 3.3 years). There were no outstanding options held by directors of the Company as at 31 December 2022 (2021: nil).

There were no outstanding options held by directors of the Company as at 31 December 2022 (2021: nil).

29 EXECUTIVES' SHARE OPTION SCHEME (continued)

29.2 OCBC Deferred Share Plan ("DSP")

The OCBC Deferred Share Plan (DSP) aims to increase the performance-orientation and retention factor in compensation packages of executives, and foster an ownership culture within the organisation. It also aligns the interests of executives with the sustained business performance of OCBC Bank. OCBC Group Executive Director selected by the OCBC Group Remuneration Committee, are eligible to participate in the DSP.

Half (50%) of the share awards will vest after two years with the remaining 50% vesting at the end of three years in accordance with the guidelines established under the DSP. Prior to the vesting date, the executives will not be accorded voting rights for the shares.

OCBC Bank adopted the OCBC Deferred Share Plan 2021 (DSP 2021) on 29 April 2021 to replace the DSP, which was terminated on the same day. The termination of the DSP does not affect the awards which have been granted, whether such awards have been released (whether fully or partially) or not. By implementing the DSP 2021, which permits new ordinary shares to be issued, OCBC Bank has greater flexibility in its methods for delivery of ordinary shares, as this can be effected through an issue of new ordinary shares, in addition to the transfer of existing ordinary shares (including treasury shares).

During the financial year, 567,100 (2021: 490,261) OCBC ordinary shares were granted to eligible executives of GEH Group under the DSP, of which none (2021: nil) were granted to a director of the Company.

Total awards of 70,315 (2021: 49,860) ordinary shares, which none (2021: nil) ordinary shares to directors of the Company, were granted to eligible executives of the Group and the Company under the DSP for the financial year ended 31 December 2022. The fair value of the shares at grant date was $6.5 million (2021: $5.9 million)

29.3 OCBC Employee Share Purchase Plan ("ESP")

The OCBC Employee Share Purchase Plan (ESP Plan) was implemented for all employees of the participating companies in OCBC Group, including executive Directors.

The ESP Plan is a saving-based share ownership plan to help employees own ordinary shares in OCBC Bank through their monthly contributions via deductions from payroll and/or from Central Provident Fund. The employees have the option to convert the contributions to ordinary shares after one year or to withdraw the contributions at any time. As a further incentive to employees to enrol in the ESP Plan, OCBC Bank pays interest on the amounts saved at a preferential interest rate. The duration of the offering period is 24 months.

In July 2022, OCBC Bank launched its seventeenth offering of ESP Plan for OCBC Group employees, which commenced on 1 September 2022 and will expire on 31 August 2024. Under the offering, OCBC Bank granted 1,023,893 (2021: 1,170,840) rights to acquire ordinary shares in the Bank. The fair value of the rights, determined using the binomial valuation model was $0.9 million (2021: $1.5 million). Significant inputs to the valuation model are set out below.

	2022	2021
Acquisition price ($)	**12.07**	11.58
Share price ($)	**12.24**	12.42
Expected volatility based on last 250 days historical price volatility as of acceptance date (%)	**16.51**	17.11
Risk-free rate based on 2-year swap rate (%)	**2.45**	0.35
Expected dividend yield (%)	**4.05**	4.00

NOTES TO THE FINANCIAL STATEMENTS

29 EXECUTIVES' SHARE OPTION SCHEME (continued)

29.3 OCBC Employee Share Purchase Plan ("ESP") (continued)

A summary of the movement in the number of acquisition rights of the ESP Plan issued to GEH Group's employees is as follows:

	2022		2021	
	Number of Subscription Rights	**Weighted Average Subscription Price**	Number of Subscription Rights	Weighted Average Subscription Price
At 1 January	**2,241,236**	**$10.253**	2,058,404	$9.772
Subscriptions on commencement of plan	**1,023,893**	**$12.070**	1,170,840	$11.580
Exercised	**(1,066,832)**	**$9.054**	(699,887)	$11.049
Lapsed/Forfeited	**(344,404)**	**$10.840**	(288,121)	$10.276
At 31 December	**1,853,893**	**$11.837**	2,241,236	$10.253
Average share price underlying acquisition rights exercised during the financial year		**$11.986**		$12.041

As at 31 December 2022, the weighted average remaining contractual life of outstanding acquisition rights was 1.2 years (2021: 1.1 years). No director of GEH Group has acquisition rights under the ESP Plan (2021: nil).

in Singapore Dollars (millions)	**Group**	
	2022	2021

30 OTHER MATTERS

30.1 Capital commitments

	2022	2021
Commitments for capital expenditure not provided for in the financial statements:		
- investment properties	**15.3**	2.0
- property, plant and equipment	**77.1**	83.9
	92.4	85.9

30.2 Minimum Lease Receivable

Future minimum lease receivable under non-cancellable operating leases are as follows as of 31 December:

	2022	2021
Within one year	**43.4**	43.9
After one year but not more than five years	**28.5**	30.8
	71.9	74.7

NOTES TO THE FINANCIAL STATEMENTS

31 RELATED PARTY TRANSACTIONS

The Group enters into transactions with its related parties in the normal course of business.

in Singapore Dollars (millions)	Group		Company	
	2022	2021	**2022**	2021
31.1 Significant related party transactions				
In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:				
Fees and commission and other income received from:				
- holding company	**12.0**	4.8	**-**	-
- related parties of the holding company	**27.3**	23.5	**-**	-
Premiums received from key management personnel	**1.3**	0.4	**-**	-
Fees and commission expense paid to:				
- holding company	**242.6**	253.0	**-**	-
- related parties of the holding company	**52.1**	61.5	**-**	-
Interest income received from:				
- holding company	**2.0**	0.2	**-**	-
- related parties of the holding company	**8.7**	9.0	**-**	-
Interest expense paid to holding company	**0.2**	-	**-**	-
Rental income received from:				
- related parties of the holding company	**0.3**	0.3	**-**	-
Other expenses paid to:				
- holding company	**11.7**	17.8	**-**	-
- related parties of the holding company	**10.8**	18.3	**-**	-
- associate	**0.5**	6.9	**-**	-
Dividend income from subsidiaries	**-**	-	**153.4**	279.2
31.2 Balance sheet balances with related parties				
Balance sheet balances with related parties as at 31 December are as follows:				
Cash and cash equivalents held with:				
- holding company	**938.3**	742.8	**20.4**	19.8
- related parties of the holding company	**319.4**	608.4	**-**	-
Investments in debt securities of:				
- related parties of the holding company	**114.9**	97.3	**-**	-
Derivative financial assets held with:				
- holding company	**365.0**	151.8	**-**	-
Derivative financial liabilities held with:				
- holding company	**82.8**	34.2	**-**	-

Outstanding balances at balance sheet date are unsecured and interest free. Settlement will take place in cash.

There was no provision for doubtful debts at the balance sheet date and no bad debt expense for the year (2021: nil).

31 RELATED PARTY TRANSACTIONS (continued)

in Singapore Dollars (millions)	Group		Company	
	2022	2021	**2022**	2021
31.3 Compensation of key management personnel				
Short-term employee benefits	**29.0**	29.0	**2.1**	2.1
Other long-term benefits	**1.2**	1.0	**-**	-
Central Provident Fund/Employee Provident Fund	**1.3**	1.4	**-**	-
Share-based payments	**4.7**	3.8	**-**	-
	36.2	35.2	**2.1**	2.1
Comprises amounts paid to:				
Directors of the Company	**3.3**	3.2	**2.1**	2.1
Other key management personnel	**32.9**	32.0	**-**	-
	36.2	35.2	**2.1**	2.1

32 SEGMENTAL INFORMATION

Business Segments

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products for the different markets. The Group's principal operations are organised into Life Insurance, Non-life Insurance and Shareholders segments. The results of these segments are reported separately in internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

a. Life Insurance Segment

The Life Insurance segment provides different types of products, comprising life insurance, long-term health and accident insurance, annuity business written and includes the unit-linked business. All revenues in the Life Insurance segment are from external customers.

b. Non-life Insurance Segment

Under the Non-life Insurance business, the Group issues short term property and casualty contracts which protect the policyholder against the risk of loss of property premises due to fire or theft in the form of fire or burglary insurance contract and/or business interruption contract; risk of liability to pay compensation to a third party for bodily harm or property damage in the form of public liability insurance contract. The Group also issues short term medical and personal accident non-life insurance contracts.

32 SEGMENTAL INFORMATION(continued)

Business Segments (continued)

c. Shareholders Segment

The Shareholders segment provides fund management services for absolute return/balanced mandates with different risk-return characteristics and manages a range of products, including Asia Pacific equities, Asian and global fixed income securities portfolios. Clients include Singapore statutory boards, government-linked corporations, public and private companies, insurance companies and charity organisations.

The Shareholders segment also comprises activities not related to the core business segments, and includes general corporate income and expense items.

Geographical Segments

The Group's risks and rewards are affected by operating conditions in different countries and geographical areas. Therefore, for management purposes, the Group is also organised on a geographical basis into Singapore, Malaysia and Other Asia, based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the respective location of its customers.

Segment Accounting Policies, Allocation Basis and Transfer Pricing

The accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 2.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax and deferred tax assets and liabilities, interest-bearing loans and related expenses. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

32 SEGMENTAL INFORMATION (continued)

(1) By Business Segments

	Group									
in Singapore Dollars (millions)	**Shareholders**		**Non-life Insurance**		**Life Insurance**		**Adjustments and Eliminations** [1]		**Consolidated**	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Net premiums	**-**	-	**225.8**	204.4	**17,477.6**	17,986.5	**(1.4)**	(1.3)	**17,702.0**	18,189.6
Commissions received from reinsurers	**-**	-	**31.0**	34.8	**20.5**	16.6	**-**	-	**51.5**	51.4
Investment income, net	**135.2**	129.3	**13.3**	12.6	**2,637.7**	2,479.6	**71.8**	78.0	**2,858.0**	2,699.5
Rental income, net	**-**	-	**-**	-	**55.8**	55.8	**(27.8)**	(28.0)	**28.0**	27.8
Fees and other income	**430.9**	493.6	**-**	-	**-**	-	**(394.8)**	(453.9)	**36.1**	39.7
(Loss)/gain on sale of investments and changes in fair value	**(126.1)**	(14.0)	**1.6**	(0.1)	**(7,878.1)**	(1,066.2)	**-**	-	**(8,002.6)**	(1,080.3)
Change in third-party interests in consolidated investment funds	**0.2**	-	**-**	-	**-**	-	**-**	-	**0.2**	-
(Loss)/gain on exchange differences	**(34.4)**	(1.2)	**(1.2)**	0.5	**(42.4)**	37.4	**-**	-	**(78.0)**	36.7
Total income	**405.8**	607.7	**270.5**	252.2	**12,271.1**	19,509.7	**(352.2)**	(405.2)	**12,595.2**	19,964.4
less: **Expenses**										
Gross claims, maturities, surrenders and annuities	**-**	-	**215.6**	173.7	**10,932.8**	11,214.5	**-**	-	**11,148.4**	11,388.2
Claims, maturities, surrenders and annuities recovered from reinsurers	**-**	-	**(121.3)**	(87.9)	**(534.8)**	(442.8)	**-**	-	**(656.1)**	(530.7)
Commissions and distribution expenses	**358.8**	411.9	**69.2**	63.9	**1,291.5**	1,401.1	**(333.0)**	(387.2)	**1,386.5**	1,489.7
Increase/(decrease) in provision for impairment of assets	**3.9**	(1.2)	**(0.3)**	0.3	**25.5**	2.4	**-**	-	**29.1**	1.5
Management and other expenses	**101.7**	92.9	**56.6**	57.0	**520.5**	531.8	**(17.5)**	(16.7)	**661.3**	665.0
Interest expense	**-**	0.2	**-**	-	**-**	-	**-**	-	**-**	0.2
Increase in provision for agents' retirement benefits	**-**	-	**-**	-	**38.3**	19.7	**-**	-	**38.3**	19.7
Depreciation and amortisation expenses	**5.0**	4.8	**4.8**	3.8	**78.2**	70.8	**-**	-	**88.0**	79.4
Gross change in insurance contract liabilities	**-**	-	**43.1**	143.8	**(713.0)**	2,461.4	**-**	-	**(669.9)**	2,605.2
Change in insurance contract liabilities ceded to reinsurers	**-**	-	**(19.2)**	(136.6)	**(118.5)**	1,734.3	**-**	-	**(137.7)**	1,597.7
Total expenses	**469.4**	508.6	**248.5**	218.0	**11,520.5**	16,993.2	**(350.5)**	(403.9)	**11,887.9**	17,315.9
(Loss)/profit before income tax	**(63.6)**	99.1	**22.0**	34.2	**750.6**	2,516.5	**(1.7)**	(1.3)	**707.3**	2,648.5
Income tax credit/(expense) attributable to policyholders' returns	**-**	-	**-**	-	**248.9**	(1,294.0)	**-**	-	**248.9**	(1,294.0)
(Loss)/profit before tax attributable to shareholders' profits	**(63.6)**	99.1	**22.0**	34.2	**999.5**	1,222.5	**(1.7)**	(1.3)	**956.2**	1,354.5
Income tax (expense)/credit	**(29.7)**	(21.1)	**(4.6)**	(8.0)	**113.9**	(1,486.0)	**-**	**-**	**79.6**	(1,515.1)
less : Income tax (credit)/expense attributable to policyholders' returns	**-**	-	**-**	-	**(248.9)**	1,294.0	**-**	-	**(248.9)**	1,294.0
Income tax expense attributable to shareholders' profits	**(29.7)**	(21.1)	**(4.6)**	(8.0)	**(135.0)**	(192.0)	**-**	-	**(169.3)**	(221.1)
(Loss)/profit after income tax	**(93.3)**	78.0	**17.4**	26.2	**864.5**	1,030.5	**(1.7)**	(1.3)	**786.9**	1,133.4

[1] Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

32 SEGMENTAL INFORMATION (continued)

(1) By Business Segments (continued)

	Group									
in Singapore Dollars (millions)	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations [1]		Consolidated	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Other material items:										
Interest income	**97.7**	85.1	**14.4**	13.4	**2,172.5**	2,067.4	**-**	-	**2,284.6**	2,165.9
Staff costs and related expenses	**43.1**	43.8	**36.1**	36.5	**318.6**	320.1	**1.1**	0.6	**398.9**	401.0
Rental expense	**2.4**	2.4	**1.4**	1.1	**24.8**	24.4	**(24.7)**	(24.0)	**3.9**	3.9
Interest expense on policy benefits	**-**	-	**-**	-	**206.8**	198.8	**-**	-	**206.8**	198.8
Non-cash items:										
Depreciation and amortisation expenses	**5.0**	4.8	**4.8**	3.8	**78.2**	70.8	**-**	-	**88.0**	79.4
Increase/(decrease) in provision for impairment of assets	**3.9**	(1.2)	**(0.3)**	0.3	**25.5**	2.4	**-**	-	**29.1**	1.5
Changes in fair value of investments:										
- through the Profit or Loss Statement	**(95.2)**	(22.6)	**2.6**	(1.2)	**(7,930.3)**	(1,190.4)	**-**	-	**(8,022.9)**	(1,214.2)
- through equity	**(267.0)**	(20.6)	**(19.2)**	(13.6)	**(982.0)**	(79.8)	**-**	-	**(1,268.2)**	(114.0)
Assets and liabilities:										
Segment assets	**9,957.4**	10,537.9	**1,188.4**	1,080.5	**100,795.8**	103,003.9	**(4,145.8)**	(4,327.4)	**107,795.8**	110,294.9
Investment in associate	**122.5**	95.2	**-**	-	**-**	-	**-**	-	**122.5**	95.2
Total assets	**10,079.9**	10,633.1	**1,188.4**	1,080.5	**100,795.8**	103,003.9	**(4,145.8)**	(4,327.4)	**107,918.3**	110,390.1
Segment liabilities	**125.7**	76.6	**1,202.1**	1,094.1	**98,933.5**	100,501.4	**(4,144.5)**	(4,326.0)	**96,116.8**	97,346.1
Income tax and deferred tax liabilities	**220.4**	255.9	**-**	(3.3)	**2,050.5**	2,655.0	**-**	-	**2,270.9**	2,907.6
Total liabilities	**346.1**	332.5	**1,202.1**	1,090.8	**100,984.0**	103,156.4	**(4,144.5)**	(4,326.0)	**98,387.7**	100,253.7
Other segment information:										
Additions to non-current assets										
- property, plant and equipment	**0.7**	2.3	**1.3**	1.1	**11.9**	37.5	**-**	-	**13.9**	40.9
- investment properties	**-**	-	**-**	-	**1.0**	0.2	**-**	-	**1.0**	0.2
- goodwill and intangible assets	**2.0**	1.2	**4.7**	5.7	**49.3**	56.4	**-**	-	**56.0**	63.3

[1] Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

32 SEGMENTAL INFORMATION (continued)

(2) By Geographical Segments

	Group									
in Singapore Dollars (millions)	Singapore		Malaysia		Other Asia		Adjustments and Eliminations		Consolidated	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Total revenue from external customers	**8,794.1**	16,688.5	**3,765.2**	3,389.7	**383.6**	286.2	**(347.7)**	(400.0)	**12,595.2**	19,964.4
Dividend from subsidiaries	**300.5**	163.4	**-**	-	**-**	-	**(300.5)**	(163.4)	**-**	-
Total revenue	**9,094.6**	16,851.9	**3,765.2**	3,389.7	**383.6**	286.2	**(648.2)**	(563.4)	**12,595.2**	19,964.4
Profit after income tax	**646.1**	877.0	**441.3**	411.9	**-**	5.9	**(300.5)**	(161.4)	**786.9**	1,133.4
Non-current assets	**2,161.1**	2,046.1	**474.4**	574.9	**17.1**	4.9	**-**	-	**2,652.6**	2,625.9

Non-current assets information presented above consist of intangible assets, investment properties, property, plant and equipment and deferred tax assets as presented in the consolidated balance sheet.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES

Governance framework

Managing risk is an integral part of the Group's core business. As stated in the Enterprise Risk Management ("ERM") Framework, the Group shall:

- Operate within parameters and limits that are calibrated to the risk appetite approved by the Board; and
- Pursue appropriate risk-adjusted returns.

Group Risk Management department spearheads the development and implementation of the ERM Framework for the Group.

The Board is responsible for overseeing the Group’s risk management initiatives. The Board may delegate this responsibility to the Risk Management Committee ("RMC") and Senior Management for the execution of these initiatives. At the Group level, detailed risk management and oversight activities are undertaken by the following Group Management committees, all of which are chaired by the Group Chief Executive Officer and comprise key Senior Management Executives:

- Group Management Committee ("GMC")
- Group Investment Committee ("Group IC")
- Group Asset-Liability Committee (“Group ALC”)
- Group Technology Strategy Committee ("Group TSC")
- Group Product Management and Approval Committee ("Group PMAC")

GMC is responsible for providing leadership, direction and functional oversight on all matters including sustainability performance of the Group. In addition to complying with regulatory requirements, the GMC is also responsible for ensuring compliance and alignment with Group Governance and Oversight Framework, i.e. Group standards and guidelines. The GMC is supported by the Group IC, Group ALC, Group PMAC, Group TSC, Local Senior Management Team ("SMT"), Local ALC, Local Product Development Committee ("PDC") and Local TSC.

Group IC is responsible for overseeing all investment management activities of the Group and ensuring that the interests and rights of policyholders are not compromised.

Group ALC is responsible for balance sheet management. Specifically, Group ALC reviews and formulates frameworks, policies, processes and methodologies relating to balance sheet management. Group ALC is also responsible for ensuring compliance and alignment with Group Governance and Oversight Framework, i.e. Group standards and guidelines. Group ALC is supported by the Local ALC.

Group TSC is responsible for assisting GMC in providing the overall strategic direction and approval of all IT related issues and initiatives, including the digitalisation and transformation programs to support the Group's strategic growth into the future. Group TSC is supported by local TSC.

Group PMAC is responsible for reviewing, approving and managing new and existing products, ensuring the business operates within the risk appetite in delivering the annual business targets. Local PDC is responsible for reviewing and endorsing new products at the local operating subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Regulatory framework

Insurers are required to comply with the Insurance Act and Regulations, as applicable, including guidelines on investment limits. The responsibility for the formulation, establishment and approval of the policy for the investment of the funds rests with the respective Board of Directors ("Board"). The Board exercises oversight on investments to safeguard the interests of policyholders and shareholders.

Capital management

The objectives of GEH's capital management policy are to create shareholder value, deliver sustainable returns to shareholders, maintain a strong capital position with sufficient buffer to meet policyholders' obligations and regulatory requirements and make strategic investments for business growth.

The Group had no significant changes in the policies and processes relating to its capital structure during the year.

Regulatory Capital

The Group and its insurance subsidiaries are required to comply with the capital requirements prescribed by the Insurance Regulations of the jurisdictions in which they operate. The Capital Adequacy Ratios of the Group and its insurance subsidiaries in Singapore, Malaysia and Indonesia remained well above the regulatory minimum ratios under the Risk-based Capital Frameworks established by the Monetary Authority of Singapore, Bank Negara Malaysia and Otoritas Jasa Keuangan, Indonesia respectively.

The Group's approach to capital management aims to maintain an adequate level of capital to meet regulatory requirements, including any additional amounts required by the regulators of the Group and its insurance subsidiaries. This involves managing asset, liability decisions and the associated risks in a coordinated way by assessing and monitoring the available and required capital (by each regulated entity) on a regular basis and, where appropriate, taking appropriate actions to adjust the asset liability position of the Group and/or its subsidiaries in light of changes in economic conditions and risk characteristics.

The primary sources of capital of the Group are shareholders' equity. The Group defines available capital as the amount of assets in excess of liabilities measured in accordance with the Insurance Regulations of the respective jurisdictions in which the insurance subsidiaries operate.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

Dividend

GEH’s dividend policy aims to provide shareholders with a predictable and sustainable dividend return, payable on a half-yearly basis.

The following sections provide details of the Group's and Company's exposure to insurance and key financial risks, as well as the objectives, policies and processes for managing these risks.

There has been no change to the Group's exposure to these insurance and key financial risks or the manner in which it manages and measures the risks.

Insurance Risk

The principal activity of the Group is the provision of insurance products and related financial advisory services. The products cover risks such as mortality, morbidity (health, disability, critical illness, personal accident) property and casualty, investment saving protection and wealth accumulation guarantees.

The Group's underwriting strategy is designed to ensure that risks are well diversified across the types of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes into account current health conditions and family medical history, regular review of actual claims experience, as well as detailed claims handling procedures. Underwriting limits are also established to enforce appropriate risk selection criteria. For example, the Group has the right to reject renewal of insurance policy, impose deductibles and reject payment of fraudulent claims.

Risks inherent in the Group’s activities include but are not limited to the following:

Insurance Risks of Life Insurance Contracts

Insurance risks arise when the Group underwrites insurance contracts. While insurance risks may not vary significantly across the geographical locations in which the Group currently operates, the types of risks insured, assumptions used in pricing the insurance products and subsequent setting aside of provisions may give rise to potential shortfalls in provision for future claims and expenses when actual claims experience are worse than projections. Assumptions that may cause insurance risks to be underestimated include assumptions on policy lapses, mortality, morbidity and expenses.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risks of Life Insurance Contracts (continued)

The Group utilises reinsurance to manage the mortality and morbidity risks. The Group's reinsurance management strategy and policy are reviewed annually by RMC and Group ALC. Reinsurance is structured according to the type of risk insured. Catastrophe reinsurance is procured to limit catastrophic losses.

In general, reinsurance business will only be given to reinsurers with a minimum credit rating of S&P A- or equivalent. The Group limits its risk to any one reinsurer by ceding different products to different reinsurers or to a panel of reinsurers.

Group ALC reviews the actual experience of mortality, morbidity, lapses and surrenders, and expenses at least annually, and ensures that the policies, guidelines and limits established for managing the risks remain adequate and appropriate.

A substantial portion of the Group's life insurance funds is participating in nature. In the event of volatile investment climate and/or unusual claims experience, the insurer has the option of revising the bonus payable to policyholders.

For non-participating funds, the risk is that the guaranteed policy benefits must be met even when investment portfolios perform below expectations, or claims experience is higher than expected.

For investment-linked funds, the risk exposure for the Group is limited only to the underwriting aspect as all investment risks are borne by the policyholders. Nevertheless, the fees earned by the Group for managing the investment-linked funds would fluctuate with the changes in underlying fund values.

Stress testing is performed at least once a year to assess the solvency of the life insurance fund under various stress scenarios. The stress scenarios include regulatory prescribed scenarios, as well as scenarios depicting drastic changes in key parameters such as new business volume, market volatilities, expense patterns, mortality/morbidity patterns and lapse rates.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

TABLE 33(A): The table below sets out the distribution of the various life insurance risk as at the balance sheet date:

(i) by Class of business:

	Gross			Reinsurance			
in Singapore Dollar (millions)	**With DPF[1]**	**Without DPF**	**Total**	**With DPF**	**Without DPF**	**Total**	**Net total**
2022							
Whole life	**40,798.7**	**9,748.7**	**50,547.4**	**9.1**	**(22.9)**	**(13.8)**	**50,533.6**
Endowment	**18,003.1**	**13,125.3**	**31,128.4**	**0.4**	**(29.0)**	**(28.6)**	**31,099.8**
Term	**0.6**	**677.6**	**678.2**	**(0.2)**	**(161.7)**	**(161.9)**	**516.3**
Accident and health	**1.8**	**735.9**	**737.7**	**-**	**(293.1)**	**(293.1)**	**444.6**
Annuity	**23.0**	**366.3**	**389.3**	**-**	**-**	**-**	**389.3**
Others	**124.1**	**1,331.1**	**1,455.2**	**(0.8)**	**(81.6)**	**(82.4)**	**1,372.8**
Total	**58,951.3**	**25,984.9**	**84,936.2**	**8.5**	**(588.3)**	**(579.8)**	**84,356.4**
2021							
Whole life	41,214.5	11,083.9	52,298.4	11.0	(26.8)	(15.8)	52,282.6
Endowment	21,963.2	9,548.8	31,512.0	0.5	(125.8)	(125.3)	31,386.7
Term	0.4	732.3	732.7	(0.1)	(164.6)	(164.7)	568.0
Accident and health	1.9	547.5	549.4	-	(132.8)	(132.8)	416.6
Annuity	26.1	443.5	469.6	-	-	-	469.6
Others	127.8	1,268.5	1,396.3	(1.1)	(32.8)	(33.9)	1,362.4
Total	63,333.9	23,624.5	86,958.4	10.3	(482.8)	(472.5)	86,485.9

[1] DPF is defined as Contracts with Discretionary Participating Features.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

TABLE 33(A): The table below sets out the distribution of the various life insurance risk as at the balance sheet date (continued):

(ii) by Country:

	Gross			Reinsurance			
in Singapore Dollar (millions)	With DPF[1]	Without DPF	Total	With DPF	Without DPF	Total	Net total
2022							
Singapore	**44,104.3**	**18,416.5**	**62,520.8**	**15.1**	**(252.0)**	**(236.9)**	**62,283.9**
Malaysia	**14,513.9**	**6,767.6**	**21,281.5**	**(6.4)**	**(332.4)**	**(338.8)**	**20,942.7**
Others	**333.1**	**800.8**	**1,133.9**	**(0.2)**	**(3.9)**	**(4.1)**	**1,129.8**
Total	**58,951.3**	**25,984.9**	**84,936.2**	**8.5**	**(588.3)**	**(579.8)**	**84,356.4**
2021							
Singapore	47,299.7	16,581.1	63,880.8	17.1	(310.8)	(293.7)	63,587.1
Malaysia	15,676.2	6,365.4	22,041.6	(6.7)	(168.5)	(175.2)	21,866.4
Others	358.0	678.0	1,036.0	(0.1)	(3.5)	(3.6)	1,032.4
Total	63,333.9	23,624.5	86,958.4	10.3	(482.8)	(472.5)	86,485.9

(1) DPF is defined as Contracts with Discretionary Participating Features.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Insurance Risk (continued)

The sensitivity analysis below shows the impact of changes in key parameters on the value of policy liabilities, and hence on the Profit or Loss Statement and shareholders' equity.

Sensitivity analysis produced are based on parameters set out as follows:

		Change in assumptions
(a)	Scenario 1 – Mortality and Major Illness	+ 25% for all future years
(b)	Scenario 2 – Mortality and Major Illness	- 25% for all future years
(c)	Scenario 3 – Health and Disability	+ 25% for all future years
(d)	Scenario 4 – Health and Disability	- 25% for all future years
(e)	Scenario 5 – Lapse and Surrender rates	+ 25% for all future years
(f)	Scenario 6 – Lapse and Surrender rates	- 25% for all future years
(g)	Scenario 7 - Expenses	+ 30% for all future years

TABLE 33(B1): Profit/(loss) after tax and shareholders' equity sensitivity for the Singapore segment:

Impact on 1-year's profit/(loss) after tax and shareholders' equity

	Life Insurance Contracts					
	31 December 2022			31 December 2021		
in Singapore Dollars (millions)	**Gross impact**	**Reinsurance ceded**	**Net impact**	Gross impact	Reinsurance ceded	Net impact
Scenario 1 – Mortality and Major Illness	**(729.6)**	**353.7**	**(375.9)**	(754.0)	362.1	(391.9)
Scenario 2 – Mortality and Major Illness	**492.1**	**(228.4)**	**263.7**	525.9	(245.6)	280.3
Scenario 3 – Health and Disability	**(277.9)**	**144.8**	**(133.1)**	(257.6)	141.3	(116.3)
Scenario 4 – Health and Disability	**176.4**	**(61.9)**	**114.5**	149.8	(45.0)	104.8
Scenario 5 – Lapse and Surrender rates	**99.3**	**(34.2)**	**65.1**	91.8	(17.3)	74.5
Scenario 6 – Lapse and Surrender rates	**(142.7)**	**45.6**	**(97.1)**	(130.3)	30.3	(100.0)
Scenario 7 - Expenses	**(56.2)**	**5.2**	**(51.0)**	(47.7)	3.2	(44.5)

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Insurance Risk (continued)

TABLE 33(B2): Profit/(loss) after tax and shareholders' equity sensitivity for the Malaysia segment:

	Life Insurance Contracts					
	31 December 2022			31 December 2021		
in Singapore Dollars (millions)	**Gross impact**	**Reinsurance ceded**	**Net impact**	Gross impact	Reinsurance ceded	Net impact
Scenario 1 – Mortality and Major Illness	**(126.7)**	**-**	**(126.7)**	(133.3)	-	(133.3)
Scenario 2 – Mortality and Major Illness	**109.3**	**-**	**109.3**	120.2	-	120.2
Scenario 3 – Health and Disability	**(14.4)**	**-**	**(14.4)**	(23.0)	-	(23.0)
Scenario 4 – Health and Disability	**12.5**	**-**	**12.5**	20.0	-	20.0
Scenario 5 – Lapse and Surrender rates	**(27.6)**	**-**	**(27.6)**	(23.6)	-	(23.6)
Scenario 6 – Lapse and Surrender rates	**71.7**	**-**	**71.7**	57.9	-	57.9
Scenario 7 - Expenses	**(40.3)**	**-**	**(40.3)**	(35.4)	-	(35.4)

The tables above demonstrate the sensitivity of the Group's profit or loss after tax to possible changes in individual actuarial valuation assumptions, with all other variables held constant.

The method used, including the significant assumptions made, for performing the above sensitivity analysis did not change from the previous year.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

Insurance Risk of Non-Life Insurance Contracts

Risks under non-life insurance policies usually cover a twelve-month duration. The risk inherent in non-life insurance contracts is reflected in the insurance contract liabilities which include the premium and claims liabilities, as set out under Note 14 of the financial statements. The premium liabilities comprise reserve for unexpired risks, while the claims liabilities comprise the loss reserves which include both provision for outstanding claims notified and outstanding claims incurred but not reported.

TABLE 33(C1): The table below sets out the distribution of the various categories of the non-life insurance risk as at the balance sheet date:

(i) by Class of business:

	Non-life Insurance Contracts					
	As at 31 December 2022			As at 31 December 2021		
in Singapore Dollars (millions)	**Gross premium liabilities**	**Reinsured premium liabilities**	**Net premium liabilities**	Gross premium liabilities	Reinsured premium liabilities	Net premium liabilities
Fire	**42.2**	**(17.7)**	**24.5**	39.0	(16.3)	22.7
Motor	**41.5**	**(4.5)**	**37.0**	36.5	(2.5)	34.0
Marine & aviation	**6.1**	**(3.0)**	**3.1**	8.0	(3.9)	4.1
Workmen's compensation	**13.6**	**(3.9)**	**9.7**	17.6	(5.5)	12.1
Personal accident & health	**23.3**	**(1.5)**	**21.8**	23.3	(1.7)	21.6
Miscellaneous	**67.5**	**(47.1)**	**20.4**	64.7	(43.8)	20.9
Total	**194.2**	**(77.7)**	**116.5**	189.1	(73.7)	115.4

in Singapore Dollars (millions)	**Gross claims liabilities**	**Reinsured claims liabilities**	**Net claims liabilities**	Gross claims liabilities	Reinsured claims liabilities	Net claims liabilities
Fire	**123.1**	**(95.4)**	**27.7**	127.8	(105.4)	22.4
Motor	**63.0**	**(4.7)**	**58.3**	54.5	(6.5)	48.0
Marine & aviation	**25.4**	**(18.6)**	**6.8**	28.3	(21.0)	7.3
Workmen's compensation	**36.4**	**(13.2)**	**23.2**	33.9	(12.6)	21.3
Personal accident & health	**26.0**	**(4.4)**	**21.6**	24.8	(4.7)	20.1
Miscellaneous	**239.4**	**(208.7)**	**30.7**	221.8	(190.3)	31.5
Total	**513.3**	**(345.0)**	**168.3**	491.1	(340.5)	150.6

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

Insurance Risk of Non-Life Insurance Contracts (continued)

TABLE 33(C1): The table below sets out the distribution of the various categories of the non-life insurance risk as at the balance sheet date: (continued)

(ii) by Country:

	Non-life Insurance Contracts					
	As at 31 December 2022			As at 31 December 2021		
in Singapore Dollars (millions)	**Gross premium liabilities**	**Reinsured premium liabilities**	**Net premium liabilities**	Gross premium liabilities	Reinsured premium liabilities	Net premium liabilities
Singapore	**100.8**	**(47.3)**	**53.5**	99.2	(47.6)	51.6
Malaysia	**72.9**	**(22.0)**	**50.9**	70.6	(18.3)	52.3
Indonesia	**20.5**	**(8.4)**	**12.1**	19.3	(7.8)	11.5
Total	**194.2**	**(77.7)**	**116.5**	189.1	(73.7)	115.4

in Singapore Dollars (millions)	**Gross claims liabilities**	**Reinsured claims liabilities**	**Net claims liabilities**	Gross claims liabilities	Reinsured claims liabilities	Net claims liabilities
Singapore	**194.3**	**(123.0)**	**71.3**	175.1	(113.7)	61.4
Malaysia	**266.7**	**(188.5)**	**78.2**	289.2	(216.2)	73.0
Indonesia	**52.3**	**(33.5)**	**18.8**	26.8	(10.6)	16.2
Total	**513.3**	**(345.0)**	**168.3**	491.1	(340.5)	150.6

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

Key Assumptions

Non-life insurance contract liabilities are determined based on claims experience, knowledge of existing events, the terms and conditions of the relevant policies and interpretation of circumstances. Of particular relevance is past experience with similar cases, trends in historical claims, legislative changes, judicial decisions, economic conditions and claims handling procedures. The estimates of the non-life insurance contract liabilities are therefore sensitive to various factors. The actual future premium and claims liabilities will not develop exactly as projected and may vary from initial estimates.

Insurance risk of non-life insurance contracts is mitigated by achieving a large and well-diversified portfolio of insurance contracts across various industries and geographical areas. The risks are further mitigated by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. Comprehensive assessment of new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to further reduce the risk exposure of the Group. In addition, the Group enforces a policy of active management and prompt pursuit of claims, to reduce its exposure to unpredictable future developments that can negatively impact the Group.

The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events such as hurricanes, earthquakes and flood damages.

The sensitivity analysis below shows the impact of changes in key assumptions on gross and net liabilities, profit before tax and equity.

in Singapore Dollars (millions)	Change in assumptions	Impact on gross liabilities	Impact on net liabilities	Impact on profit before tax	Impact on equity
As at 31 December 2022					
Provision for adverse deviation margin	**+20%**	**11.9**	**3.0**	**(3.0)**	**(2.5)**
Loss ratio (for latest year)	**+20%**	**75.1**	**40.6**	**(40.6)**	**(32.9)**
Claim handling expenses	**+20%**	**2.0**	**1.4**	**(1.4)**	**(1.2)**
As at 31 December 2021					
Provision for adverse deviation margin	+20%	10.5	3.9	(3.9)	(3.1)
Loss ratio (for latest year)	+20%	67.1	36.6	(36.6)	(29.3)
Claim handling expenses	+20%	1.9	1.6	(1.6)	(1.3)

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

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

TABLE 33(C2): The table below shows the cumulative claims estimates, including both claims notified and IBNR for each successive accident year, at each balance sheet date, together with cumulative payments to date.

Gross non-life insurance contract liabilities for 2022:

in Singapore Dollars (millions)	2015	2016	2017	2018	2019	2020	2021	2022	Total
Estimate of cumulative claims									
Accident Year	195.2	201.8	219.4	188.0	221.1	272.9	258.4	266.1	
One year later	194.9	213.4	212.8	162.8	226.6	239.3	226.7	-	
Two years later	166.5	208.8	190.6	153.9	227.2	271.1	-	-	
Three years later	171.2	202.6	195.0	244.3	230.9	-	-	-	
Four years later	170.2	201.4	196.4	244.9	-	-	-	-	
Five years later	170.3	200.9	193.7	-	-	-	-	-	
Six years later	165.7	196.2	-	-	-	-	-	-	
Seven years later	164.5	-	-	-	-	-	-	-	
Current estimate of cumulative claims	**164.5**	**196.2**	**193.7**	**244.9**	**230.9**	**271.1**	**226.7**	**266.1**	
Cumulative payments	**160.4**	**193.0**	**175.4**	**138.2**	**190.9**	**204.2**	**143.2**	**82.2**	
Non-life gross claim liabilities	**4.1**	**3.2**	**18.3**	**106.7**	**40.0**	**66.9**	**83.5**	**183.9**	**506.6**
Reserve for prior years									**6.7**
Non-life Insurance Contract Liabilities, gross									**513.3**

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

TABLE 33(C2): The table below shows the cumulative claims estimates, including both claims notified and IBNR for each successive accident year, at each balance sheet date, together with cumulative payments to date (continued).

Non-life insurance contract liabilities, net of reinsurance of liabilities, for 2022:

in Singapore Dollars (millions)	2015	2016	2017	2018	2019	2020	2021	2022	Total
Estimate of cumulative claims									
Accident Year	101.8	108.5	125.1	121.0	122.8	109.1	108.5	140.1	
One year later	100.2	107.4	124.0	112.8	115.6	95.8	93.4	-	
Two years later	95.7	105.1	120.0	110.1	115.3	97.4	-	-	
Three years later	92.0	101.5	118.7	110.8	116.6	-	-	-	
Four years later	90.5	100.3	118.3	110.8	-	-	-	-	
Five years later	90.4	100.4	115.7	-	-	-	-	-	
Six years later	87.6	97.4	-	-	-	-	-	-	
Seven years later	86.5	-	-	-	-	-	-	-	
Current estimate of cumulative claims	**86.5**	**97.4**	**115.7**	**110.8**	**116.6**	**97.4**	**93.4**	**140.1**	
Cumulative payments	**85.0**	**95.6**	**109.7**	**101.0**	**102.5**	**82.0**	**69.9**	**49.1**	
Non-life net claim liabilities	**1.5**	**1.8**	**6.0**	**9.8**	**14.1**	**15.4**	**23.5**	**91.0**	**163.1**
Reserve for prior years									**5.2**
Non-life Insurance Contract Liabilities, net									**168.3**

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk

Market risk arises when market values of assets and liabilities are adversely affected by changes in financial markets. Changes in interest rates, foreign exchange rates, equity prices and prices of alternative investment assets can impact present and future earnings of the insurance operations, as well as shareholders' equity.

The Group is exposed to market risk through its investment portfolios, as well as in the mismatches between assets and liabilities of the Insurance Funds. In the case of the third-party funds managed by Lion Global Investors, investment risks are borne by investors and the Group does not assume any liability in the event of occurrence of loss or write-down in market valuations.

Group ALC, Group IC and Local ALCs actively manage market risks through the setting of investment policies and asset allocations, approving portfolio construction, risk measurement methodologies, as well as hedging and alternative risk transfer strategies. Investment limits are monitored at various levels to ensure that all investment activities are conducted within the Group's risk appetite and in line with the Group's management principles and philosophies. Compliance with established limits forms an integral part of the risk governance and financial reporting framework. The approach adopted by the Group in managing the various types of risk, including interest rate risk, foreign exchange risk, equity price risk, credit risk, alternative investment risk and liquidity risk, is briefly described below:

(a) **Interest rate risk (including asset liability mismatch).** The Group is exposed to interest rate risk through (i) investments in fixed income instruments and (ii) policy liabilities in the Insurance Funds. Since the Shareholders' Fund has exposure to investments in fixed income instruments but no exposure to insurance policy liabilities, it will incur economic losses when interest rates rise. Given the long duration of policy liabilities and the uncertainties in the cash flows of Insurance Funds, it is not possible to hold assets with duration that perfectly matches the duration of the policy liabilities. This results in interest rate risk and asset liability mismatch risk, and these risks are managed and monitored by Group ALC and Local ALCs. The Insurance Funds will incur economic losses when interest rates drop as the duration of policy liabilities is generally longer than the duration of fixed income assets.

Under Singapore regulations governed by the Monetary Authority of Singapore ("MAS"), the discount rate used for discounting liability cash flows may include a positive adjustment in the form of matching adjustment, or illiquidity premium, subject to certain conditions being met. As a result, the Singapore non-participating funds could have losses when the magnitude of the adjustment decreases leading to higher discounted liabilities.

Under Malaysia regulations governed by the Bank Negara Malaysia ("BNM"), liability cash flows with durations less than 15 years are discounted using the spot yield of Malaysia Government Securities ("MGS") with matching durations, while liability cash flows with durations of 15 years or more are discounted using the 15 year MGS spot yield. As a result, the Malaysia non-participating fund could have losses when the MGS spot yield decreases.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)
(a) Interest rate risk (including asset liability mismatch) (continued)

Managing interest rate benchmark reform
i) Overview
A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBOR") with alternative nearly risk-free rates (referred to as ‘IBOR reform’). The Group has moderate exposure to IBORs on its financial instruments that will be reformed as part of this market-wide initiative. Most reforms affecting the Group had been completed by the end of 2021. However, the transition deadlines for USD LIBOR and SIBOR have been extended to end June 2023 and end December 2024 respectively, hence some instruments referencing these rates may not be transited until those dates.

The Group anticipates that IBOR reform will have moderate operational, risk management and accounting impacts across all of its business lines. The main risk to which the Group is exposed as a result of IBOR reform is operational. For example, the bilateral renegotiation with private debt issuers, updating of contractual terms, updating of systems that use IBOR curves and revision of operational controls related to the reform. Financial risk is predominantly limited to interest rate risk.

The Group has a cross-functional IBOR Working Group to manage its transition to alternative rates. The objectives of the IBOR Working Group include evaluating the extent to which fixed income holdings, derivatives and liabilities reference IBOR cash flows, whether such contracts need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

ii) Non-derivative financial assets
The Group’s IBOR exposures on bonds/FRNs holdings include SGD Swap Offer Rate (“SOR”), SIBOR, and USD LIBOR are primarily at The Great Eastern Life Assurance Company Limited. The Group also has corporate loans holdings indexed to SOR.

The alternative reference rate for SOR and SIBOR is the Singapore Overnight Rate Average (“SORA”); and for USD LIBOR is the Secured Overnight Financing Rate ("SOFR"). The changes to the contractual terms of financial assets indexed to SOR, SIBOR, and USD LIBOR to incorporate new benchmark rates are still in progress as at 31 December 2022.

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an ‘unreformed contract’).

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(a) Interest rate risk (including asset liability mismatch) (continued)

Managing interest rate benchmark reform (continued)

ii) Non-derivative financial assets (continued)

The following table shows the total amounts of unreformed non-derivative financial assets as at 31 December 2022. The amounts of trading assets and investment securities are shown at their carrying amounts.

	Group		
	Gross carrying amount		
in Singapore Dollars(millions)	**SOR**	**USD LIBOR**	**Grand total**
Debt securities	**692.0**	**970.0**	**1,662.0**
Corporate loan	**116.0**	**-**	**116.0**
	808.0	**970.0**	**1,778.0**

iii) Non-derivative financial liabilities

The Group does not have any floating-rate liabilities which would be impacted by the IBOR reform.

iv) Derivatives and hedge accounting

The Group holds derivatives for risk management and efficient portfolio management purposes, and are not designated in hedging relationships. The instruments used principally include interest rate, cross-currency, and total return swaps, which have floating legs that are indexed to various IBORs. Typically, derivative transactions that reference interest rate benchmarks incorporate standard terms such as the 2006 ISDA Definitions published by ISDA. ISDA has reviewed such definitions in light of IBOR reform and issued an IBOR fallback protocol on 23 October 2020 and a supplement to amend the 2006 ISDA Definitions effective 25 January 2021. This sets out how the amendments to new alternative benchmark rates (e.g. SORA, SOFR) in the 2006 ISDA Definitions will be accomplished. The effect of the supplement is to create fallback provisions in derivatives that describe what floating rates will apply on the permanent discontinuation of certain key IBORs or on ISDA declaring a non-representative determination of an IBOR. The Group has adhered to the protocol to implement the fallbacks to derivative contracts that were entered into before the effective date of the supplement, where the existing derivative counterparties have also adhered to the protocol. All new derivative contracts entered into on or after the effective date of the supplement that reference the 2006 ISDA Definitions will also include the fallback.

The following table shows the total amounts of unreformed derivative instruments as at 31 December 2022. For cross-currency swaps, the Group used the notional amount of the receive leg of the swap. The Group expects both legs of cross-currency swaps to be reformed simultaneously.

	Group		
	Notional amount		
in Singapore Dollars(millions)	**SOR**	**USD LIBOR**	**Grand total**
Derivatives	**280.0**	**21.0**	**301.0**

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(b) **Foreign exchange risk.** The foreign exchange risk inherent in foreign currency fixed income portfolio is typically hedged using currency forwards and swaps wherever practical and cost-effective. Foreign exchange instruments are also used for efficient portfolio management.

The SGD and RM positions predominately arose from the entities within the Group with the same respective functional currencies.

Limits are set on the total amount of foreign currency (net of liabilities) to cap the Group's foreign exchange risk.

TABLE 33(D): The tables below show the foreign exchange position of the Group's financial and insurance-related assets and liabilities by major currencies:

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2022					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	**231.6**	**250.0**	**203.0**	**977.4**	**1,662.0**
Debt securities	**3,558.0**	**1,242.1**	**3,284.8**	**408.5**	**8,493.4**
Financial assets at FVTPL					
Equity securities	**878.6**	**6,608.1**	**668.1**	**3,336.2**	**11,491.0**
Debt securities	**21,007.6**	**14,832.9**	**11,718.5**	**3,525.8**	**51,084.8**
Other investments	**6,500.2**	**203.9**	**5,988.4**	**1,534.2**	**14,226.7**
Financial assets at amortised cost					
Debt securities	**804.1**	**-**	**995.0**	**3.4**	**1,802.5**
Derivative financial assets	**670.6**	**0.3**	**55.4**	**35.4**	**761.7**
Loans	**222.1**	**144.3**	**-**	**114.1**	**480.5**
Reinsurers' share of insurance contract liabilities	**396.7**	**549.5**	**30.6**	**25.7**	**1,002.5**
Insurance receivables	**1,024.5**	**2,512.3**	**10.4**	**32.6**	**3,579.8**
Other debtors	**384.3**	**228.1**	**161.2**	**43.1**	**816.7**
Cash and cash equivalents	**6,819.6**	**1,509.4**	**886.1**	**392.8**	**9,607.9**
	42,497.9	**28,080.9**	**24,001.5**	**10,429.2**	**105,009.5**
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	**1,385.3**	**490.9**	**88.9**	**31.4**	**1,996.5**
Insurance payables	**2,459.3**	**4,673.1**	**2.4**	**11.8**	**7,146.6**
Derivative financial liabilities	**84.2**	**4.8**	**96.6**	**106.4**	**292.0**
Provision for agents' retirement benefits	**0.8**	**295.0**	**-**	**-**	**295.8**
Insurance contract liabilities	**60,181.8**	**21,621.4**	**3,172.4**	**668.1**	**85,643.7**
	64,111.4	**27,085.2**	**3,360.3**	**817.7**	**95,374.6**

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(b) Foreign exchange risk. (continued)

TABLE 33(D): The tables below show the foreign exchange position of the Group's financial and insurance-related assets and liabilities by major currencies (continued):

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2021					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	479.6	250.8	259.3	1,212.7	2,202.4
Debt securities	2,020.1	1,077.0	3,644.5	751.6	7,493.2
Financial assets at FVTPL					
Equity securities	1,117.9	7,122.9	1,014.7	4,420.1	13,675.6
Debt securities	18,219.9	15,033.7	13,894.4	5,015.6	52,163.6
Other investments	7,501.8	236.7	6,849.7	2,097.1	16,685.3
Financial assets at amortised cost					
Debt securities	-	-	242.3	-	242.3
Derivative financial assets	332.6	1.7	16.9	18.7	369.9
Loans	322.6	250.2	-	19.4	592.2
Reinsurers' share of insurance contract liabilities	343.2	409.7	120.5	13.3	886.7
Insurance receivables	1,029.8	2,266.9	3.3	35.6	3,335.6
Other debtors	364.0	230.8	207.8	43.7	846.3
Cash and cash equivalents	6,429.1	1,629.5	667.8	391.3	9,117.7
	38,160.6	28,509.9	26,921.2	14,019.1	107,610.8
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	1,328.2	396.9	56.8	28.9	1,810.8
Insurance payables	2,171.5	4,433.6	2.1	13.4	6,620.6
Derivative financial liabilities	11.7	1.4	51.2	47.1	111.4
Provision for agents' retirement benefits	0.2	291.1	-	-	291.3
Insurance contract liabilities	61,295.6	22,401.5	3,267.1	674.4	87,638.6
	64,807.2	27,524.5	3,377.2	763.8	96,472.7

The financial assets and financial liabilities of the Company are not material.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(c) **Equity price risk.** Exposure to equity price risk exists in investment assets through direct equity, equity derivatives and fund investments, where the Group, through investments, bears all or most of the equity volatility and investment risks. Equity price risk also exists in investment-linked products where the revenues of the insurance operations are linked to the performances of underlying equity funds since this has an impact on the level of fees earned. Limits are set for single security holdings as a percentage of total equity holdings.

(d) **Credit spread risk.** Exposure to credit spread risk exists in the Group's bond investments. Credit spread is the difference between the quoted yields of a credit and a government bond of the same maturity. Credit spreads widen when the default risk of credit bonds increases. Hence, widening credit spreads will result in mark-to-market losses in the Group's bond portfolio.

(e) **Alternative investment risk.** The Group is exposed to alternative investment risk through investments in real estate that it owns in Singapore and Malaysia, and through real estate funds, private equities, infrastructure and hedge funds. A monitoring process is established to manage foreign exchange, country and manager concentration risks. This process and the acquisition or divestment of alternative investments are reviewed and approved by RMC and Group IC.

(f) **Commodity risk.** The Group does not have any exposure to commodity risk.

(g) **Liquidity risk.** Liquidity risk arises when the Group is unable to meet its cash flow demands, or if the assets backing the liabilities cannot be sold quickly enough without incurring significant losses. For an insurance company, the greatest liquidity needs typically arise from its insurance liabilities. Demands for funds can usually be met through ongoing normal operations via premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by surrender of insurance policies due to negative publicity, deterioration of the economy, adverse news on 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 asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are regularly monitored, and a reasonable amount of liquid assets are maintained 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 these have been quite stable over the past several years.

Unexpected liquidity demands are mitigated through product design, risk diversification, investment strategies and systematic monitoring. Surrender penalty in insurance contracts also protects the Group from losses due to unexpected surrender trends and reduces the sensitivity of surrenders to changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)
(g) *Liquidity risk. (continued)*
Maturity Profile

TABLE 33(E1): The following tables show the expected recovery or settlement of financial and insurance-related assets and maturity profile of the Group's financial and insurance related liabilities which are presented based on contractual undiscounted cash flows, except for insurance contract liabilities which are presented based on discounted cash outflows resulting from recognised liabilities.

in Singapore Dollars (millions)	Carrying Amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2022						
FINANCIAL AND INSURANCE-RELATED ASSETS						
Financial assets at FVOCI						
Equity securities	1,662.0	-	-	-	1,662.0	1,662.0
Debt securities	8,493.4	814.5	4,401.0	7,101.6	-	12,317.1
Financial assets at FVTPL						
Equity securities	11,491.0	-	-	-	11,491.0	11,491.0
Debt securities	51,084.8	7,339.7	20,032.0	41,646.7	1,185.4	70,203.8
Other investments	14,226.7	3.0	-	-	14,226.7	14,229.7
Financial assets at Amortised Cost						
Debt securities	1,802.5	788.5	845.5	640.7	-	2,274.7
Derivative financial assets	761.7	640.9	80.1	40.7	-	761.7
Loans	480.5	113.7	395.0	14.3	-	523.0
Reinsurers' share of insurance contract liabilities	1,002.5	449.0	388.9	164.6	-	1,002.5
Insurance receivables	3,579.8	770.2	532.1	-	2,277.5	3,579.8
Other debtors	816.7	816.7	-	-	-	816.7
Cash and cash equivalents	9,607.9	9,607.9	-	-	-	9,607.9
	105,009.5	21,344.1	26,674.6	49,608.6	30,842.6	128,469.9
FINANCIAL AND INSURANCE-RELATED LIABILITIES						
Other creditors	1,996.5	1,902.9	58.0	0.3	35.3	1,996.5
Insurance payables	7,146.6	7,124.4	22.2	-	-	7,146.6
Derivative financial liabilities	292.0	221.1	12.3	58.6	-	292.0
Provision for agents' retirement benefits	295.8	139.7	56.7	99.4	-	295.8
Insurance contract liabilities	85,643.7	16,750.8	20,366.5	48,521.7	4.7	85,643.7
	95,374.6	26,138.9	20,515.7	48,680.0	40.0	95,374.6

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)
(g) ***Liquidity risk. (continued)***
Maturity Profile (continued)

TABLE 33(E1): The following tables show the expected recovery or settlement of financial and insurance-related assets and maturity profile of the Group's financial and insurance related liabilities which are presented based on contractual undiscounted cash flows, except for insurance contract liabilities which are presented based on discounted cash outflows resulting from recognised liabilities (continued).

in Singapore Dollars (millions)	Carrying Amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2021						
FINANCIAL AND INSURANCE-RELATED ASSETS						
Financial assets at FVOCI						
Equity securities	2,202.4	-	-	-	2,202.4	2,202.4
Debt securities	7,493.2	496.9	2,667.5	6,889.3	-	10,053.7
Financial assets at FVTPL						
Equity securities	13,675.6	-	-	-	13,675.6	13,675.6
Debt securities	52,163.6	3,937.3	17,427.3	44,443.0	2,881.9	68,689.5
Other investments	16,685.3	-	-	-	16,685.3	16,685.3
Financial assets at Amortised Cost						
Debt securities	242.3	11.7	46.8	441.5	-	500.0
Derivative financial assets	369.9	220.6	149.3	-	-	369.9
Loans	592.2	211.9	333.2	125.2	-	670.3
Reinsurers' share of insurance contract liabilities	886.7	547.3	257.8	81.6	-	886.7
Insurance receivables	3,335.6	611.2	348.4	0.6	2,375.4	3,335.6
Other debtors	846.3	845.3	0.8	-	0.2	846.3
Cash and cash equivalents	9,117.7	9,117.7	-	-	-	9,117.7
	107,610.8	15,999.9	21,231.1	51,981.2	37,820.8	127,033.0
FINANCIAL AND INSURANCE-RELATED LIABILITIES						
Other creditors	1,810.8	1,808.7	1.9	0.2	-	1,810.8
Insurance payables	6,620.6	6,613.4	7.2	-	-	6,620.6
Derivative financial liabilites	111.4	74.5	36.9	-	-	111.4
Provision for agents' retirement benefits	291.3	133.8	58.7	98.8	-	291.3
Insurance contract liabilities	87,638.6	16,023.7	20,017.3	51,590.2	7.4	87,638.6
	96,472.7	24,654.1	20,122.0	51,689.2	7.4	96,472.7

The Company's financial assets and financial liabilities are not material.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)
(g) Liquidity risk. (continued)

TABLE 33(E2): The following tables show the current/non-current classification of assets and liabilities:

in Singapore Dollars (millions)	Current*	Non-Current	Unit-linked	Total
As at 31 December 2022				
ASSETS				
Cash and cash equivalents	9,059.0	-	548.9	9,607.9
Other debtors	799.1	32.9	45.8	877.8
Insurance receivables	2,145.6	1,434.2	-	3,579.8
Asset held for sale	72.6	-	-	72.6
Reinsurers' share of insurance contract liabilities	440.5	548.8	13.2	1,002.5
Loans	103.3	377.2	-	480.5
Derivative financial assets	631.4	120.8	9.5	761.7
Investments	15,126.6	65,560.6	8,073.2	88,760.4
Deferred tax assets	-	58.4	-	58.4
Investment in associate	-	122.5	-	122.5
Intangible assets	42.6	161.0	-	203.6
Investment properties	-	1,881.2	-	1,881.2
Property, plant and equipment	45.6	463.8	-	509.4
	28,466.3	70,761.4	8,690.6	107,918.3
LIABILITIES				
Insurance payables	7,124.3	22.3	-	7,146.6
Other creditors	1,909.1	149.8	51.0	2,109.9
Derivative financial liabilities	211.9	70.7	9.4	292.0
Income tax payable	238.5	-	-	238.5
Provision for agents' retirement benefits	19.9	275.9	-	295.8
Deferred tax liabilities	(29.2)	2,061.1	0.5	2,032.4
Insurance contract liabilities	8,248.8	69,334.4	8,689.3	86,272.5
	17,723.3	71,914.2	8,750.2	98,387.7

* expected recovery or settlement within 12 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)
(g) Liquidity risk. (continued)

TABLE 33(E2): The following tables show the current/non-current classification of assets and liabilities (continued):

in Singapore Dollars (millions)	Current*	Non-Current	Unit-linked	Total
As at 31 December 2021				
ASSETS				
Cash and cash equivalents	8,606.2	-	511.5	9,117.7
Other debtors	814.7	39.9	49.9	904.5
Insurance receivables	1,822.5	1,497.5	15.6	3,335.6
Reinsurers' share of insurance contract liabilities	537.4	332.8	16.5	886.7
Loans	194.4	397.8	-	592.2
Derivative financial assets	211.6	149.3	9.0	369.9
Investments	11,616.0	71,825.4	9,021.0	92,462.4
Investment in associates	-	95.2	-	95.2
Intangible assets	35.1	159.9	-	195.0
Investment properties	-	1,883.9	-	1,883.9
Property, plant and equipment	67.3	479.7	-	547.0
	23,905.2	76,861.4	9,623.5	110,390.1
LIABILITIES				
Insurance payables	6,593.1	7.2	20.3	6,620.6
Other creditors	1,779.3	76.3	68.7	1,924.3
Derivative financial liabilities	70.6	35.7	5.1	111.4
Income tax payable	328.6	-	-	328.6
Provision for agents' retirement benefits	22.6	264.0	4.7	291.3
Deferred tax	59.1	2,513.2	6.7	2,579.0
Insurance contract liabilities	6,512.5	72,193.1	9,692.9	88,398.5
	15,365.8	75,089.5	9,798.4	100,253.7

* expected recovery or settlement within 12 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) **Credit risk.** Credit risk is the risk of loss arising from an obligor failing to discharge an obligation. The Group is mainly exposed to credit risk through (i) investments in cash and bonds, (ii) corporate lending activities and (iii) exposure to counterparty's credit risk in derivative transactions and reinsurance contracts. For all three types of exposures, financial loss may materialise as a result of a downgrading of credit rating or default by the borrower or counterparty.

Group-wide credit risk is managed by Group ALC. The Group establishes internal limits by issuer and counterparty according to their investment credit rating which are actively monitored to manage the credit and concentration risk, and are reviewed on a regular basis. The creditworthiness of reinsurers is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available information. The task of evaluating and monitoring credit risk at the subsidiary level is undertaken by Local ALCs.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is mitigated through counterparty limits that are reviewed and approved on an annual basis.

Credit risk arising from customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated.

The Group issues unit-linked investment policies in which the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Group has no material credit risk or market risk on unit-linked financial assets.

The loans in the Group's portfolio are generally secured by collateral, with a maximum loan-to-value ratio of 70%. The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines on the collateral eligibility have been established, and all collaterals are revalued on a regular basis. Management monitors the market values of collaterals, requests additional collaterals when needed and performs an impairment valuation when applicable. The fair values of collaterals, held by the Group as lender, for which it is entitled to sell or pledge in the event of default is as tabulated below:

in Singapore Dollars	Type of Collateral	Carrying Amount	Fair Value
As at 31 December 2022			
Secured loans	**Properties**	**291.8**	**545.4**
	Others	**0.2**	**0.2**
Policy loans	**Cash value of policies**	**2,277.5**	**5,279.7**
Derivatives	**Cash**	**186.1**	**186.1**
		2,755.6	**6,011.4**
As at 31 December 2021			
Secured loans	Properties	394.7	812.2
	Others	0.5	0.5
Policy loans	Cash value of policies	2,355.8	5,115.2
Derivatives	Cash	97.8	97.8
		2,848.8	6,025.7

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) Credit risk. (continued)

There were no securities lending arrangements as at 31 December 2022 (31 December 2021: nil).

As at the balance sheet date, no investments (2021: nil) were placed as collateral for currency hedging purposes.

The following table sets out information about the credit quality of loans and debt securities measured at amortised cost and debt securities measured at FVOCI. The maximum exposure is shown on a gross basis, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives.

For explanation of the terms: '12-month ECL', 'lifetime ECL' and 'credit-impaired', refer to Note 2.11.7.

	31 December 2022			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Loans and other receivables at amortised cost				
Investment Grade* (BBB to AAA)	373.2	112.1	-	485.3
Not Rated	1.7	-	36.7	38.4
	374.9	112.1	36.7	523.7
Loss allowance	(0.6)	(5.9)	(36.7)	(43.2)
Carrying amount	374.3	106.2	-	480.5
Debt securities at amortised cost				
Investment Grade* (BBB to AAA)	1,802.5	-	-	1,802.5
	1,802.5	-	-	1,802.5
Loss allowance	(1.1)	-	-	(1.1)
Carrying amount	1,801.4	-	-	1,801.4
Debt securities at FVOCI				
Investment Grade* (BBB to AAA)	8,361.5	29.3	-	8,390.8
Non Investment Grade* (C to BB)	-	5.3	-	5.3
Not Rated	97.3	-	-	97.3
	8,458.8	34.6	-	8,493.4

* Based on internal ratings grades which are equivalent to grades of external rating agencies.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) Credit risk. (continued)

in Singapore Dollars (millions)	31 December 2021 12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Loans at amortised cost				
Investment Grade* (BBB to AAA)	479.2	122.0	-	601.2
Not Rated	1.4	-	2.3	3.7
	480.6	122.0	2.3	604.9
Loss allowance	(0.9)	(9.5)	(2.3)	(12.7)
Carrying amount	479.7	112.5	-	592.2
Debt securities at amortised cost				
Investment Grade* (BBB to AAA)	244.0	-	-	244.0
	244.0	-	-	244.0
Loss allowance	(1.7)	-	-	(1.7)
Carrying amount	242.3	-	-	242.3
Debt securities at FVOCI				
Investment Grade* (BBB to AAA)	6,066.6	55.9	-	6,122.5
Non Investment Grade* (C to BB)	-	10.7	2.7	13.4
Not Rated	1,357.3	-	-	1,357.3
	7,423.9	66.6	2.7	7,493.2

* Based on internal ratings grades which are equivalent to grades of external rating agencies.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) *Credit risk. (continued)*

The following table sets out the credit analysis for financial assets that are not subjected to ECL:

in Singapore Dollars (millions)	Investment Grade* (BBB to AAA)	Non Investment Grade* (C to BB)	Not Rated	Unit-linked	Not subject to credit risk	Total carrying amount
As at 31 December 2022						
Financial assets at FVOCI						
Equity securities	**-**	**-**	**-**	**-**	**1,662.0**	**1,662.0**
Financial assets at FVTPL						
Equity securities	**-**	**-**	**-**	**3,366.2**	**8,124.8**	**11,491.0**
Debt securities	**43,047.2**	**2,118.2**	**4,293.8**	**1,625.6**	**-**	**51,084.8**
Other investments	**-**	**-**	**-**	**3,081.4**	**11,145.3**	**14,226.7**
Derivative financial assets	**716.7**	**-**	**35.5**	**9.5**	**-**	**761.7**
Reinsurers' share of insurance contract liabilities	**-**	**-**	**989.3**	**13.2**	**-**	**1,002.5**
Insurance receivables	**991.5**	**20.0**	**2,568.3**	**-**	**-**	**3,579.8**
Other debtors	**3.6**	**1.1**	**766.2**	**45.8**	**-**	**816.7**
Cash and cash equivalents	**8,799.2**	**-**	**259.8**	**548.9**	**-**	**9,607.9**
	53,558.2	**2,139.3**	**8,912.9**	**8,690.6**	**20,932.1**	**94,233.1**
As at 31 December 2021						
Financial assets at FVOCI						
Equity securities	-	-	-	-	2,202.4	2,202.4
Financial assets at FVTPL						
Equity securities	-	-	-	3,663.7	10,011.9	13,675.6
Debt securities	43,170.7	2,275.8	5,141.4	1,575.7	-	52,163.6
Other investments	-	-	-	3,781.6	12,903.7	16,685.3
Derivative financial assets	349.7	-	11.2	9.0	-	369.9
Reinsurers' share of insurance contract liabilities	-	-	870.2	16.5	-	886.7
Insurance receivables	620.0	-	2,700.0	15.6	-	3,335.6
Other debtors	6.0	0.6	792.2	47.5	-	846.3
Cash and cash equivalents	8,490.7	-	115.5	511.5	-	9,117.7
	52,637.1	2,276.4	9,630.5	9,621.1	25,118.0	99,283.1

The Company's financial assets are not material.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) Credit risk. (continued)

Amounts arising from Expected Credit Losses ("ECL")

ECL provisioning is the setting of allowance for credit-impaired and non-credit impaired exposure in accordance to SFRS(I) 9 through forward-looking ECL models.

Measurement of ECL - Explanation of inputs, assumptions and estimation techniques

The key inputs into the measurement of ECL are the following variables:
- probability of default ('PD');
- loss given default ('LGD'); and
- exposure at default ('EAD').

These parameters are derived from statistical models internally developed by the Group.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ('12M PD'), or over the remaining lifetime ('Lifetime PD') of the obligation. PD estimates are derived from PD models that incorporate both quantitative and qualitative inputs, which are in turn derived from internal and external compiled data.

LGD is the magnitude of the likely loss incurred during a default. LGD is expressed as a percentage of loss per unit of exposure at the time of default and represents an estimate of the economic loss in the event of the default of the counterparty. Factors in determining LGDs include claim seniority, availability and quality of collateral, legal enforceability processes in the jurisdiction and industry of borrower and prevailing market conditions. They are estimates at a certain date and are derived using statistical models. These statistical models are developed using internally compiled data and incorporate both quantitative and qualitative factors. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

EAD represents the expected exposure in the event of a default. The Group derives the EAD based on the current exposure to the counterparty and potential future

The ECL is determined by the PD, LGD and EAD for each individual exposure. The ECLs are first determined by the product of these three components, which are then adjusted to take into account forward-looking information. The ECLs are finally discounted to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) Credit risk. (continued)

Significant increase in credit risk

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default assessed at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information, which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

A movement of an obligor's credit rating along the rating scale represents a change in the credit risk as measured by the change in PD.

The criteria for assessing whether credit risk has increased significantly will be determined by changes in 12M PDs and other qualitative factors. The credit risk of an obligor is deemed to have increased significantly since initial recognition if, based on the Group's quantitative model, the 12M PD is determined to have more than doubled since origination, except when the obligor remains within the investment grade ratings.

Using expert credit judgment and, where possible, relevant historical experience, the Group may determine that an obligor has undergone a significant increase in credit risk based on qualitative factors that are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The Group uses the watch-list as an additional trigger for the identification of significant increase in credit risk.

The Group considers an obligor to have relatively lower credit risk if it is of investment grade quality, taking into account both internal and external credit ratings.

Credit risk grades

The Group assigns each obligor to a credit risk grade that reflects the PD of the obligor. Credit risk grades are established based on qualitative and quantitative factors that are indicative of default risk. These factors vary depending on the nature of the exposure and the type of counterparty.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) Credit risk. (continued)

Credit risk grades(continued)

Credit risk grades are defined and calibrated such that the default risk increases as credit risk deteriorates. Each exposure is assigned with a credit risk grade at initial recognition, based on available information on the borrower. Obligors are subject to ongoing monitoring and review, and may be assigned with new credit risk grades that better reflects their creditworthiness. The monitoring typically involves the use of information obtained during periodic review, including published financial statements, external rating (where available), as well as qualitative information on an obligor's industry, competitive positioning, management, financial policy and financial flexibility.

Definition of default

The Group considers a financial asset to be in default by assessing the following criteria:

Quantitative criteria

For insurance receivables, the obligor is said to be in default if it fails to make contractual payments within 6 months after it falls due (i.e. after expiration of the maximum granted credit terms). For bonds and loans, the obligor is said to be in default if it fails to meet its contractual obligation and there are non-payments on another debt obligation of the same issuer to the Group.

Qualitative criteria

The counterparty is in bankruptcy or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty; distressed exchange, merger or amalgamation without assumption or breach of material loan covenants not rectified within a given timeframe, restructuring with expected principal haircut or a breach in material loan covenant that is not rectified within given timeframe.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected loss calculations.

Incorporating of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and in its ECL measurement. The Group has performed historical analysis and identified key economic variables impacting credit risk and ECLs for each portfolio.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) Credit risk. (continued)

Incorporating of forward-looking information (continued)

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are obtained from publicly available economic databases published on a quarterly basis and provide the best estimate view of the economy over the next four to five years, and based on such information to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach is used. The impact of these economic variables on PDs, EADs and LGDs has been determined via regression analyses.

In addition to the base economic scenario, the Group uses multiple scenarios to ensure non-linear risks are captured. The number of scenarios and the respective scenario attributes are reviewed at each reporting date. At 31 December 2022, the Group concluded that two particular scenarios are capable of capturing non-linear risks inherent in all portfolios. The scenario weightings are determined by expert credit judgment, taking into account the range of possible outcomes presented by the chosen scenarios. The assessment of significant increase in credit risk is performed using the 12M PD under each scenarios multiplied by the associated scenario weights. This determines whether the financial instrument is in Stage 1, 2 or 3, and hence whether 12M or lifetime ECL should be applied. Following this assessment, the Group measures ECL as either a probability- weighted 12M ECL (Stage 1), or a probability-weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of uncertainty and the actual outcomes may be significantly different from projected outcomes. The Group considers these forecasts being representative of the best estimates of the possible outcomes and has analysed the non-linear risks and asymmetries within the various portfolios of the Group to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Group for the year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)
(h) Credit risk. (continued)

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

in Singapore Dollars (millions)	31 December 2022 12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and other receivables at amortised cost				
Balance at the beginning of the year	0.9	9.5	2.3	12.7
Net remeasurement of loss allowance	-	-	34.4	34.4
New financial assets purchased	0.6	3.7	-	4.3
Financial assets that have been derecognised	(0.7)	(4.2)	-	(4.9)
Changes in models/risk parameters	(0.2)	(2.5)	-	(2.7)
Foreign exchange and other movements	-	(0.6)	-	(0.6)
Balance at the end of the year	0.6	5.9	36.7	43.2
Debt securities at Amortised Cost				
Balance at the beginning of the year	1.7	-	-	1.7
Net remeasurement of loss allowance	0.1	-	-	0.1
New financial assets purchased	0.6	-	-	0.6
Financial assets that have been derecognised	(1.2)	-	-	(1.2)
Changes in models/risk parameters	0.1	-	-	0.1
Foreign exchange and other movements	(0.2)	-	-	(0.2)
Balance at the end of the year	1.1	-	-	1.1
Debt securities at FVOCI				
Balance at the beginning of the year	7.2	4.4	2.8	14.4
Net remeasurement of loss allowance	0.1	(0.1)	-	-
New financial assets purchased	4.0	2.4	-	6.4
Financial assets that have been derecognised	(3.3)	(3.1)	-	(6.4)
Changes in models/risk parameters	(0.7)	(0.9)	-	(1.6)
Foreign exchange and other movements	-	(0.2)	-	(0.2)
Balance at the end of the year	7.3	2.5	2.8	12.6
(Decrease)/increase in provision for impairment of financial assets for the year	(0.6)	(4.7)	34.4	29.1

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)
(h) Credit risk. (continued)

Loss allowance (continued)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. (continued)

	31 December 2021			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and other receivables at amortised cost				
Balance at the beginning of the year	1.4	3.5	42.3	47.2
Net remeasurement of loss allowance	0.3	0.8	(4.0)	(2.9)
New financial assets purchased	0.1	-	-	0.1
Financial assets that have been derecognised	(0.3)	-	-	(0.3)
Write-offs	-	-	(36.0)	(36.0)
Changes in models/risk parameters	(0.6)	5.2	-	4.6
Balance at the end of the year	0.9	9.5	2.3	12.7
Debt securities at Amortised Cost				
Balance at the beginning of the year	1.3	-	-	1.3
Net remeasurement of loss allowance	(0.4)			(0.4)
New financial assets purchased	0.3	-	-	0.3
Changes in models/risk parameters	0.5	-	-	0.5
Balance at the end of the year	1.7	-	-	1.7
Debt securities at FVOCI				
Balance at the beginning of the year	10.8	1.2	2.8	14.8
Transfer to 12-month ECL	(0.2)	0.2	-	-
Additional loss due to transfer	-	1.0	-	1.0
Net remeasurement of loss allowance	(0.4)	-	-	(0.4)
New financial assets purchased	2.7	-	-	2.7
Financial assets that have been derecognised	(2.5)	(0.1)	-	(2.6)
Changes in models/risk parameters	(3.2)	2.1	-	(1.1)
Balance at the end of the year	7.2	4.4	2.8	14.4
(Decrease)/increase in provision for impairment of financial assets for the year	(3.7)	9.2	(4.0)	1.5

The carrying amount of outstanding premiums as at 31 December 2022 is $983.9 million (31 December 2021: $663.3 million). The ECL relating to outstanding premiums as at 31 December 2022 was $9.1 million (2021: $8.0 million) for the Group. The changes in credit loss recognised in the Profit or Loss Statement during the period was $1.1 million (31 December 2021: $0.5 million).

The changes in risk parameters may consist of management overlays, including but not limited to, the application of judgment to :

i) key economic variables including GDP growth projections,
ii) scenario weightings,
iii) obligor's credit rating to reflect a deterioration to credit risk,
iv) take into consideration government relief programmes, or
v) events arisen after post-model-run that require adjustment.

Loss allowances are reviewed quarterly, taking into consideration the adequacy of key variables.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(i) **Concentration risk.** An important element of managing both market and credit risks is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place to manage concentration risk. These limits are reviewed on a regular basis by the respective management committees. The Group's exposures are within the concentration limits set by the respective local regulators.

The Group actively manages its investment mix to ensure that there is no significant concentration in market and credit risk.

(j) **Sensitivity analysis on financial risks.** The sensitivity analysis below shows the impact on the Group's net profit after tax by applying possible shocks to each key variables, with all other variables constant. Co-movement of key variables can significantly affect the fair values and/or amortised cost of financial assets. To demonstrate the impact due to changes in each key variable, the variables are changed individually.

The impact on net profit after tax represents the effect caused by changes in fair value of financial assets whose fair values are recorded in the Profit or Loss Statement, and changes in valuation of insurance contract liabilities. The equity sensitivity represents the impact on net profit after tax and the effect on changes in fair value of financial assets measured at FVOCI.

Market risk sensitivity analysis:

	Impact on Profit After Tax		**Impact on Equity**	
in Singapore Dollars (millions)	**2022**	2021	**2022**	2021
Change in variables:				
(a) Interest rate				
+ 100 basis points	**188.5**	81.4	**(197.8)**	(386.7)
- 100 basis points	**(313.4)**	(312.4)	**121.3**	230.8
(b) Foreign currency				
5% increase in market value of RM denominated assets	**0.1**	0.1	**0.1**	0.1
5% decrease in market value of RM denominated assets	**(0.1)**	(0.1)	**(0.1)**	(0.1)
5% increase in market value of USD denominated assets	**12.1**	0.7	**12.1**	0.7
5% decrease in market value of USD denominated assets	**(12.1)**	(0.7)	**(12.1)**	(0.7)

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(j) Sensitivity analysis on financial risks.(continued)

Market risk sensitivity analysis (continued):

	Impact on Profit After Tax		Impact on Equity	
in Singapore Dollars (millions)	**2022**	2021	**2022**	2021
Change in variables:				
(c) Equity				
20% increase in market indices:				
- STI	**31.2**	51.3	**68.8**	129.9
- KLCI	**2.4**	-	**39.1**	34.6
20% decrease in market indices:				
- STI	**(31.2)**	(51.3)	**(68.8)**	(129.9)
- KLCI	**(2.4)**	-	**(39.1)**	(34.6)
(d) Credit				
Spread + 100 basis points	**(72.7)**	(165.2)	**(315.8)**	(487.3)
Spread - 100 basis points	**79.0**	208.4	**352.5**	583.6
(e) Alternative investments[1]				
10% increase in market value of all alternative investments	**71.0**	72.1	**72.6**	73.9
10% decrease in market value of all alternative investments	**(71.0)**	(72.1)	**(72.6)**	(73.9)

[1] Alternative investments comprise investments in real estate, private equity, infrastructure and hedge funds.

The method for deriving sensitivity information and significant variables did not change from the previous year.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Operational and Compliance Risk

Operational risk is an event or action that may potentially impact partly or completely the achievement of the organisation's objectives resulting from inadequate or failed internal processes and systems, human factors, or external events.

Compliance risk is any event or action that may potentially impact partly or completely the achievement of the organisation's objectives, as a result of its failure to comply with the following applicable laws, regulations and standards:

- local laws, regulations and rules governing licensed activities undertaken by the Group;
- foreign laws, regulations and rules that have extraterritorial jurisdiction over the Group's licensed activities;
- codes of practice promoted by industry associations of which the Group are members of; and
- any other applicable regulations which do not specifically govern the licensed activities undertaken by the Group but can expose the organisation to legal, regulatory or reputational loss.

The day-to-day management of operational and compliance risk is through the maintenance of comprehensive internal control frameworks, supported by an infrastructure of systems and procedures to monitor processes and transactions. GMC reviews operational and compliance issues on a group basis at its monthly meetings while local level issues are managed and monitored by the local SMTs. The Internal Audit team reviews the systems of internal controls to assess their ongoing relevance and effectiveness, and reports at least quarterly to the Audit Committee.

Technology, Information and Cyber Risks

Technology risk is defined as risk related to any potential adverse outcome, damage, loss, disruption, violation, system/hardware failure, capacity deficiency arising from the use of technologies such as electronic hardware/ devices, software, online networks and telecommunications systems.

Information risk is defined as risk related to confidentiality, integrity and availability of information (in physical or digital form).

Cyber risk is defined as risk related to acts perpetrated by malicious threat actors including internal sabotage, espionage, malicious attacks, hacking incidents, fraudulent conduct using information and communication technologies.

The Group adopts a risk-based approach in managing technology, risks relating to IT disruption, cyber threats, data loss and third parties. Key risk indicators related to technology, information and cyber risks are reported to the Board on a regular basis. Independent assessment is performed by Internal Audit on the adequacy and effectiveness of the technology risk controls.

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Sustainability Risk

Sustainability risk is defined as any environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and enterprise value. The Group has integrated ESG considerations into the investment and underwriting activities.

At present, the Group manages social and governance-related risk through existing frameworks and policies. In order to build resilience as the world transits to a low-carbon economy, the Group has formalised the Group Environmental Risk Management Policy which sets forth guiding principles and minimum standards in managing environmental risk within the Group. Environmental risk arises from the potential adverse impact of changes in the environment on economic activities and human well-being. Environmental issues that are of concern include climate change, loss of biodiversity, pollution and changes in land use. Environmental risk can manifest in three dimensions of risk as follows:

- Physical risk – impact of weather events and long-term or widespread environmental changes. It arises from acute (event-driven) and chronic (long term shift) climate-related events that damage property, reduce productivity and disrupt trade.
- Transition risk – arises from the process of adjustment to an environmentally sustainable economy, including change in public policies, disruptive technological developments, and shifts in consumer and investor preferences.
- Liability risk – arises from legal risk and claims on damages and losses incurred from inaction or lack of action that results in the effects of physical and transition risks.

The Group's risk assessment considers the financial and non-financial impacts from physical and transition risks arising from climate change. With this, the Group organisation has put in place processes, methodology, and both qualitative and quantitative tools to identify and assess environmental risk for investment and underwriting portfolios.

For underwriting portfolio, risk transfer tool such as reinsurance is used to assist in managing environmental risk. For investment portfolio, the objective is to build resilient investment portfolios whilst striking a balance between ESG considerations, impact and financial returns.

The Group has make its first disclosures on climate-related risks aligned to the Task Force on Climate-related Financial Disclosures ("TCFD") in May 2021 as part of GEH Sustainability Report 2021. The report provides some insights into the Group’s governance approach, strategy and risk management, as well as key metrics and targets for climate-related financial risks.

34 FAIR VALUE OF ASSETS AND LIABILITIES

34.1 Fair Value Hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, quotes from brokers and market makers, cash flow discounting and other valuation techniques commonly used by market participants, and

Level 3 - Unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement would be categorised in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement (with Level 3 being the lowest).

<u>Transfers between levels of the fair value hierarchy</u>

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

34 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

34.2 Assets and Liabilities Measured at Fair Value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting year:

	Group 2022 Fair value measurements at the end of the reporting year using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2022				
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	-	510.6	-	510.6
Currency swaps	-	182.9	-	182.9
Options	-	12.0	-	12.0
Interest rates				
Swaps	-	9.0	-	9.0
Exchange traded futures	2.2	-	-	2.2
Equity				
Swaps	-	0.2	-	0.2
Futures	3.4	-	-	3.4
Options	6.3	32.9	-	39.2
Credit				
Swaps	-	1.9	-	1.9
Bond				
Forwards	-	0.3	-	0.3
	11.9	749.8	-	761.7
Financial assets at FVOCI				
Equity securities	1,639.3	-	22.7	1,662.0
Debt securities	3,896.9	4,522.2	74.3	8,493.4
	5,536.2	4,522.2	97.0	10,155.4
Financial assets at FVTPL				
Equity securities	11,469.0	0.2	21.8	11,491.0
Debt securities	34,975.2	15,538.0	571.6	51,084.8
Other investments	6,869.6	4,514.9	2,842.2	14,226.7
	53,313.8	20,053.1	3,435.6	76,802.5
Financial assets as at 31 December 2022	58,861.9	25,325.1	3,532.6	87,719.6

34 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

34.2 Assets and Liabilities Measured at Fair Value (continued)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting year (continued):

	Group			
	2022			
	Fair value measurements at the end of the reporting year using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2022				
Recurring Fair Value Measurements				
NON-FINANCIAL ASSETS				
Investment properties	**-**	**-**	**1,881.2**	**1,881.2**
Investment in associate	**-**	**-**	**122.5**	**122.5**
Asset held for sale	**-**	**-**	**72.6**	**72.6**
Non-financial assets as at 31 December 2022	**-**	**-**	**2,076.3**	**2,076.3**
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	**-**	**152.2**	**-**	**152.2**
Currency swaps	**-**	**6.8**	**-**	**6.8**
Interest rates				
Swaps	**-**	**64.5**	**-**	**64.5**
Exchange traded futures	**17.2**	**-**	**-**	**17.2**
Equity				
Swaps	**-**	**35.6**	**-**	**35.6**
Futures	**0.1**	**-**	**-**	**0.1**
Options	**2.3**	**4.8**	**-**	**7.1**
Credit				
Swaps	**-**	**3.7**	**-**	**3.7**
Bond				
Forwards	**-**	**4.8**	**-**	**4.8**
Financial liabilities as at 31 December 2022	**19.6**	**272.4**	**-**	**292.0**

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

34.2 Assets and Liabilities Measured at Fair Value (continued)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting year (continued):

	Group			
	2021			
	Fair value measurements at the end of the reporting year using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2021				
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	-	182.4	-	182.4
Currency swaps	-	84.8	-	84.8
Options	-	0.8	-	0.8
Interest rates				
Swaps	-	44.9	-	44.9
Exchange traded futures	3.8	-	-	3.8
Equity				
Swaps	-	7.4	-	7.4
Futures	0.4	-	-	0.4
Options	-	43.7	-	43.7
Bond				
Forwards	-	1.7	-	1.7
	4.2	365.7	-	369.9
Financial assets at FVOCI				
Equity securities	2,175.4	-	27.0	2,202.4
Debt securities	5,930.5	1,562.7	-	7,493.2
	8,105.9	1,562.7	27.0	9,695.6
Financial assets at FVTPL				
Equity securities	13,651.1	-	24.5	13,675.6
Debt securities	33,703.2	18,460.4	-	52,163.6
Other investments	9,099.1	4,905.7	2,680.5	16,685.3
	56,453.4	23,366.1	2,705.0	82,524.5
Financial assets as at 31 December 2021	64,563.5	25,294.5	2,732.0	92,590.0

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

34.2 Assets and Liabilities Measured at Fair Value (continued)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting year (continued):

	Group 2021			
	Fair value measurements at the end of the reporting year using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2021				
Recurring Fair Value Measurements				
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,883.9	1,883.9
Investment in associate	-	-	95.2	95.2
Non-financial assets as at 31 December 2021	-	-	1,979.1	1,979.1
FINANCIAL LIABILITIES				
Foreign exchange				
Forwards	-	49.0	-	49.0
Currency swaps	-	41.9	-	41.9
Options	-	0.3	-	0.3
Interest rates				
Swaps	-	12.9	-	12.9
Exchange traded futures	2.1	-	-	2.1
Equity				
Swaps	-	2.8	-	2.8
Futures	0.5	-	-	0.5
Options	0.2	-	-	0.2
Credit				-
Swaps	-	0.3	-	0.3
Bond				
Forwards	-	1.4	-	1.4
Financial liabilities as at 31 December 2021	2.8	108.6	-	111.4

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

34.3 Level 3 Fair Value Measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements:

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 31 December 2022	Valuation techniques	Unobservable inputs	Range (weighted average)
Investment properties	**1,881.2**	**Comparison approach**	**Estimated per square foot("psf")**	**$10 to $4,173**
		Capitalisation approach	**Capitalisation rate**	**3.25%**
Asset held for sale	**72.6**	**Income approach**	**Rental psf per month Rental growth rate Long-term vacancy rate Discount rate**	**$0.72 to $1.78 0.00% 12.50% 5.75% to 6.00%**
Investment in associate	**122.5**	**Market approach**	**Discount for liquidity**	**40%-50%**
Investments				
Quoted debt equities	**22.3**	**Discounted cash flow**	**Yield**	**4.00% to 6.00%**
Unquoted debt securities	**623.6**	**Income approach**	**Risk adjusted discounted rate**	**Spread of 1-2% above risk free interest rate**
Unquoted equities	**44.5**	**Net asset value[1]**	**not applicable**	**not applicable**
Collective Investment Schemes	**2,842.2**	**Net asset value[1]**	**not applicable**	**not applicable**

Description	Fair value as at 31 December 2021	Valuation techniques	Unobservable inputs	Range (weighted average)
Investment properties	1,883.9	Income approach	Rental psf per month Rental growth rate Long-term vacancy rate Discount rate	$0.81 to $1.75 0.00% 12.5% 5.75% to 6.00%
		Comparison approach	Estimated psf	$11 to $5,848
Investment in associate	95.2	Income approach	Discount rate	30% to 40%
Investments				
Unquoted equities	51.5	Net asset value[1]	not applicable	not applicable
Collective Investment Schemes	2,680.5	Net asset value[1]	not applicable	not applicable

(1) These investments are valued using net asset value. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy.

For investment properties, a significant increase/(decrease) in unobservable inputs would result in a significantly higher/(lower) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

34.3 Level 3 Fair Value Measurements (continued)

(ii) Valuation process:

The valuations of financial instruments are performed by the custodians and the valuations of investment properties are performed by the external valuers. The valuations conducted by the custodians are verified and assessed for reasonableness by Group Finance against available market conditions. The valuations of investment properties are based primarily on the comparable approach and the capitalisation approach. The major inputs of the valuation of investment properties are reviewed by management. The property management department also held discussions with external valuers on any significant fluctuation noted from the independent valuation reports. The valuations conducted by the external valuers are verified and assessed for reasonableness by management against property values of other comparable properties.

(iii) Movements in Level 3 assets and liabilities measured at fair value:

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Group							
	Fair value measurements using significant unobservable inputs (Level 3)							
	31 December 2022							
	Investments							
in Singapore Dollars (millions)	Quoted debt securities	Unquoted debt securities	Unquoted equities	Collective Investment Schemes	Investment in associate	Investment Properties	Asset Held for Sale	Total
Opening balance	**-**	**-**	**51.5**	**2,680.5**	**95.2**	**1,883.9**	**-**	**4,711.1**
Total gain/(loss) for the year:								
Included in the Profit or Loss Statement								
- (Loss)/gain on sale of investments and changes in fair value	**-**	**-**	**(2.7)**	**(85.9)**	**24.4**	**91.3**	**-**	**27.1**
Included in other comprehensive income								
- Changes in fair value	**-**	**-**	**(4.3)**	**-**	**-**	**-**	**-**	**(4.3)**
Purchases and sales for the year:								
Purchases	**-**	**-**	**-**	**609.4**	**-**	**1.0**	**-**	**610.4**
Sales	**-**	**-**	**-**	**(361.8)**	**-**	**-**	**-**	**(361.8)**
Reclassification	**-**	**-**	**-**	**-**	**-**	**(72.6)**	**72.6**	**-**
Transfer to/from during the year:								
Transfer from Level 1	**22.3**	**614.6**	**-**	**-**	**-**	**-**	**-**	**636.9**
Transfer from Level 2	**-**	**9.0**	**-**	**-**	**-**	**-**	**-**	**9.0**
Currency translation reserve adjustment	**-**	**-**	**-**	**-**	**2.9**	**(22.4)**	**-**	**(19.5)**
Closing balance	**22.3**	**623.6**	**44.5**	**2,842.2**	**122.5**	**1,881.2**	**72.6**	**5,608.9**

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

34.3 Level 3 Fair Value Measurements (continued)

(iii) Movements in Level 3 assets and liabilities measured at fair value: (continued)

	Group				
	Fair value measurements using significant unobservable inputs (Level 3)				
	31 December 2021				
	Investments				
in Singapore Dollars (millions)	Unquoted equities	Collective Investment Schemes	Investment in associate	Investment Properties	Total
Opening balance	169.7	2,065.1	96.9	1,767.2	4,098.9
Total gain/(loss) for the year:					
Included in the Profit or Loss Statement					
- (Loss)/gain on sale of investments and changes in fair value	(116.4)	80.8	(1.7)	84.3	47.0
Included in other comprehensive income					
- Changes in fair value	(1.8)	-	-	-	(1.8)
Purchases and sales for the year:					
Purchases	-	783.2	-	0.2	783.4
Sales	-	(248.6)	-	-	(248.6)
Reclassification from property, plant and equipment	-	-	-	38.8	38.8
Currency translation reserve adjustment	-	-	-	(6.6)	(6.6)
Closing balance	51.5	2,680.5	95.2	1,883.9	4,711.1

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

34.4 Assets and Liabilities Not Carried at Fair Value but for which Fair Value is Disclosed

The following table shows an analysis of the Group's assets and liabilities not measured at fair value but for which fair value is disclosed:

	Group				
	31 December 2022				
	Fair value measurements at the end of the reporting year using				
in Singapore Dollars (millions)	**Quoted prices in active markets for identical assets (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**	**Carrying Amount**
Assets					
Debt securities at amortised cost	**1,358.8**	**105.6**	**-**	**1,464.4**	**1,802.5**
Loans	**-**	**485.3**	**-**	**485.3**	**480.5**
Freehold land, leasehold land and buildings	**-**	**-**	**846.6**	**846.6**	**381.6**

	Group				
	31 December 2021				
	Fair value measurements at the end of the reporting year using				
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying Amount
Assets					
Debt securities at amortised cost	266.3	-	-	266.3	242.3
Loans	-	604.1	-	604.1	592.2
Freehold land, leasehold land and buildings	-	-	844.6	844.6	398.8

NOTES TO THE FINANCIAL STATEMENTS

35 DIVIDENDS

in Singapore Dollars (millions)	Group and Company 2022	2021
Final one-tier tax exempt dividend for the previous year of 55 cents per ordinary share (2021: 50 cents per ordinary share)	**260.3**	236.7
Interim one-tier tax exempt dividend of 10 cents per ordinary share (2021: 10 cents per ordinary share)	**47.3**	47.3
	307.6	284.0

The Directors proposed a final one-tier tax exempt dividend of 55 cents per ordinary share amounting to $260.3 million (2021: $260.3 million) be paid in respect of the financial year ended 31 December 2022. This has not been recognised as distributions to shareholders.

There are no income tax consequences attached to the dividend to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

36 AUTHORISATION OF FINANCIAL STATEMENTS

At the Board of Directors' Meeting held on 21 February 2023, the Board authorised these financial statements for issue and that two Directors of the Board, Mr Koh Beng Seng and Mr Kyle Lee, sign the Directors' Report on behalf of the Board.

THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 190800011G)

Directors' Statement and Audited Consolidated Financial Statements

For the Financial Year Ended 31 December 2023

DIRECTORS' STATEMENT

The Directors are pleased to present this statement to the member together with the audited consolidated financial statements of The Great Eastern Life Assurance Company Limited (the "Company") and its subsidiaries (collectively the "Group") and the balance sheet, profit or loss statement, statement of comprehensive income and statement of changes in equity of the Company for the financial year ended 31 December 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors,

(i) the consolidated financial statements of the Group and the balance sheet, profit or loss statement, statement of comprehensive income and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, the financial performance, changes in equity of the Group and the Company and cash flows of the Group for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

Mr Soon Tit Koon, Chairman (Appointed on 22 April 2023)
Dr Chong Yoke Sin (Appointed on 22 January 2024)
Mr Lee Boon Ngiap
Mr Kyle Lee
Mr Leo Mun Wai
Mr Quah Wee Ghee

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangements whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, save as disclosed in this statement.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The Directors of the Company do not have interests in shares in the Company, as the Company is a wholly-owned subsidiary of Great Eastern Holdings Limited ("GEH"). The Company's ultimate holding company is Oversea-Chinese Banking Corporation Limited ("OCBC Bank").

DIRECTORS' STATEMENT (continued)

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

According to the register of Directors' shareholdings, the Directors who held office at the end of the financial year had an interest in shares in, or debentures of, OCBC Bank and its related corporations as at the end of the financial year, are set out below:

	Holdings registered in the name of Directors or in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 1.1.2023 or date of appointment	**As at 31.12.2023**	As at 1.1.2023 or date of appointment	**As at 31.12.2023**
Ordinary shares in the capital of OCBC Bank				
Mr Soon Tit Koon	472	**472**	–	**–**
Mr Kyle Lee	135,121	**135,121**	–	**–**
Mr Quah Wee Ghee	50,072	**35,072**	654[(1)]	**654**[(1)]

Note:
(1) Held by spouse.

Saved as disclosed above, the Directors holding office at the end of the financial year did not have any interest in shares in, or debentures of, the Company or any related corporation either at the beginning of the financial year, date of appointment or at the end of the financial year.

5. SHARE OPTIONS

The Company does not have any share option scheme in place.

6. AUDIT COMMITTEE

The Audit Committee ("AC") comprises three non-executive Directors. The AC members at the date of this statement are Mr Leo Mun Wai (AC Chairman), Dr Chong Yoke Sin and Mr Lee Boon Ngiap. The AC convened 14 meetings during the financial year under review.

The AC performs the functions specified under Section 201B(5) of the Companies Act 1967, including reviewing with the auditor its audit plan, its evaluation of the system of internal accounting controls and its audit report, reviewing the assistance given by the Company's officers to the auditor, reviewing the scope and results of the internal audit procedures, reviewing the financial statements of the Company and of the Group and the auditor's report thereon prior to their submission to the Company's Board of Directors. The AC also performs the functions specified in the Insurance (Corporate Governance) Regulations 2013 and Guidelines on Corporate Governance for Designated Financial Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued by the Monetary Authority of Singapore on 9 November 2021.

DIRECTORS' STATEMENT (continued)

6. AUDIT COMMITTEE (continued)

The AC has nominated PricewaterhouseCoopers LLP for reappointment as auditor at the forthcoming Annual General Meeting of the Company.

7. AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the Board of Directors

Soon Tit Koon
Chairman

Leo Mun Wai
Director

Singapore
23 February 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of The Great Eastern Life Assurance Company Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet, the profit or loss statement, the statement of comprehensive income and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the financial performance and changes in equity of the Company for the year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the profit or loss statements of the Group and of the Company for the year ended 31 December 2023;
- the statements of comprehensive income of the Group and of the Company for the year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2023;
- the statements of changes in equity of the Group and of the Company for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's 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

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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 AUDITOR'S REPORT TO THE MEMBER OF THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 23 February 2024

PROFIT OR LOSS STATEMENTS
For the financial year ended 31 December 2023

in Singapore Dollars (millions)	Note	Group 2023	Group 2022 restated	Company 2023	Company 2022 restated
Insurance revenue	4	**5,829.1**	5,617.9	**3,011.7**	2,847.4
Insurance service expenses	6	**(4,798.4)**	(4,727.2)	**(2,835.1)**	(2,472.9)
Net expenses from reinsurance contracts held		**(532.8)**	(128.3)	**(15.9)**	(61.9)
Insurance service result		**497.9**	762.4	**160.7**	312.6
Interest revenue on					
Financial assets not measured at FVTPL		**636.3**	424.3	**458.4**	241.7
Financial assets measured at FVTPL		**1,656.9**	1,646.6	**1,038.8**	1,055.5
Other investment revenue/(loss)		**3,450.8**	(6,892.6)	**2,871.8**	(6,177.5)
Increase in provision for impairment of financial assets		**(13.3)**	(26.7)	**(3.3)**	(33.1)
Change in third-party interests in consolidated investment funds		**(1.6)**	(0.2)	**-**	-
Net investment income/(loss)	5	**5,729.1**	(4,848.6)	**4,365.7**	(4,913.4)
Finance (expenses)/income from insurance contracts issued	5	**(5,231.4)**	5,034.5	**(3,777.4)**	5,293.3
Finance income from reinsurance contracts held	5	**5.6**	12.7	**7.1**	10.1
Net insurance financial result		**(5,225.8)**	5,047.2	**(3,770.3)**	5,303.4
Net insurance and investment result		**1,001.2**	961.0	**756.1**	702.6
Fees and other income		**1.7**	0.7	**1.9**	0.6
Other expenses	6	**(141.9)**	(114.0)	**(79.4)**	(58.5)
Other income and expenses		**(140.2)**	(113.3)	**(77.5)**	(57.9)
Profit before income tax		**861.0**	847.7	**678.6**	644.7
Income tax expense	7	**(245.2)**	(203.8)	**(141.4)**	(98.7)
Profit after income tax		**615.8**	643.9	**537.2**	546.0
Attributable to:					
Shareholders		**615.0**	642.5	**537.2**	546.0
Non-controlling interests		**0.8**	1.4	**-**	-
		615.8	643.9	**537.2**	546.0
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	8	**$6.33**	$6.61		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

in Singapore Dollars (millions)	Note	Group 2023	Group 2022 restated	Company 2023	Company 2022 restated
Profit after income tax for the year		**615.8**	643.9	**537.2**	546.0
Other comprehensive income/(loss):					
Items that will not be reclassified to the Profit or Loss Statement:					
Exchange differences arising on translation of overseas entities attributable to non-controlling interests		**(0.9)**	(0.8)	**-**	-
Revaluation gain/(loss) on equity instruments at fair value through other comprehensive income		**58.2**	(164.6)	**57.3**	(167.8)
Income tax related to the above		**(9.9)**	28.5	**(9.9)**	28.6
Items that may be reclassified subsequently to the Profit or Loss Statement:					
Exchange differences arising on translation of overseas entities		**(62.0)**	(43.7)	**-**	-
Debt instruments at fair value through other comprehensive income:					
Changes in fair value		**285.2**	(1,090.2)	**216.2**	(1,005.9)
Changes in allowance for expected credit losses	31	**1.8**	(1.3)	**2.1**	1.3
Reclassification of realised loss on disposal of investments to the Profit or Loss Statement		**47.4**	65.2	**51.3**	61.3
Net insurance financial result:					
Finance income from insurance contracts issued	5	**64.7**	416.3	**78.2**	433.0
Finance expenses from reinsurance contracts held	5	**(19.4)**	(38.5)	**(23.2)**	(38.5)
Income tax related to the above		**(62.7)**	105.8	**(55.1)**	93.3
Other comprehensive income/(loss) for the year, after tax		**302.4**	(723.3)	**316.9**	(594.7)
Total comprehensive income/(loss) for the year		**918.2**	(79.4)	**854.1**	(48.7)
Total comprehensive income/(loss) attributable to:					
Shareholders		**918.3**	(80.0)	**854.1**	(48.7)
Non-controlling interests		**(0.1)**	0.6	**-**	-
		918.2	(79.4)	**854.1**	(48.7)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
As at 31 December 2023

in Singapore Dollars (millions)	Note	Group 31 Dec 2023	Group 31 Dec 2022 restated	Group 1 Jan 2022 restated	Company 31 Dec 2023	Company 31 Dec 2022 restated	Company 1 Jan 2022 restated
Share capital		**97.2**	97.2	97.2	**97.2**	97.2	97.2
Reserves							
Other reserves	10	**(644.4)**	(958.0)	(228.6)	**(536.8)**	(860.4)	(247.5)
Retained earnings		**4,114.8**	3,795.6	3,249.2	**3,317.5**	3,072.5	2,611.3
SHAREHOLDERS' EQUITY		**3,567.6**	2,934.8	3,117.8	**2,877.9**	2,309.3	2,461.0
NON-CONTROLLING INTERESTS		**71.7**	71.8	71.2	**-**	-	-
TOTAL EQUITY		**3,639.3**	3,006.6	3,189.0	**2,877.9**	2,309.3	2,461.0
LIABILITIES							
Other creditors	11	**1,767.3**	1,247.5	1,073.4	**1,280.3**	751.1	634.0
Amount due to subsidiaries and related companies	16	**-**	-	-	**20.2**	0.2	4.5
Income tax payable		**138.8**	228.0	292.1	**134.5**	186.6	222.9
Derivative financial liabilities	18	**176.3**	281.0	110.3	**167.0**	274.8	102.6
Provision for agents' retirement benefits	13	**297.6**	295.8	291.3	**1.6**	0.8	0.2
Deferred tax liabilities	7	**265.5**	105.8	332.1	**171.0**	72.4	225.9
Reinsurance contract liabilities	14	**166.0**	444.9	374.8	**51.9**	39.5	103.3
Insurance contract liabilities	14	**97,400.6**	94,164.2	96,525.1	**71,038.8**	67,234.9	68,463.9
TOTAL EQUITY AND LIABILITIES		**103,851.4**	99,773.8	102,188.1	**75,743.2**	70,869.6	72,218.3
ASSETS							
Cash and cash equivalents		**5,724.0**	8,936.6	8,467.5	**4,775.4**	7,325.9	6,750.3
Other debtors	15	**1,053.3**	787.7	790.4	**832.0**	547.3	545.2
Asset held for sale	25	**-**	72.6	-	**-**	-	-
Amount due from subsidiaries and related companies	16	**-**	-	-	**53.2**	80.2	91.9
Loans	17	**510.8**	480.3	592.0	**390.4**	336.2	342.0
Derivative financial assets	18	**953.9**	737.1	359.7	**951.7**	736.7	357.4
Investments	19	**92,540.2**	85,042.1	88,265.1	**66,241.3**	59,389.8	61,600.3
Deferred tax assets	7	**3.8**	7.2	-	**-**	-	-
Reinsurance contract assets	14	**512.5**	811.3	927.8	**389.0**	357.9	511.5
Insurance contract assets	14	**12.5**	354.9	210.1	**1.1**	1.5	1.0
Investment in subsidiaries	21	**-**	-	-	**384.2**	384.2	384.2
Intangible assets	23	**167.3**	156.7	148.6	**109.7**	98.8	89.6
Investment properties	24	**1,880.7**	1,881.2	1,883.9	**1,207.5**	1,198.2	1,106.9
Property, plant and equipment	26	**492.4**	506.1	543.0	**407.7**	412.9	438.0
TOTAL ASSETS		**103,851.4**	99,773.8	102,188.1	**75,743.2**	70,869.6	72,218.3

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2023

		Attributable to shareholders of the Company							
			Other reserves						
in Singapore Dollars (millions)	Note	Share Capital	Currency Translation Reserve	Fair Value Reserve	Insurance Finance Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 2023, restated		97.2	(59.3)	(810.2)	(88.5)	3,795.6	2,934.8	71.8	3,006.6
Profit for the year		-	-	-	-	615.0	615.0	0.8	615.8
Other comprehensive (loss)/income for the year		-	(62.0)	328.5	36.8	-	303.3	(0.9)	302.4
Total comprehensive (loss)/income for the year		-	(62.0)	328.5	36.8	615.0	918.3	(0.1)	918.2
Reclassification of net change in fair value of equity instruments upon derecognition	19	-	-	10.3	-	(10.3)	-	-	-
Distributions to shareholders									
Dividends paid during the year:									
Final one-tier tax exempt dividend for the previous year	33	-	-	-	-	(117.5)	(117.5)	-	(117.5)
Interim one-tier tax exempt dividend	33	-	-	-	-	(168.0)	(168.0)	-	(168.0)
Total distributions to shareholders		-	-	-	-	(285.5)	(285.5)	-	(285.5)
Total transactions with shareholders in their capacity as shareholders		-	-	-	-	(285.5)	(285.5)	-	(285.5)
Balance at 31 December 2023		97.2	(121.3)	(471.4)	(51.7)	4,114.8	3,567.6	71.7	3,639.3

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY - GROUP
For the financial year ended 31 December 2023

		Attributable to shareholders of the Company							
			Other reserves						
in Singapore Dollars (millions)	Note	Share Capital	Currency Translation Reserve	Fair Value Reserve	Insurance Finance Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 2022, as previously reported		97.2	(15.6)	181.5	-	5,081.5	5,344.6	71.2	5,415.8
Adoption of SFRS(I) 17		-	-	-	(398.0)	(1,828.8)	(2,226.8)	-	(2,226.8)
Redesignation and classification overlay for financial assets		-	-	3.5	-	(3.5)	-	-	-
Balance at 1 January 2022, restated		97.2	(15.6)	185.0	(398.0)	3,249.2	3,117.8	71.2	3,189.0
Profit for the year		-	-	-	-	642.5	642.5	1.4	643.9
Other comprehensive (loss)/income for the year		-	(43.7)	(988.3)	309.5	-	(722.5)	(0.8)	(723.3)
Total comprehensive (loss)/income for the year		-	(43.7)	(988.3)	309.5	642.5	(80.0)	0.6	(79.4)
Reclassification of net change in fair value of equity instruments upon derecognition	19	-	-	(6.9)	-	6.9	-	-	-
Distributions to shareholders									
Dividends paid during the year:									
Final one-tier tax exempt dividend for the previous year	33	-	-	-	-	(103.0)	(103.0)	-	(103.0)
Total distributions to shareholders		-	-	-	-	(103.0)	(103.0)	-	(103.0)
Total transactions with shareholders in their capacity as shareholders		-	-	-	-	(103.0)	(103.0)	-	(103.0)
Balance at 31 December 2022		97.2	(59.3)	(810.2)	(88.5)	3,795.6	2,934.8	71.8	3,006.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the financial year ended 31 December 2023

			Other reserves			
in Singapore Dollars (millions)	Note	**Share Capital**	**Fair Value Reserve**	**Insurance Finance Reserve**	**Retained Earnings**	**Total Equity**
Balance at 1 January 2023, restated		**97.2**	**(756.1)**	**(104.3)**	**3,072.5**	**2,309.3**
Profit for the year		**-**	**-**	**-**	**537.2**	**537.2**
Other comprehensive (loss)/income		**-**	**271.2**	**45.7**	**-**	**316.9**
Total comprehensive (loss)/income for the year		**-**	**271.2**	**45.7**	**537.2**	**854.1**
Reclassification of net change in fair value of equity instruments upon derecognition	19	**-**	**6.7**	**-**	**(6.7)**	**-**
Distributions to shareholders						
Dividends paid during the year:						
Final one-tier tax exempt dividend for the previous year	33	**-**	**-**	**-**	**(117.5)**	**(117.5)**
Interim one-tier tax exempt dividend	33	**-**	**-**		**(168.0)**	**(168.0)**
Total distributions to shareholders		**-**	**-**	**-**	**(285.5)**	**(285.5)**
Total transactions with shareholders in their capacity as shareholders		**-**	**-**	**-**	**(285.5)**	**(285.5)**
Balance at 31 December 2023		**97.2**	**(478.2)**	**(58.6)**	**3,317.5**	**2,877.9**
Balance at 1 January 2022, as previously reported		97.2	189.8	-	3,754.1	4,041.1
Adoption of SFRS(I) 17		-	-	(431.2)	(1,148.9)	(1,580.1)
Redesignation and classification overlay for financial assets		-	(6.1)	-	6.1	-
Balance at 1 January 2022, restated		97.2	183.7	(431.2)	2,611.3	2,461.0
Profit for the year		-	-	-	546.0	546.0
Other comprehensive (loss)/income for the year		-	(921.6)	326.9	-	(594.7)
Total comprehensive income for the year		-	(921.6)	326.9	546.0	(48.7)
Reclassification of net change in fair value of equity instruments upon derecognition	19	-	(18.2)	-	18.2	-
Distributions to shareholders						
Dividends paid during the year:						
Final one-tier tax exempt dividend for the previous year	33	-	-	-	(103.0)	(103.0)
Total distributions to shareholders		-	-	-	(103.0)	(103.0)
Total transactions with shareholders in their capacity as shareholders		-	-	-	(103.0)	(103.0)
Balance at 31 December 2022		97.2	(756.1)	(104.3)	3,072.5	2,309.3

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

in Singapore Dollars (millions)	Note	2023	2022 restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**861.0**	847.7
Adjustments for non-cash items:			
(Gain)/loss on sale of investments and changes in fair value		**(2,915.2)**	7,506.7
Increase in provision for impairment of assets	5	**13.3**	26.7
Increase in provision for agents' retirement benefits	6	**44.0**	38.3
Gain on sale of investment property	5	**(20.0)**	-
Depreciation and amortisation expenses	6	**82.5**	82.3
Unrealised gain on exchange differences	5	**(60.6)**	(72.7)
Dividend income	5	**(586.2)**	(696.3)
Interest income	5	**(2,293.2)**	(2,070.9)
Interest expense on lease liabilities	6	**1.6**	1.9
		(4,872.8)	5,663.7
Changes in working capital:			
Other debtors		**(57.3)**	(28.6)
Other creditors		**380.8**	(122.2)
Changes in insurance and reinsurance contract assets/liabilities		**3,744.8**	(1,378.2)
Cash (used in)/generated from operations		**(804.5)**	4,134.7
Income tax paid		**(242.0)**	(369.0)
Interest paid on lease liabilities		**(1.6)**	(1.9)
Agents' retirement benefits paid		**(23.5)**	(16.2)
Net cash flows (used in)/generated from operating activities		**(1,071.6)**	3,747.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

in Singapore Dollars (millions)	Note	2023	2022 restated
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities and sale of investments		**47,289.0**	35,195.7
Purchase of investments		**(51,793.7)**	(41,042.0)
Proceeds from sale of property, plant and equipment		**0.1**	0.5
Proceeds from sale of investment property		**92.6**	-
Purchase of property, plant and equipment and investment properties		**(34.0)**	(12.3)
Acquisition of intangible assets		**(55.0)**	(51.1)
Interest income received		**2,070.9**	2,049.5
Dividends received		**587.5**	698.1
Net cash flows used in investing activities		**(1,842.6)**	(3,161.6)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	33	**(285.5)**	(103.0)
Principal element of lease payments		**(12.9)**	(13.9)
Net cash flows used in financing activities		**(298.4)**	(116.9)
Net (decrease)/increase in cash and cash equivalents		**(3,212.6)**	469.1
Cash and cash equivalents at the beginning of the year		**8,936.6**	8,467.5
Cash and cash equivalents at the end of the year		**5,724.0**	8,936.6
Cash and cash equivalents comprise:			
Cash and bank balances		**2,377.7**	2,785.2
Cash on deposit		**1,588.1**	2,456.4
Short term instruments		**1,758.2**	3,695.0
		5,724.0	8,936.6

Included in the cash and cash equivalents are bank deposits amounting to $1.5 million (31 December 2022: $1.5 million) which are lodged with the regulator as statutory deposits, which are not available for use by the Group.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

The Great Eastern Life Assurance Company Limited (the "Company" or "GEL") is a limited liability company which is incorporated and domiciled in the Republic of Singapore. The notes refer to the Company and its subsidiaries (collectively the "Group") unless otherwise stated. The registered office and principal place of business of the Company is located at 1 Pickering Street, #16-01, Great Eastern Centre, Singapore 048659.

The principal activity of the Company is life assurance business. The principal activities of the significant subsidiaries within the Group are stated in Note 3. There have been no significant changes in the nature of these activities during the financial year.

The Company is a wholly-owned subsidiary of Great Eastern Holdings Limited ("GEH"), a public listed company, incorporated in the Republic of Singapore. GEH's immediate and ultimate holding company is Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), which prepares financial statements for public use.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations as issued by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest $0.1 million except as otherwise stated.

2.2 Changes in Accounting Policies

2.2.1 New Standards and Amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual financial periods beginning on or after 1 January 2023.

SFRS(I)	Title	Effective date (Annual periods beginning on or after)
SFRS(I) 17	Insurance Contracts	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
SFRS(I) 1-12	Amendments to SFRS(I) 1-12: International Tax Reform – Pillar Two Model Rules	1 January 2023

The adoption of the new standards did not have any material impact on the financial performance or position of the Group and the Company except for SFRS(I) 17. SFRS(I) 17 replaces SFRS(I) 4 Insurance Contracts for annual periods beginning on or after 1 January 2023.

The Group and the Company have restated comparative information for 2022 applying the transitional provisions in Appendix C to SFRS(I) 17. The nature and effects of the changes in the Group accounting policies are summarised below.

2.2.1.1 Changes to Classification and Measurement

The adoption of SFRS(I) 17 did not change the classification of the Group and the Company's insurance contracts.

SFRS(I) 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.1 New Standards and Amendments (continued)

2.2.1.1 Changes to Classification and Measurement (continued)

The key principles of SFRS(I) 17 are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance contracts and accounts for them in accordance with other standards;
- Divides the insurance and reinsurance contracts into groups (or portfolios of contracts with similar risks and managed together) into groups based on the expected contract profitability;
- Recognises and measures groups of insurance contracts at:
  - A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information; plus
  - An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM);
- Recognises profit from a group of insurance contracts over the period the Group provides insurance coverage, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately. An onerous contract group's expected loss is not offset against the expected gains of other contract groups.

The Group's classification and measurement of insurance and reinsurance contracts are explained in Note 2.8.

2.2.1.2 Changes to Presentation and Disclosure

For presentation in the balance sheet, the Group aggregates portfolios of insurance and reinsurance contracts issued and reinsurance contracts held and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts that are liabilities; and
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the SFRS(I) 17 requirements.

The descriptions of the line items in the Consolidated Profit or Loss Statement have been changed significantly compared with the previous year. Previously the Group reported the following line items: gross premiums, gross claims, maturities, surrenders and annuities and change in insurance contract liabilities. SFRS(I) 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expense;
- Insurance finance income or expense; and
- Income or expenses from reinsurance contracts held.

The Group provides disaggregated qualitative and quantitative information in the notes to the financial statements about:

- The amounts recognised in its financial statements from insurance contracts and reinsurance contracts; and
- Significant judgment, and changes in those judgment made when applying the standard.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.1 New Standards and Amendments (continued)

2.2.1.3 Transition

The Group has restated the comparative information based on the transition approaches taken on adoption of SFRS(I) 17.

Changes in accounting policies resulting from the adoption of SFRS(I) 17 were applied using the fully retrospective approach to the extent practicable and the modified retrospective approach or fair value approach as explained below. The fully retrospective approach was applied to insurance contracts that were originated less than one year prior to the effective date.

Where it was not possible to obtain all required historical data without undue cost and effort, the modified retrospective approach or fair value approach was applied. The modified retrospective approach was applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date. The fair value approach was applied to the remaining insurance contracts in force at transition date.

On transition date, at 1 January 2022, the Group:

- Identified, recognised and measured each group of insurance and reinsurance contracts as if SFRS(I) 17 had always been applied (unless impracticable – refer to Notes 2.2.1.3.1 and 2.2.1.3.2);
- Derecognised previously reported balances that would not have existed if SFRS(I) 17 had always been applied;
- Elected the option introduced by SFRS(I) 17 to redesignate certain financial assets to address possible accounting mismatches between financial assets and insurance contract liabilities and applied the classifications retrospectively (refer to Note 2.2.1.3.3); and
- Recognised any resulting net difference in equity.

The Group has applied the transitional provisions in SFRS(I) 17 and has not disclosed the impact of the adoption of SFRS(I) 17 on each financial statement line item and earnings per share ("EPS"). The effects of adopting SFRS(I) 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity.

2.2.1.3.1 Modified Retrospective Approach

The modified retrospective approach was applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date.

The Group has used the following procedures to determine the CSM at initial recognition for these contracts:

- Estimated future cash flows at the date of initial recognition as the amount of the future cash flows at the transition date, adjusted by the cash flows that have occurred between the date of initial recognition and the transition date. The cash flows that are known to have occurred include cash flows resulting from contracts that ceased to exist before the transition date;
- Estimated historical discount rates applied to cash flows in the period prior to 2012 using an observable market interest curve for that period, adjusted by the spread between observable market yield curves and the yield curve used to determine current discount rates for the years between 1 January 2012 and 1 January 2022; and
- Estimated the risk adjustment for non-financial risk at the date of initial recognition by adjusting the risk adjustment at the transition date by the expected release of risk in the periods before the transition date. The expected release of risk was determined with reference to the release of risk for similar contracts that the Group has issued subsequent to the transition date.

The CSM at the transition date has been further determined by:

- Using the modified discount rates determined at initial recognition to accrete interest on the CSM; and
- Applying the amount of the CSM recognised in profit or loss because of the transfer of services before the transition date, by comparing the remaining coverage units at that date with the coverage units provided under the group of contracts before the transition date.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.1 New Standards and Amendments (continued)

2.2.1.3 Transition (continued)

2.2.1.3.2 Fair Value Approach

The Group applied the fair value approach to the remaining insurance contracts. Under the fair value approach, the Group determined the CSM of the liability for remaining coverage ("LRC") at the date of transition, as the difference between the fair value of a group of insurance contracts, measured in accordance with SFRS(I) 13 Fair Value Measurement, and its fulfilment cash flows ("FCF") at that date.

The Group has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition.

For the application of the fair value approach, the Group has used reasonable and supportable information available at the transition date in order to:

- Identify groups of insurance contracts;
- Determine whether any contracts are direct participating insurance contracts; and
- Identify any discretionary cash flows for insurance contracts without direct participation features.

The discount rate for the group of contracts incepted after 2012 applying the fair value approach was determined based on the inception year discount rate. Whereas, the discount rate for the group of contracts incepted before 2012 applying the fair value approach was determined on transition date.

The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception.

The Group used the income approach to determine the fair value amount used for establishing the insurance contract liabilities at the transition date.

2.2.1.3.3 Impact on Transition

The effects from applying SFRS(I) 17 resulted in a reduction of total equity of $2,226.8 million for the Group and $1,580.1 million for the Company, net of tax, as at 1 January 2022. The net transition impact to equity consisted of the following effects.

Measurement adjustments	**Description of impact**
	Contracts not measured under Premium Allocation Approach ("PAA")
CSM	A CSM is recognised for the unearned profit for insurance contracts.
Contract Measurement	Other components of insurance contracts are also remeasured: ▪ Risk adjustment: The Group recognised a separate risk adjustment for non-financial risk which is lower than the risk margin under SFRS(I) 4 as a result of recalibration of the measurement techniques to conform with the SFRS(I) 17 requirements. ▪ Discount rates: The Group now uses current discount rates to measure future cash flows as required by SFRS(I)17. ▪ Deferred acquisition costs: Under SFRS(I) 17, the Group now recognises eligible insurance acquisition cash flows, when incurred, in the carrying amount of related groups of insurance contracts and amortises in a systematic way on the basis of the passage of time over the expected coverage of related groups of insurance contracts. ▪ Other changes: Include those related to the application of SFRS(I) 17 and provision for future taxes.
Insurance Finance Reserve	Under SFRS(I) 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance or expenses in profit or loss. The Group has elected the option to include these changes for certain portfolios measured under General Measurement Model ("GMM") under insurance finance reserve in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.1 New Standards and Amendments (continued)

2.2.1.3 Transition (continued)

2.2.1.3.3 Impact on Transition (continued)

Besides the impact to equity upon transition, there are also other changes in the balance sheet mainly resulting from insurance related receivables and payables now included within fulfilment cash flows instead of being presented separately.

Redesignation of Financial Assets and Classification Overlay

SFRS(I) 17 allows entities that had applied SFRS(I) 9 to annual periods before the initial application of SFRS(I) 17, to redesignate its financial assets to address possible accounting mismatches between financial assets and insurance contract liabilities. A transition option was elected to apply a classification overlay for the financial assets as if the classification and measurement requirements of SFRS(I) 9 had been applied to that financial asset during the comparative period. At the transition date, $2,094.0 million of debt instruments for Group and $1,419.9 million of debt instruments for Company, which were previously designated at fair value through profit or loss were reclassified to fair value through other comprehensive income, recognising an expected credit loss, net of tax of $9.9 million. The redesignation of financial assets resulted in a reclassification of $3.5 million for the Group and $6.1 million for the Company from the opening retained earnings to fair value reserve.

2.2.2 SFRS(I) not yet effective

The Group and the Company have not applied the following SFRS(I) that have been issued but which are not yet effective:

SFRS(I)	**Title**	**Effective date (Annual periods beginning on or after)**
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangement	1 January 2024
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Directors expect that the adoption of the new standards above will not have any material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances. A list of the Company's significant subsidiaries is shown in Note 3.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Basis of Consolidation (continued)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.18. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.4 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses, if any.

2.5 Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control and is generally established for a narrow and well-defined objective.

For the purpose of disclosure, the Group would be considered to sponsor a structured entity if it has a key role in establishing the structured entity or its name appears in the overall structure of the structured entity.

2.6 Transactions with Non-Controlling Interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to shareholders of the Company, and is presented separately in the Profit or Loss Statement, Statement of Comprehensive Income and within equity in the Balance Sheet, separately from Shareholders' Equity. An exception to this occurs when non-controlling interests arise through minority unit holders' interest in consolidated investment funds, when they are recognised as a liability, reflecting the net assets of the consolidated entity. These interests qualify as a financial liability as they give the holder the right to put the instrument back to the issuer for cash. Changes in these liabilities are recognised in the Profit or Loss Statement as expenses.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

2.7 Foreign Currency Conversion and Translation

2.7.1 Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.7 Foreign Currency Conversion and Translation (continued)

2.7.2 Transactions and Balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Profit or Loss Statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation. Exchange differences on non-monetary items such as equity investments classified as fair value through other comprehensive income and available-for-sale financial assets are included in the fair value reserve in equity.

2.7.3 Consolidated Financial Statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange ruling at the end of the reporting period. The Profit or Loss Statement is translated at the exchange rates prevailing at the dates of the transactions. The exchange differences arising from the translation are recognised in the Statement of Comprehensive Income as foreign currency translation reserve.

On disposal of a foreign operation, the cumulative amount of exchange differences recognised in other comprehensive income relating to that particular foreign operation is recognised in the Profit or Loss Statement as gain or loss on disposal of the operation.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences is re-attributed to non-controlling interest and is not recognised in Profit or Loss Statement. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the Profit or Loss Statement.

2.8 Insurance and Reinsurance Contracts

2.8.1 Definition and Classification

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Group to financial risk.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Group, unless otherwise stated.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts, and they follow financial instruments accounting under SFRS(I) 9. The Group does not have any contracts that fall under this category.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance and Reinsurance Contracts (continued)

2.8.1 Definition and Classification (continued)

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which the Group promises an investment return based on underlying items; they are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Direct participating contracts issued by the Group are contracts with direct participation features where the Group holds the pool of underlying assets and accounts for these group of contracts under the Variable Fee Approach ("VFA"). The VFA modifies the accounting model in SFRS(I) 17 to reflect that the consideration that the Group receives for the contracts is a variable fee.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features.

2.8.2 Separating Components from Insurance and Reinsurance Contracts

The Group assesses its insurance and reinsurance contracts to determine whether they contain components which must be accounted for under another SFRS(I) rather than SFRS(I) 17 (distinct non insurance components). After separating any distinct components, the Group applies SFRS(I) 17 to all remaining components of the (host) insurance contract. Currently, the Group's contracts do not include distinct components that require separation.

Some life contracts issued by the Group include a surrender option under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non-distinct investment component in SFRS(I) 17. SFRS(I) 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses. The surrender options are considered non-distinct investment components as the Group is unable to measure the value of the surrender option component separately from the life insurance portion of the contract.

For premium refund or experience refund components which are not subject to any conditions in the contracts, these have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance and Reinsurance Contracts (continued)

2.8.3 Level of Aggregation

2.8.3.1 Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into quarterly cohorts (by quarter of issuance) for life insurance, into three groups based on the expected profitability of the contracts:

(i) contracts that are onerous at initial recognition;
(ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
(iii) remaining group of contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The profitability groupings are not reassessed under subsequent remeasurement.

Level of aggregation is also affected by law or regulation which specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics.

The Group broadly groups its insurance contracts by how the contracts are managed, product type, currency, measurement model and insurance risks. For life insurance contracts, sets of contracts usually correspond to pricing risk groups that the Group determines to have similar insurance risk and that are priced together by assessing the profitability of a best estimate pool of contracts on the same basis. The Group determines the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming more onerous at the level of these pricing groups, with no information available at a more granular level. This level of granularity determines sets of contracts.

2.8.3.2 Reinsurance contracts

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts into quarterlu cohorts (by quarter of issuance) for life reinsurance treaties into groups of:

(i) contracts for which there is a net gain at initial recognition, if any;
(ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
(iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual reinsurance treaty basis.

2.8.4 Recognition

A group of insurance contracts issued by the Group is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Group provides services in respect of any premiums within the contract boundary (Note 2.8.5));
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance and Reinsurance Contracts (continued)

2.8.4 Recognition (continued)

The Group recognises a group of reinsurance contracts held from the earliest of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract in the group of reinsurance contracts held at or before that date.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Composition of the groups is not reassessed in subsequent periods.

2.8.5 Contract Boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within an insurance contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied:
  - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
  - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Fulfilment cash flows outside the insurance contract boundary are not recognised. Such amounts relate to future insurance contracts.

For life insurance contracts with renewal periods, the Group assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Group by considering all the risks covered for the policyholder by the Group, that the Group would consider when underwriting equivalent contracts on the renewal dates for the remaining service. Therefore, the cash flows related to renewals of insurance contracts will not be included in the contract boundary.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer. A substantive right to receive services from the reinsurer ends either when the reinsurer can reprice the contract to fully reflect the reinsured risk, or when the reinsurer has a substantive right to terminate coverage.

The Group reassesses contract boundary of each group at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance and Reinsurance Contracts (continued)

2.8.6 Measurement

2.8.6.1 Measurement – contracts not measured under the PAA

On initial recognition, the Group measures a group of insurance contracts as the total of (a) the fulfilment cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM (Note 2.8.6.3). The fulfilment cash flows of a group of insurance contracts do not incorporate the Group's non-performance risk.

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in Note 2.25.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised (refer to the Onerous contracts – Loss component section in Note 2.8.6.4 below).

2.8.6.2 Fulfilment Cash Flows ("FCF")

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

(a) are based on a probability-weighted mean of the full range of possible outcomes;
(b) are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
(c) reflect conditions existing at the measurement date.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgment and estimation. Refer to Note 2.25(a).

2.8.6.3 Contractual Service Margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

(a) the initial recognition of the FCF;
(b) cash flows arising from the contracts in the group at that date;
(c) the derecognition of any insurance acquisition cash flows asset; and
(d) the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance and Reinsurance Contracts (continued)

2.8.6 Measurement (continued)

2.8.6.3 Contractual Service Margin (continued)

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

(a) the initial recognition of the FCF;
(b) cash flows arising from the contracts in the group at that date;
(c) the amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and
(d) any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

2.8.6.4 Subsequent Measurement – contracts not measured under the PAA

Subsequently, the carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC"). The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

- The FCF of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in FCF are recognised as follows:

Changes relating to future service	Adjusted against CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated cash flows	Recognised as insurance finance income or expenses in profit or loss, except for certain portfolios measured using the GMM where the Other Comprehensive Income ("OCI") option is applied.

- The CSM is adjusted subsequently only for changes in FCF that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future services.

The Group reports its financial results on a quarterly basis. The Group has elected to treat every quarter as a discrete interim reporting period, and estimates made by the Group in previous interim financial results are not changed when applying SFRS(I) 17 in subsequent interim periods or in the annual financial statements.

Onerous contracts – Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

(a) expected incurred claims and other directly attributable expenses for the period;
(b) changes in the risk adjustment for non-financial risk for the risk expired; and
(c) finance income (expenses) from insurance contracts issued.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance and Reinsurance Contracts (continued)

2.8.6 Measurement (continued)

2.8.6.4 Subsequent Measurement – contracts not measured under the PAA (continued)

The amounts of the loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

2.8.6.5 Reinsurance Contracts

The Group will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage ("ARC") and the asset for incurred claims ("AIC"). The ARC comprises (a) the FCF that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance income or expenses as it receives insurance contract services from the reinsurer in the future.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

2.8.6.6 Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group; and to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

The insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance and Reinsurance Contracts (continued)

2.8.6 Measurement (continued)

2.8.6.6 Insurance Acquisition Cash Flows (continued)

The Group assesses at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Group:

(a) recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and

(b) if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

The Group reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions no longer exist or have improved.

2.8.7 Derecognition and Contract Modification

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria discussed below are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

(a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
  (i) is not within the scope of SFRS(I) 17;
  (ii) results in different separable components;
  (iii) results in a different contract boundary; or
  (iv) belongs to a different group of contracts;

(b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or

(c) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification and it is within the scope of SFRS(I) 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the VFA eligibility and component separation requirements (see Note 2.8.2) and contract aggregation requirements (see Note 2.8.3).

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance and Reinsurance Contracts (continued)

2.8.7 Derecognition and Contract Modification (continued)

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

(a) adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;
(b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:
    (i) if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
    (ii) if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party; or
    (iii) if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium that the Group would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received; and
(c) adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

(a) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
(b) if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
(c) if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Recognition of Income and Expense

2.9.1 Insurance Service Result From Insurance Contracts Issued

Insurance revenue

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:
  - (a) expected claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
    - amounts allocated to the loss component;
    - repayments of investment components and policyholder rights to withdraw an amount;
    - amounts of transaction-based taxes collected in a fiduciary capacity;
    - insurance acquisition expenses; and
    - amounts related to the risk adjustment for non-financial risk (see (b));
  - (b) changes in the risk adjustment for non-financial risk, excluding:
    - changes included in insurance finance income (expenses);
    - changes that relate to future coverage (which adjust the CSM); and
    - amounts allocated to the loss component;
  - (c) amounts of the CSM recognised for the services provided in the period;
  - (d) experience adjustments – arising from premiums received in the period other than those that relate to future service; and
  - (e) other amounts, including any other pre-recognition cash flows assets derecognised at the date of initial recognition.
- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows in a systematic way on the basis of the passage of time over the expected coverage of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

(a) incurred claims and benefits, excluding investment components reduced by loss component allocations;
(b) other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
(c) insurance acquisition cash flows amortisation;
(d) changes that relate to past service – changes in the FCF relating to the LIC; and
(e) changes that relate to future service – changes in the FCF that results in onerous contract losses or reversals of those losses; and
(f) insurance acquisition cash flows assets impairment.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Recognition of Income and Expense (continued)

2.9.2 Insurance Service Result from Reinsurance Contracts Held

Net income (expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

(a) reinsurance expenses;
(b) incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
(c) other incurred directly attributable expenses;
(d) changes that relate to past service – changes in the FCF relating to incurred claims recovery; and
(e) amounts relating to accounting for onerous groups of underlying insurance contracts issued:
    i. income on initial recognition of onerous underlying contracts;
    ii. reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
    iii. reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. Additionally, for reinsurance contracts held measured under the PAA, broker fees are included in reinsurance expenses.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

(a) claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
    - amounts allocated to the loss-recovery component;
    - repayments of investment components; and
    - amounts related to the risk adjustment for non-financial risk (see (b));
(b) changes in the risk adjustment for non-financial risk, excluding:
    - changes included in finance income (expenses) from reinsurance contracts held;
    - changes that relate to future coverage (which adjust the CSM); and
    - amounts allocated to the loss-recovery component;
(c) amounts of the CSM recognised for the services received in the period; and
(d) experience adjustments – arising from premiums paid in the period other than those that relate to future service.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Recognition of Income and Expense (continued)

2.9.3 Insurance Finance Income or Expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:
(a) the effect of the time value of money and changes in the time value of money; and
(b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:
(a) interest accreted on the FCF and the CSM;
(b) the effect of changes in interest rates and other financial assumptions, and
(c) foreign exchange differences.

For contracts measured under the VFA, insurance finance income or expenses comprise changes in the value of underlying items (excluding additions and withdrawals).

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income or expenses for life insurance.

For conventional life insurance contracts, the Group includes all insurance finance income or expenses for the period in profit or loss, except for certain portfolios measured using the GMM where the Other Comprehensive Income ("OCI") option is applied. This is expected to reduce accounting mismatches in profit or loss, considering that many of the supporting financial assets will be debt investments measured at fair value through other comprehensive income ("FVOCI").

The Group systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts.

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Group reclassifies the insurance finance income or expenses to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items.

2.9.4 Other investment revenue

2.9.4.1 Interest Revenue

Interest revenue is recognised using the effective interest method.

2.9.4.2 Dividend Income

Dividend income is recognised as investment income when the Group's right to receive the payment is established. Dividend income from the Company's subsidiaries is recognised when the dividend is declared payable.

2.9.4.3 Rental Income

Rental income from operating leases is recognised on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

2.9.4.4 Gain/Loss on Sale of Investments

Gains or losses on sale of investments are derived from the difference between net sales proceeds and the purchase or amortised cost. They are recognised on trade date.

2.9.5 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment test for an asset is required, the Group makes an estimate of the asset's recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Recognition of Income and Expense (continued)

2.9.5 Impairment of Non-Financial Assets (continued)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the Profit or Loss Statement.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the Profit or Loss Statement. Unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9.6 Impairment of Financial Assets

The Group recognises loss allowances for expected credit losses ("ECL") on the following financial instruments that are not measured at FVTPL:
(i) Debt instruments measured at FVOCI and amortised cost;
(ii) Loans and receivables measured at amortised cost; and
(iii) Loan commitments.

The Group assesses on a forward looking basis the ECL associated with its loans and debt instruments carried at amortised cost and FVOCI and its loan commitments. For trade receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. The Group recognises a loss allowance for ECL at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group measures loss allowances at an amount equal to lifetime ECL, except for financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL represents the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Note 31(h) provides more details on how the expected loss allowance is measured.

Not credit-impaired financial assets
For financial assets that are not credit-impaired at the reporting date, the ECL is the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Modified financial assets
If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected modification will not result in derecognition of the existing asset then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected modification will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Recognition of Income and Expense (continued)

2.9.6 Impairment of Financial Assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortised cost and debt financial assets measured at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group considers factors such as probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For financial assets that are credit-impaired at the reporting date, the ECL is the difference between the gross carrying amount and the present value of estimated future cash flows.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2.9.7 Fees and Other Income

Fees and other income comprise mainly management and advisory fee income. Management and advisory fee income includes income earned from the provision of administration services, investment management services, surrenders and other contract fees. This fee income is recognised as revenue over the period in which the services are rendered. If the fees are for services to be provided in future periods, then they are deferred and recognised over those periods.

2.9.8 Employee Benefits

Defined Contribution Plans under Statutory Regulations

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore and Malaysia companies in the Group make contributions respectively to the Central Provident Fund and Employees' Provident Fund, which are defined contribution pension schemes. These contributions are recognised as an expense in the period in which the service is rendered.

Employee Leave Entitlements

An employee's entitlement to annual leave and long-service leave is estimated and accrued according to the Group's Human Resource policy.

Share Options

Senior executives of the Group are granted share options in the OCBC Bank's Share Option Scheme as consideration for services rendered. Options granted are exercisable for up to 10 years. The options may be exercised after the first anniversary of the date of the grant, and generally vest in one-third increments over a 3-year period. The cost of these options are recognised as expense in the Profit or Loss Statement based on the fair value of the options at the date of the grant. The share options are cash-settled share-based payment transactions. The expense is recognised over the vesting period of the grant, with a corresponding increase in Liabilities.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as a result of a failure to meet a non-vesting condition that is within the control of the Group or the senior executives, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in the Profit or Loss Statement upon cancellation.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.9 Recognition of Income and Expense (continued)

2.9.8 Employee Benefits (continued)

Deferred Share Plan

In addition to the OCBC Bank's Share Option Scheme, certain employees within the Group are granted OCBC shares under the OCBC Deferred Share Plan ("DSP"). The deferred share awards are granted as part of variable performance bonus. Half of the share awards will vest two years from the grant date and the remaining half will vest at the end of three years from the grant date. The cost of the DSP is recognised in the Profit or Loss Statement on the straight-line basis over the vesting period of the DSP.

At each balance sheet date, the cumulative expense is adjusted for the estimated number of shares granted under the DSP that have vested and/or lapsed.

2.9.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration – i.e. the customer has the right to:
- obtain substantially all of the economic benefits from using the asset; and
- direct the use of the asset.

As Lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of lease liability, any lease payments made or before the commencement date, any indirect costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group generally uses its incremental borrowing rate as the discount rate.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the carrying amount of the right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently measured at amortised cost using the effect interest method. It is remeasured to reflect any lease modifications or reassessments.

The Group presents its right-of-use assets in 'property, plant and equipment' and lease liabilities in 'other creditors' in the balance sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As Lessor

The Group classifies all leases for which it is a lessor as operating leases, because each of these leases does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term and are included in 'rental income'.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.10 Taxes

2.10.1 Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.10.2 Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Exceptions include:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the year when the asset is realised or the liability is settled, based on tax rates (and applicable tax laws and jurisdictions) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.10 Taxes (continued)

2.10.3 Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.11 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments, or are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.13 Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial asset. The Group determines the classification of its financial assets at initial recognition. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets carried at fair value through profit or loss are recognised as expense in the Profit or Loss Statement.

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”).

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

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI only if it meets both of the following conditions and is not designated as measured at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity security that is not held for trading may, by irrevocable election, be designated as measured at FVOCI. This election is made on an investment-by-investment basis. The Group has designated certain equity securities held for strategic purposes as measured at FVOCI.

A financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI may, by irrevocable election, be designated as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group has designated certain debt securities which are held with the intent to hold to collect contractual cash flows and sell as measured at FVTPL.

All other financial assets are classified as measured at FVTPL.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Financial Assets (continued)

Business model assessment
The Group assesses the objective of the business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed, and whose performance is evaluated on a fair value basis, are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If the cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers the following key aspects:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets; and
- Features that modify consideration of the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Subsequent measurement

2.13.1 Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost
Debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method. Interest revenue, foreign exchange gains and losses and impairment are recognised in the profit or loss. Gains or losses are also recognised in profit or loss when the assets are derecognised.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Financial Assets (continued)

Subsequent measurement (continued)

2.13.1 Debt Instruments (continued)

(ii) Fair value through other comprehensive income (FVOCI)
Debt instruments that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Any gains or losses from changes in fair value are recognised in other comprehensive income and accumulated in fair value reserve. Impairment, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss when the financial asset is derecognised.

(iii) Fair value through profit or loss (FVTPL)
Debt instruments that do not meet the criteria for classification as amortised cost or FVOCI are measured at FVTPL. Any gains or losses from changes in fair value and interest are recognised in profit or loss.

2.13.2 Equity Instruments

The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of equity instruments at FVTPL are recognised in profit or loss.

2.13.3 Derivatives and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The Group has not adopted hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.13 Financial Assets (continued)

Reclassifications
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Derecognition
A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or has been transferred such that substantially all of the risks and rewards of ownership of the financial asset are transferred.

On derecognition of a financial asset, except for equity securities measured at FVOCI, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in Profit or Loss Statement.

On derecognition of equity securities measured at FVOCI, any cumulative gain/loss recognised in OCI is not recognised in Profit or Loss Statement, but retained in OCI.

Regular way purchase or sale of a financial asset
All regular way purchases and sales of financial assets are recognised or derecognised on trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.14 Financial Liabilities
Initial recognition and measurement
Financial liabilities are recognised when, and only when the Group becomes a party to the contractual obligations of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

The Group’s financial liabilities include other creditors, provision for agents’ retirement benefits and derivative financial liabilities.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

2.14.1 Financial Liabilities at Fair Value through Profit or Loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term and include derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the Profit or Loss Statement.

2.14.2 Financial Liabilities at Amortised Cost
After initial recognition, other financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition
A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Profit or Loss Statement.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.15 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.16 Determination of Fair Value of Financial Instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted or published bid prices on the balance sheet date. If quoted prices are not available over the counter, broker or dealer price quotations are used.

For units in unit trusts and shares in open-ended investment companies, fair value is determined by reference to published bid-values.

For financial instruments where there is no 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. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument. Certain financial instruments, including derivative financial instruments, are valued using pricing models that consider, among other factors, contractual, and market prices, correlation, 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 overnight deposits with financial institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the balance sheet date.

2.17 Intangible Assets

2.17.1 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the Profit or Loss Statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments which arose on acquisitions of foreign subsidiaries before 1 January 2005 are deemed to be assets and liabilities of the parent company and are recorded in SGD at the rates prevailing at the date of acquisition.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17 Intangible Assets (continued)

2.17.2 Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

No amortisation is provided on capital works in progress as the assets are not yet available for use. Amortisation of an asset begins when it is available for use and calculated on a straight-line basis over the estimated useful life of an asset. The useful lives are as follows:

Computer software and software development costs	3 to 10 years
Distribution platform	6.5 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Profit or Loss Statement.

2.18 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and is not depreciated. No depreciation is provided for 999-year leasehold land. No depreciation is provided on capital works in progress as the assets are not yet available for use.

Depreciation of an asset begins when it is available for use and is calculated on a straight-line basis over the estimated useful life of an asset. The useful lives are as follows:

Buildings	50 years
Office furniture, fittings and equipment	5 to 10 years
Renovation	3 to 5 years
Computer equipment and software development costs	3 to 10 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate. This is to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.18 Property, Plant and Equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the Profit or Loss Statement in the year the asset is derecognised.

2.19 Investment Properties

Investment properties are properties that are owned by the Group in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in the Profit or Loss Statement in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains or losses on the retirement or disposal of an investment property are recognised in the Profit or Loss Statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.18 up to the date of change in use.

2.20 Provision for Agents' Retirement Benefits

Provision for agents' retirement benefits is set aside for agents and is calculated in accordance with the terms and conditions in the respective agent's agreement ("the Agreement"). The terms and conditions of the Agreement stipulate that upon the agent maintaining his position for the qualifying year and achieving the required personal sales and minimum new business, the agent shall be allocated a deferred benefit/retirement benefit. The deferred benefit/retirement benefit accumulated at Balance Sheet date includes accrued interest. The accrued deferred benefit shall only become payable provided the Agreement has been in force for certain continuous contract years and the agent has attained the minimum retirement age stipulated in the Agreement. The carrying amount is based on amortised cost.

2.21 Related Parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:
- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of the employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.21 Related Parties (continued)

In the Company's financial statements, loans to subsidiaries are interest-free and stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investment in subsidiaries in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest revenue in the Profit or Loss Statement over the expected repayment period.

2.22 Segment Reporting

2.22.1 Business Segment

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products for the different markets. The Group's principal operations are organised into Life Insurance, and Shareholders segments. The results of these segments are reported separately in internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

(a) Life Insurance Segment

The Life Insurance segment provides different types of products, comprising life insurance, long-term health and accident insurance, annuity business written and includes the unit-linked business. All revenues in the Life Insurance segment are from external customers.

(b) Shareholders Segment

The Shareholders segment provides fund management services for absolute return/balanced mandates with different risk-return characteristics and manages a range of products, including Asia Pacific equities, Asian and global fixed income securities portfolios. Clients include Singapore statutory boards, government-linked corporations, public and private companies, insurance companies and charity organisations.

The Shareholders segment also comprises activities not related to the core business segments, and includes general corporate income and expense items.

2.22.2 Geographical segment

The Group's risks and rewards are affected by operating conditions in different countries and geographical areas. Therefore, for management purposes, the Group is also organised on a geographical basis into Singapore, Malaysia and Other Asia, based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the respective location of its customers.

2.22.3 Segment Accounting Policies, Allocation Basis and Transfer Pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax and deferred tax assets and liabilities, interest-bearing loans and related expenses. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.23 Share Capital and Share Issuance Expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:
   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
   (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

2.25 Critical Accounting Estimates and Judgments

In the preparation of the Group's financial statements, management makes estimates, assumptions and judgment that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. Estimates, assumptions and judgment are continually evaluated and based on internal studies of actual historical experience and other factors. Best estimates and assumptions are constantly reviewed to ensure that they remain relevant and valid. 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 future periods.

(a) Insurance business

The Group makes estimates, assumptions and judgment in its estimates of FCF, discount rates used, risk adjustments for non-financial risk, and CSM. For the sensitivities with regard to the assumptions made that have the most significant impact on measurement under SFRS(I) 17, refer to note 31.

<u>Discount rates</u>

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the observable market yields of government securities in the currency of the insurance contract liabilities.

The Group adopts a bottom-up approach in which discount rates are based on the relevant currency's risk-free yield curve and an adjustment for illiquidity premium.

(a) For the Singapore segment, for deriving risk-free yield curves and Ultimate Forward Rate ("UFR"), references are made in particular to the Monetary Authority of Singapore Risk Based Capital Framework ("MAS RBC 2") which is also aligned with the approach taken by the International Associations of Insurance Supervisors ("IAIS") on the design of the global insurance capital standards ("ICS").

    For the Malaysia segment, for deriving risk-free yield curves and UFR, references are made to the approach taken by the IAIS on the design of the global ICS, with rates for the first 15 years being referenced to the Bank Negara Malaysia Risk Based Capital Framework ("BNM RBC").

(b) For illiquidity premium, illiquidity buckets ("illiquidity application ratio") are assigned using an objective scoring system that is based on illiquidity characteristics of products on each portfolio. Market observable illiquidity premium levels are derived every quarter-end based on a credit-risk adjusted market spread of reference assets for each currency.

The adjustment of illiquidity premium in (b) is added as a layer in addition to the risk-free yield curve in (a) based on the illiquidity application ratio of each portfolio.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.25 Critical Accounting Estimates and Judgments (continued)

(a) Insurance business (continued)

Discount rates (continued)
The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

	2023				
Currency	1 year	5 years	10 years	15 years	20 years
SGD	3.55% - 4.44%	2.63% - 3.80%	2.67% - 3.45%	2.73% - 3.57%	2.71% - 3.60%
USD	5.25%	4.58%	4.97%	5.22%	5.30%
MYR	3.30% - 3.61%	3.65% - 4.08%	3.74% - 4.05%	4.05% - 4.80%	4.29% - 4.97%

	2022				
Currency	1 year	5 years	10 years	15 years	20 years
SGD	3.75% - 4.68%	2.82% - 3.75%	3.06% - 3.99%	2.86% - 3.79%	2.46% - 3.39%
USD	5.60%	4.90%	4.78%	5.00%	5.11%
MYR	3.25% - 3.40%	3.88% - 4.16%	4.09% - 4.36%	4.36% - 4.80%	4.54% - 4.93%

Risk adjustment for non-financial risk
The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates. The Group does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The confidence level technique is used to derive the overall risk adjustment for non-financial risk. The risk adjustment is the excess of the value at risk at the target confidence level over the expected present value of the future cash flows. The target confidence level will be at 85th percentile.

Estimates of future cash flows
In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience updated to reflect current expectations of future events.

The estimates of future cash flows will reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect cash flows. Cash flows within a contract boundary are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics.

The Group derives the mortality and morbidity assumptions from the recent experience where credible. Reference to industry tables, reinsurance rates, or pricing basis is made where historical experience is not credible. Mortality and morbidity rates are generally differentiated between policyholder groups, based on gender and smoker status.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.25 Critical Accounting Estimates and Judgments (continued)

(a) Insurance business (continued)

Lapses and surrender are derived based on the Group's own experience where credible. Where historical experience is not credible or not available, experience for similar product type is used as reference to derive the assumptions. Lapse and surrender assumptions generally vary by product type as well as policy years.

Coverage units

In the determination of coverage units, the type of service is identified based on the terms and features of the insurance contracts. Management then applied judgment in determining the appropriate coverage unit against the type of service identified.

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, determined by considering the quantity of the benefits provided by each contract in the group and its expected coverage duration. The coverage units are assessed at each reporting period-end prospectively by considering:

(a) the quantity of benefits provided by contracts in the group;
(b) the expected coverage period of contracts in the group; and
(c) the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for quantifying benefits with respect to insurance coverage.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made.

(c) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 31(h).

(d) Property classification

Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased separately under a finance lease), the Group would account for these portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

3 SUBSIDIARIES

	Country of Incorporation	Principal Activities	Effective interest held by GEL 2023 %	2022 %
SIGNIFICANT SUBSIDIARIES				
Held by the Company				
P.T. Great Eastern Life Indonesia (3.2)	Indonesia	Life assurance	**99.5**	99.5
Straits Eastern Square Private Limited (3.1)	Singapore	Property investment	**100.0**	100.0
218 Orchard Private Limited (3.1)	Singapore	Property investment	**100.0**	100.0
Held through subsidiaries				
Great Eastern Life Assurance (Malaysia) Berhad (3.2)	Malaysia	Life assurance	**100.0**	100.0
Great Eastern Takaful Bhd (3.2)	Malaysia	Family Takaful business	**70.0**	70.0
Aminstitutional Income Bond Fund (3.3)	Malaysia	Wholesale fixed income fund	**73.0**	66.6
Affin Hwang Wholesale Income Fund (3.2)	Malaysia	Wholesale fixed income fund	**96.9**	96.5
Affin Hwang Wholesale Equity Fund 2 (3.2)	Malaysia	Wholesale equity fund	**99.8**	99.8

(3.1) Audited by PricewaterhouseCoopers LLP, Singapore.
(3.2) Audited by firms within the worldwide network of PricewaterhouseCoopers firms and entities.
(3.3) Audited by Ernst & Young PLT, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

in Singapore Dollars (millions)	Note	Group 2023	Group 2022 restated	Company 2023	Company 2022 restated
4 INSURANCE REVENUE					
The table below presents an analysis of the total insurance revenue recognised in the year:					
Contracts not measured under the PAA					
Amounts relating to the changes in the liability for remaining coverage:					
- Expected incurred claims and other insurance service expenses		**4,182.7**	4,054.6	**2,163.8**	2,057.7
- Change in the risk adjustment for non-financial risk for the risk expired		**426.2**	433.5	**144.4**	163.9
- CSM recognised in profit or loss for the services provided		**735.6**	818.9	**403.3**	462.9
Insurance acquisition cash flows recovery		**484.6**	310.9	**300.2**	162.9
Total insurance revenue	**14**	**5,829.1**	5,617.9	**3,011.7**	2,847.4

NOTES TO THE FINANCIAL STATEMENTS

5 **NET INVESTMENT AND INSURANCE FINANCIAL RESULT**

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the year:

		Group						Company					
		2023			2022 Restated			2023			2022 Restated		
in Singapore Dollars (millions)	Note	**Life**	**Shareholders**	**Total**	Life	Shareholders	Total	**Life**	**Shareholders**	**Total**	Life	Shareholders	Total
Investment income/(loss)													
Interest revenue	5.1	**2,234.8**	**58.4**	**2,293.2**	2,031.6	39.3	2,070.9	**1,474.1**	**23.1**	**1,497.2**	1,292.2	5.0	1,297.2
Other investment revenue/(loss)	5.2	**3,428.6**	**22.2**	**3,450.8**	(6,920.4)	27.8	(6,892.6)	**2,589.3**	**282.5**	**2,871.8**	(6,485.8)	308.3	(6,177.5)
Increase in provision for impairment of financial assets		**(12.8)**	**(0.5)**	**(13.3)**	(25.1)	(1.6)	(26.7)	**(2.7)**	**(0.6)**	**(3.3)**	(31.0)	(2.1)	(33.1)
Change in third-party interests in consolidated investment funds		**-**	**(1.6)**	**(1.6)**	-	(0.2)	(0.2)	**-**	**-**	**-**	-	-	-
Amounts recognised at OCI		**402.9**	**(10.3)**	**392.6**	(1,181.8)	(9.1)	(1,190.9)	**341.3**	**(14.4)**	**326.9**	(1,107.7)	(3.4)	(1,111.1)
Total investment income/(loss)		**6,053.5**	**68.2**	**6,121.7**	(6,095.7)	56.2	(6,039.5)	**4,402.0**	**290.6**	**4,692.6**	(6,332.3)	307.8	(6,024.5)
Finance (expenses)/income from insurance contracts issued													
Changes in value of underlying assets of contracts measured under the VFA		**(4,491.5)**	**-**	**(4,491.5)**	5,101.9	-	5,101.9	**(3,300.4)**	**-**	**(3,300.4)**	5,331.2	-	5,331.2
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates		**209.6**	**-**	**209.6**	257.5	-	257.5	**301.5**	**-**	**301.5**	163.0	-	163.0
Interest accreted		**(671.4)**	**-**	**(671.4)**	(362.4)	-	(362.4)	**(468.1)**	**-**	**(468.1)**	(226.3)	-	(226.3)
Effect of changes in interest rates and other financial assumptions		**(281.3)**	**-**	**(281.3)**	424.3	-	424.3	**(300.1)**	**-**	**(300.1)**	428.9	-	428.9
Gain on exchange differences		**67.9**	**-**	**67.9**	29.5	-	29.5	**67.9**	**-**	**67.9**	29.5	-	29.5
Total finance (expenses)/income from insurance contracts issued		**(5,166.7)**	**-**	**(5,166.7)**	5,450.8	-	5,450.8	**(3,699.2)**	**-**	**(3,699.2)**	5,726.3	-	5,726.3
Represented by:													
Amounts recognised in profit or loss		**(5,231.4)**	**-**	**(5,231.4)**	5,034.5	-	5,034.5	**(3,777.4)**	**-**	**(3,777.4)**	5,293.3	-	5,293.3
Amounts recognised in OCI		**64.7**	**-**	**64.7**	416.3	-	416.3	**78.2**	**-**	**78.2**	433.0	-	433.0
		(5,166.7)	**-**	**(5,166.7)**	5,450.8	-	5,450.8	**(3,699.2)**	**-**	**(3,699.2)**	5,726.3	-	5,726.3
Finance income/(expenses) from reinsurance contracts held													
Interest accreted		**7.7**	**-**	**7.7**	7.9	-	7.9	**10.2**	**-**	**10.2**	6.1	-	6.1
Effect of changes in interest rates and other financial assumptions		**(20.6)**	**-**	**(20.6)**	(35.3)	-	(35.3)	**(25.4)**	**-**	**(25.4)**	(36.0)	-	(36.0)
(Loss)/gain on exchange differences		**(0.9)**	**-**	**(0.9)**	1.6	-	1.6	**(0.9)**	**-**	**(0.9)**	1.5	-	1.5
Total finance income/(expenses) from reinsurance contracts held		**(13.8)**	**-**	**(13.8)**	(25.8)	-	(25.8)	**(16.1)**	**-**	**(16.1)**	(28.4)	-	(28.4)
Represented by:													
Amounts recognised in profit or loss		**5.6**	**-**	**5.6**	12.7	-	12.7	**7.1**	**-**	**7.1**	10.1	-	10.1
Amounts recognised in OCI		**(19.4)**	**-**	**(19.4)**	(38.5)	-	(38.5)	**(23.2)**	**-**	**(23.2)**	(38.5)	-	(38.5)
		(13.8)	**-**	**(13.8)**	(25.8)	-	(25.8)	**(16.1)**	**-**	**(16.1)**	(28.4)	-	(28.4)
Total net investment and insurance financial result		**873.0**	**68.2**	**941.2**	(670.7)	56.2	(614.5)	**686.7**	**290.6**	**977.3**	(634.4)	307.8	(326.6)
Represented by:													
Amounts recognised in profit or loss		**424.8**	**78.5**	**503.3**	133.3	65.3	198.6	**290.4**	**305.0**	**595.4**	78.8	311.2	390.0
Amounts recognised in OCI		**448.2**	**(10.3)**	**437.9**	(804.0)	(9.1)	(813.1)	**396.3**	**(14.4)**	**381.9**	(713.2)	(3.4)	(716.6)
		873.0	**68.2**	**941.2**	(670.7)	56.2	(614.5)	**686.7**	**290.6**	**977.3**	(634.4)	307.8	(326.6)

NOTES TO THE FINANCIAL STATEMENTS

		Group						Company					
		2023			2022 Restated			2023			2022 Restated		
in Singapore Dollars (millions)	Note	**Life**	**Shareholders**	**Total**	Life	Shareholders	Total	**Life**	**Shareholders**	**Total**	Life	Shareholders	Total
5 NET INVESTMENT AND INSURANCE FINANCIAL RESULT (continued)													
5.1 Interest revenue													
Financial assets not measured at FVTPL													
Financial assets measured at FVOCI		**355.8**	**29.3**	**385.1**	245.0	14.8	259.8	**285.5**	**17.4**	**302.9**	176.7	3.5	180.2
Financial assets measured at AC		**246.4**	**4.8**	**251.2**	160.3	4.2	164.5	**153.5**	**2.0**	**155.5**	60.4	1.1	61.5
Total interest revenue calculated using the effective interest rate		**602.2**	**34.1**	**636.3**	405.3	19.0	424.3	**439.0**	**19.4**	**458.4**	237.1	4.6	241.7
Financial assets measured at FVTPL		**1,632.6**	**24.3**	**1,656.9**	1,626.3	20.3	1,646.6	**1,035.1**	**3.7**	**1,038.8**	1,055.1	0.4	1,055.5
Total interest revenue		**2,234.8**	**58.4**	**2,293.2**	2,031.6	39.3	2,070.9	**1,474.1**	**23.1**	**1,497.2**	1,292.2	5.0	1,297.2
5.2 Other investment revenue/(loss)													
Underlying assets for contracts with direct participation features													
Dividend income													
- Financial assets measured at FVTPL		**507.6**	-	**507.6**	596.9	-	596.9	**201.6**	**-**	**201.6**	256.8	-	256.8
- Subsidiaries		**-**	-	**-**	-	-	-	**18.0**	**-**	**18.0**	11.3	-	11.3
Changes in fair value of investments													
- Mandatorily measured at FVTPL		**1,718.6**	-	**1,718.6**	(3,873.5)	-	(3,873.5)	**1,643.4**	**-**	**1,643.4**	(3,353.6)	-	(3,353.6)
- Designated as at FVTPL		**951.4**	-	**951.4**	(3,351.8)	-	(3,351.8)	**594.2**	**-**	**594.2**	(3,065.6)	-	(3,065.6)
Changes in fair value of investment properties	24	**6.2**	-	**6.2**	84.0	-	84.0	**8.7**	**-**	**8.7**	84.5	-	84.5
Realised gain on sale of investment properties		**17.6**	-	**17.6**	-	-	-	**-**	**-**	**-**	-	-	-
Rental income		**39.4**	-	**39.4**	38.9	-	38.9	**42.8**	**-**	**42.8**	41.5	-	41.5
Loss on exchange differences		**(6.9)**	-	**(6.9)**	(4.1)	-	(4.1)	**(7.0)**	**-**	**(7.0)**	(4.2)	-	(4.2)
		3,233.9	**-**	**3,233.9**	(6,509.6)	-	(6,509.6)	**2,501.7**	**-**	**2,501.7**	(6,029.3)	-	(6,029.3)
Other investments													
Dividend income													
- Financial assets measured at FVOCI		**39.4**	**12.4**	**51.8**	50.1	11.9	62.0	**26.2**	**0.2**	**26.4**	34.7	-	34.7
- Financial assets measured at FVTPL		**21.6**	**5.2**	**26.8**	32.6	4.8	37.4	**6.7**	**5.1**	**11.8**	12.4	4.5	16.9
- Subsidiaries		**-**	**-**	**-**	-	-	-	**-**	**284.6**	**284.6**	-	284.4	284.4
Changes in fair value of investments													
- Mandatorily measured at FVTPL		**105.4**	**11.1**	**116.5**	(71.3)	30.6	(40.7)	**86.4**	**2.2**	**88.6**	(35.9)	39.5	3.6
- Designated as at FVTPL		**92.0**	**0.3**	**92.3**	(330.1)	(1.6)	(331.7)	**62.0**	**(0.2)**	**61.8**	(362.7)	-	(362.7)
- Measured at FVOCI		**354.6**	**(11.2)**	**343.4**	(1,238.2)	(16.6)	(1,254.8)	**288.8**	**(15.3)**	**273.5**	(1,162.7)	(11.0)	(1,173.7)
Net (loss)/gain on sale of debt securities measured at FVOCI		**0.4**	**(0.3)**	**0.1**	0.1	(0.4)	(0.3)	**(0.2)**	**-**	**(0.2)**	0.1	-	0.1
Changes in allowance for expected credit losses		**1.0**	**0.8**	**1.8**	(0.8)	(0.5)	(1.3)	**1.5**	**0.6**	**2.1**	1.4	(0.1)	1.3
Changes in fair value of investment properties	24	**10.1**	**-**	**10.1**	7.3	-	7.3	**0.6**	**-**	**0.6**	6.8	-	6.8
Realised gain on sale of investment properties		**2.4**	**-**	**2.4**	-	-	-	**-**	**-**	**-**	-	-	-
Rental income		**18.0**	**-**	**18.0**	16.8	-	16.8	**3.4**	**-**	**3.4**	3.3	-	3.3
Loss on exchange differences		**(47.3)**	**(6.4)**	**(53.7)**	(59.1)	(9.5)	(68.6)	**(46.5)**	**(9.1)**	**(55.6)**	(61.6)	(12.4)	(74.0)
		597.6	**11.9**	**609.5**	(1,592.6)	18.7	(1,573.9)	**428.9**	**268.1**	**697.0**	(1,564.2)	304.9	(1,259.3)
Other investment revenue/(loss)		**3,831.5**	**11.9**	**3,843.4**	(8,102.2)	18.7	(8,083.5)	**2,930.6**	**268.1**	**3,198.7**	(7,593.5)	304.9	(7,288.6)
Represented by:													
Amounts recognised in profit or loss		**3,428.6**	**22.2**	**3,450.8**	(6,920.4)	27.8	(6,892.6)	**2,589.3**	**282.5**	**2,871.8**	(6,485.8)	308.3	(6,177.5)
Amounts recognised in OCI		**402.9**	**(10.3)**	**392.6**	(1,181.8)	(9.1)	(1,190.9)	**341.3**	**(14.4)**	**326.9**	(1,107.7)	(3.4)	(1,111.1)
		3,831.5	**11.9**	**3,843.4**	(8,102.2)	18.7	(8,083.5)	**2,930.6**	**268.1**	**3,198.7**	(7,593.5)	304.9	(7,288.6)

During the year ended 31 December 2023, $9.8 million (31 December 2022 (restated): $24.8 million) of the dividend income relates to equity investments measured at FVOCI which were derecognised during the year.

NOTES TO THE FINANCIAL STATEMENTS

5 NET INVESTMENT AND INSURANCE FINANCIAL RESULT (continued)

5.3 Investment return in OCI related to insurance and reinsurance contracts measured under the modified retrospective or fair value transition approach

On transition to SFRS(I)17, for certain groups of insurance and reinsurance contracts measured using the GMM where the OCI option is applied, the Group determined the cumulative insurance finance income and expenses recognised in OCI at 1 January 2022 using the modified retrospective approach or the fair value approach. The movement in the fair value reserve for the debt investments at FVOCI related to those groups of contracts was as follows.

in Singapore Dollars (millions)	Group		Company	
	2023	2022 restated	**2023**	2022 restated
Balance at 1 January	**(387.9)**	6.5	**(408.5)**	13.4
Gains/(losses) on investments in debt securities measured at FVOCI	**114.6**	(462.7)	**161.0**	(494.1)
Changes in allowance for expected credit losses	**2.1**	3.5	**1.5**	1.4
Net losses on investments in debt securities measured at FVOCI reclassified to profit or loss	**25.2**	28.8	**21.5**	32.4
Income tax relating to these items	**13.2**	36.0	**9.8**	38.4
Balance at 31 December	**(232.8)**	(387.9)	**(214.7)**	(408.5)

6 EXPENSES

An analysis of the expenses incurred in the reporting year is included below:

in Singapore Dollars (millions)		Group		Company	
		2023	2022 restated	**2023**	2022 restated
Claims and benefits		**3,052.8**	3,287.7	**1,998.3**	1,744.6
Commissions and distribution expenses		**1,238.8**	1,321.3	**756.3**	822.2
Fees paid to auditors		**5.9**	3.4	**3.7**	2.4
Staff costs and related expenses		**414.3**	319.9	**277.2**	195.7
Salaries, wages, bonuses and other costs		**367.5**	284.0	**247.7**	174.9
Central Provident Fund/Employee Provident Fund		**41.0**	30.5	**24.4**	16.1
Share-based payments		**5.8**	5.4	**5.1**	4.7
Depreciation and amortisation expenses		**82.5**	82.3	**64.8**	62.6
Depreciation	26	**41.8**	42.8	**34.5**	35.4
Amortisation	23	**40.7**	39.5	**30.3**	27.2
Interest expense on lease liability	26	**1.6**	1.9	**1.7**	1.9
Losses on onerous contracts		**140.1**	324.2	**113.3**	221.7
Investment related expenses		**214.8**	210.9	**146.2**	144.2
Agents' retirement benefits	13	**44.0**	38.3	**0.8**	0.6
Other expenses		**723.3**	462.3	**194.0**	161.7
Total		**5,918.1**	6,052.2	**3,556.3**	3,357.6
Amounts attributed to insurance acquisition cash flows incurred during the year		**(1,492.6)**	(1,549.4)	**(942.0)**	(989.1)
Amortisation of insurance acquisition cash flows		**514.8**	338.4	**300.2**	162.9
		4,940.3	4,841.2	**2,914.5**	2,531.4
Represented by:					
Insurance service expenses	14	**4,798.4**	4,727.2	**2,835.1**	2,472.9
Other expenses		**141.9**	114.0	**79.4**	58.5
		4,940.3	4,841.2	**2,914.5**	2,531.4

in Singapore Dollars (millions)	Group		Company	
	2023	2022 restated	**2023**	2022 restated

7 INCOME TAX

Major components of income tax expense

The major components of income tax expense for the year ended 31 December 2023 and 31 December 2022 are:

	Group 2023	Group 2022 restated	Company 2023	Company 2022 restated
Income tax attributable to policyholders' returns				
Current income tax:				
- Current income taxation	**127.9**	109.4	**113.3**	105.0
- Over provision in respect of previous years	**(8.2)**	(20.7)	**(8.4)**	(14.4)
	119.7	88.7	**104.9**	90.6
Deferred income tax:				
- Origination and reversal of temporary differences	**11.5**	(8.9)	**2.8**	1.8
	11.5	(8.9)	**2.8**	1.8
	131.2	79.8	**107.7**	92.4
Income tax attributable to shareholders' profits				
Current income tax:				
- Current income taxation	**56.5**	245.1	**3.3**	99.9
- Over provision in respect of previous years	**0.7**	(47.7)	**(0.2)**	(23.8)
	57.2	197.4	**3.1**	76.1
Deferred income tax:				
- Origination and reversal of temporary differences	**56.8**	(73.4)	**30.6**	(69.8)
	56.8	(73.4)	**30.6**	(69.8)
	114.0	124.0	**33.7**	6.3
Total tax charge for the year recognised in the Profit or Loss Statement	**245.2**	203.8	**141.4**	98.7

Relationship between income tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2023 and 31 December 2022 is as follows:

	Group 2023	Group 2022 restated	Company 2023	Company 2022 restated
Profit before income tax	**861.0**	847.7	**678.6**	644.7
Tax at the domestic rates applicable to profits in the countries where the Group and Company operates	**161.5**	160.7	**97.8**	95.1
Adjustments:				
Foreign tax paid not recoverable	**3.6**	3.8	**3.3**	3.2
Permanent differences	**(19.1)**	12.3	**(10.5)**	(10.4)
Tax exempt income	**(11.6)**	(12.5)	**(56.7)**	(57.8)
Over provision in respect of previous years	**0.7**	(47.7)	**(0.2)**	(23.8)
Effect of income tax attributable to policyholders' returns	**131.2**	79.8	**107.7**	92.4
Others	**(21.1)**	7.4	**-**	-
Income tax expense recognised in the the Profit or Loss Statement	**245.2**	**203.8**	**141.4**	**98.7**

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

in Singapore Dollars (millions)	Group		Company	
	2023	2022 restated	**2023**	2022 restated

7 **INCOME TAX (continued)**

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

Presented after appropriate offsetting as follows:				
Deferred tax assets	**(3.8)**	(7.2)	**-**	-
Deferred tax liabilities	**265.5**	105.8	**171.0**	72.4
Net deferred tax liabilities	**261.7**	98.6	**171.0**	72.4

Deferred Tax
The movement in the net deferred tax is as follows:

Balance at the beginning of the year	**98.6**	2,563.6	**72.4**	2,317.0
Adoption of SFRS(I) 17	**-**	(2,231.5)	-	(2,091.1)
Balance at the beginning of the year, restated	**98.6**	332.1	**72.4**	225.9
Currency translation reserve adjustments	**(5.0)**	(15.3)	**-**	-
Change in taxation basis*	**116.4**	-	**116.4**	-
Deferred tax charge taken to the Profit or Loss Statement:				
Other temporary differences	**64.3**	(78.1)	**33.3**	(69.0)
Fair value changes	**3.9**	(4.2)	**0.1**	1.1
Deferred tax on fair value changes of investments at FVOCI	**8.3**	(164.2)	**0.3**	(152.7)
Deferred tax on insurance/reinsurance finance reserve	**36.3**	28.3	**9.6**	67.1
Unutilised tax losses carried forward	**(61.1)**	-	**(61.1)**	-
Balance at the end of the year	**261.7**	**98.6**	**171.0**	**72.4**

Deferred taxes at 31 December related to the following:

	Balance Sheets			
Deferred tax liabilities:				
Differences in depreciation for tax purposes	**16.8**	16.1	**11.5**	10.7
Accrued investment income	**-**	0.5	**-**	0.5
Net unrealised gains on investments	**199.5**	44.6	**77.1**	-
Differences in tax basis for insurance/reinsurance contract liabilities	**118.1**	42.7	**153.5**	101.7
Deferred tax liabilities	**334.4**	103.9	**242.1**	112.9
Deferred tax assets:				
Net unrealised loss on investments	**-**	-	**-**	40.1
Unutilised tax losses carried forward	**70.6**	-	**70.6**	-
Net amortisation on fixed income investments	**1.6**	1.4	**-**	-
Other accruals and provisions	**-**	3.5	**-**	-
Leases	**0.5**	0.4	**0.5**	0.4
Deferred tax assets	**72.7**	5.3	**71.1**	40.5
Net deferred tax liabilities	**261.7**	98.6	**171.0**	72.4

* With effect from 1 January 2023, Singapore insurers will use the insurance returns filed with MAS for regulatory purposes ("MAS Statutory Returns") instead of their financial statements prepared in accordance with SFRS(I) as the basis for preparing tax computations. With the change in taxation basis effective 1 January 2023, a one-time adjustment of $116.4 million of deferred tax assets was reclassified to current income tax in the Balance Sheet. As the Company was in an overall tax loss position for Year of Assessment 2024, there was nil current tax provision as at 31 December 2023. Instead, $70.6 million of deferred tax was recognised as at 31 December 2023 on the tax losses which are available to offset against future taxable profits.

in Singapore Dollars (millions)	Group		Company	
	2023	2022 restated	**2023**	2022 restated

7 **INCOME TAX (continued)**

	Profit or Loss Statement			
Deferred tax liabilities:				
Differences in depreciation for tax purposes	**0.7**	0.4	**0.8**	1.0
Accrued investment income	**(0.5)**	(0.2)	**(0.5)**	(0.2)
Net unrealised gain on investments	**30.1**	3.3	**0.5**	41.8
Insurance and reinsurance contracts	**44.2**	(81.9)	**42.1**	(71.0)
Deferred tax assets:				
Net unrealised loss on investments	**-**	-	**-**	(39.6)
Unutilised tax losses carried forward	**(9.4)**	-	**(9.4)**	-
Net amortisation on fixed income investments	**(0.2)**	(2.7)	**-**	-
Other accruals and provisions	**3.5**	(1.1)	**-**	-
Leases	**(0.1)**	(0.1)	**(0.1)**	-
Deferred tax expense/(credit)	**68.3**	(82.3)	**33.4**	(68.0)

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately $37.2 million (31 December 2022: $28.7 million) expiring in 2024 - 2026 (31 December 2022: 2023 - 2025) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

NOTES TO THE FINANCIAL STATEMENTS

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted and basic earnings per share are the same as there are no dilutive potential ordinary shares.

The following reflects the profit for the year attributable to ordinary shareholders and the weighted average number of shares outstanding during the year, used in the computation of basic and diluted earnings per share for the years ended 31 December:

		Group	
		2023	2022 restated
Profit attributable to ordinary shareholders for computation of basic and diluted earnings per share	(in millions of Singapore Dollars)	**615.0**	642.5
Weighted average number of ordinary shares on issue applicable to basic and diluted earnings per share	(in millions)	**97.2**	97.2
Basic and diluted earnings per share	(in Singapore Dollars)	**$6.33**	$6.61

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

9 SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares	**Amount $'mil**	Number of shares	Amount $'mil
Ordinary shares: Issued and fully paid				
Balance at the beginning and end of the year	**97,175,880**	**97.2**	97,175,880	97.2

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

In accordance with the Companies Act 1967, the shares of the Company have no par value.

NOTES TO THE FINANCIAL STATEMENTS

10 OTHER RESERVES

10.1 Currency translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The currency translation reserve is also used to record the effect of hedging of net investment in foreign operations.

10.2 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets measured at FVOCI and the related loss allowance recognised in the Profit or Loss Statement until the assets are derecognised, net of tax.

10.3 Insurance finance reserve

The insurance finance reserve comprises the cumulative insurance finance income and expenses recognised in OCI.

11 OTHER CREDITORS

Other creditors comprise the following:

in Singapore Dollars (millions)	Group		Company	
	2023	2022 restated	**2023**	2022 restated
Accrued expenses and other creditors	**594.3**	663.9	**318.1**	293.3
Investment creditors	**1,000.4**	402.6	**873.9**	364.3
Amount due to ultimate holding company[(1)]	**1.0**	1.6	**0.9**	1.2
Third-party interests in consolidated investment funds[(2)]	**41.1**	43.9	**-**	-
Lease liabilities	**51.0**	62.2	**55.3**	64.2
Premiums in suspense	**76.6**	70.5	**29.3**	25.4
Provision for reinstatement costs	**2.9**	2.8	**2.8**	2.7
	1,767.3	1,247.5	**1,280.3**	751.1

(1) Amount due to ultimate holding company is non-trade related, unsecured, interest-free, repayable upon demand and is to be settled in cash.

(2) Third-party interests in consolidated investment funds consist of third-party unit holders' interests in consolidated investment funds which are reflected as a liability since they can be put back to the Group for cash.

12 PROVISIONS

in Singapore Dollars (millions)	Note	Company	
		2023	2022
Provision for impairment of investment in subsidiaries			
Balance at the beginning of the year		**7.2**	7.2
Balance at the end of the year	21	**7.2**	7.2

13 PROVISION FOR AGENTS' RETIREMENT BENEFITS

in Singapore Dollars (millions)	Note	Group		Company	
		2023	2022	**2023**	2022
Balance at the beginning of the year		**295.8**	291.3	**0.8**	0.2
Currency translation reserve adjustment		**(18.7)**	(17.6)	**-**	-
Increase in provision for the year	6	**44.0**	38.3	**0.8**	0.6
Paid during the year		**(23.5)**	(16.2)	**-**	-
Balance at the end of the year		**297.6**	295.8	**1.6**	0.8

As at 31 December 2023, the above provision for agents' retirement benefits payable within one year is $151.6 million (2022: $139.7 million) for the Group and none (2022: nil) for the Company.

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS

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

		Group		Company	
in Singapore Dollars (millions)	Note	**2023**	2022 restated	**2023**	2022 restated
Insurance contract liabilities	14.1.1.1,14.1.1.2	**97,400.6**	94,164.2	**71,038.8**	67,234.9
Insurance contract assets	14.1.1.1,14.1.1.2	**(12.5)**	(354.9)	**(1.1)**	(1.5)
Total insurance contracts issued		**97,388.1**	93,809.3	**71,037.7**	67,233.4
Reinsurance contract assets	14.1.2.1,14.1.2.2	**512.5**	811.3	**389.0**	357.9
Reinsurance contract liabilities	14.1.2.1,14.1.2.2	**(166.0)**	(444.9)	**(51.9)**	(39.5)
Total reinsurance contracts held		**346.5**	366.4	**337.1**	318.4

Detailed reconciliations of changes in insurance contract balances during the year are included in Notes 14.1 and 14.2.

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)
14.1 Life insurance

14.1.1 Life insurance - insurance contracts issued

14.1.1.1 Reconciliation of the liability for remaining coverage and incurred claims

		Group							
		2023				2022			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
in Singapore Dollars (millions)	Note	Excluding loss component	Loss component	Liabilities for Incurred claims	Total	Excluding loss component	Loss component	Liabilities for Incurred claims	Total
Insurance contract liabilities as at 1 January		86,745.7	308.4	7,110.1	94,164.2	89,939.8	-	6,585.3	96,525.1
Insurance contract assets as at 1 January		(370.6)	24.8	(9.1)	(354.9)	(219.2)	9.6	(0.5)	(210.1)
Net insurance contract liabilities/(assets) as at 1 January		86,375.1	333.2	7,101.0	93,809.3	89,720.6	9.6	6,584.8	96,315.0
Insurance revenue									
Contracts under modified retrospective transition approach		(974.1)	-	-	(974.1)	(1,084.0)	-	-	(1,084.0)
Contracts under fair value transition approach		(3,094.8)	-	-	(3,094.8)	(3,589.7)	-	-	(3,589.7)
Other contracts		(1,760.2)	-	-	(1,760.2)	(944.2)	-	-	(944.2)
	4	(5,829.1)	-	-	(5,829.1)	(5,617.9)	-	-	(5,617.9)
Insurance service expenses									
Incurred claims and other expenses		-	-	4,143.5	4,143.5	-	-	3,992.0	3,992.0
Amortisation of insurance acquisition cash flows		514.8	-	-	514.8	338.4	-	-	338.4
Losses on onerous contracts and reversals of those losses		-	140.1	-	140.1	-	324.2	-	324.2
Changes to liabilities for incurred claims		-	-	-	-	-	-	72.6	72.6
	6	514.8	140.1	4,143.5	4,798.4	338.4	324.2	4,064.6	4,727.2
Insurance service result		(5,314.3)	140.1	4,143.5	(1,030.7)	(5,279.5)	324.2	4,064.6	(890.7)
Insurance finance expenses/(income)	5	4,938.7	31.5	196.5	5,166.7	(5,626.9)	2.9	173.2	(5,450.8)
Effect of movements in exchange rates		(1,290.8)	(7.0)	(257.2)	(1,555.0)	(1,207.5)	(3.5)	(242.0)	(1,453.0)
Total changes in the statement of profit or loss and OCI		(1,666.4)	164.6	4,082.8	2,581.0	(12,113.9)	323.6	3,995.8	(7,794.5)
Investment components		(9,449.6)	-	9,449.6	-	(7,428.7)	-	7,428.7	-
Cash flows									
Premiums received		16,125.7	-	-	16,125.7	17,822.4	-	-	17,822.4
Claims and other expenses paid		-	-	(13,880.5)	(13,880.5)	-	-	(11,318.9)	(11,318.9)
Insurance acquisition cash flows		(1,477.3)	-	-	(1,477.3)	(1,543.7)	-	-	(1,543.7)
Total cash flows		14,648.4	-	(13,880.5)	767.9	16,278.7	-	(11,318.9)	4,959.8
Other movements		(217.8)	(0.5)	448.2	229.9	(81.6)	-	410.6	329.0
Net insurance contract liabilities/(assets) as at 31 December		89,689.7	497.3	7,201.1	97,388.1	86,375.1	333.2	7,101.0	93,809.3
Insurance contract liabilities as at 31 December	14	89,723.6	466.2	7,210.8	97,400.6	86,745.7	308.4	7,110.1	94,164.2
Insurance contract assets as at 31 December	14	(33.9)	31.1	(9.7)	(12.5)	(370.6)	24.8	(9.1)	(354.9)
Net insurance contract liabilities/(assets) as at 31 December		89,689.7	497.3	7,201.1	97,388.1	86,375.1	333.2	7,101.0	93,809.3

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)
14.1 Life insurance (continued)

14.1.1 Life insurance - insurance contracts issued (continued)

14.1.1.1 Reconciliation of the liability for remaining coverage and incurred claims (continued)

		Company							
		2023				2022			
		Liabilities for remaining coverage				Liabilities for remaining coverage			
in Singapore Dollars (millions)	Note	Excluding loss component	Loss component	Liabilities for Incurred claims	Total	Excluding loss component	Loss component	Liabilities for Incurred claims	Total
Insurance contract liabilities as at 1 January		**64,468.9**	**223.5**	**2,542.5**	**67,234.9**	66,277.3	-	2,186.6	68,463.9
Insurance contract assets as at 1 January		**(1.5)**	**-**	**-**	**(1.5)**	(1.1)	-	0.1	(1.0)
Net insurance contract liabilities/(assets) as at 1 January		**64,467.4**	**223.5**	**2,542.5**	**67,233.4**	66,276.2	-	2,186.7	68,462.9
Insurance revenue									
Contracts under modified retrospective transition approach		**(62.7)**	**-**	**-**	**(62.7)**	(70.9)	-	-	(70.9)
Contracts under fair value transition approach		**(1,873.9)**	**-**	**-**	**(1,873.9)**	(2,215.0)	-	-	(2,215.0)
Other contracts		**(1,075.1)**	**-**	**-**	**(1,075.1)**	(561.5)	-	-	(561.5)
	4	**(3,011.7)**	**-**	**-**	**(3,011.7)**	(2,847.4)	-	-	(2,847.4)
Insurance service expenses									
Incurred claims and other expenses		**-**	**-**	**2,434.3**	**2,434.3**	-	-	2,045.1	2,045.1
Amortisation of insurance acquisition cash flows		**300.2**	**-**	**-**	**300.2**	162.9	-	-	162.9
Losses on onerous contracts and reversals of those losses		**-**	**113.3**	**-**	**113.3**	-	221.7	-	221.7
Changes to liabilities for incurred claims		**-**	**-**	**(12.7)**	**(12.7)**	-	-	43.2	43.2
	6	**300.2**	**113.3**	**2,421.6**	**2,835.1**	162.9	221.7	2,088.3	2,472.9
Insurance service result		**(2,711.5)**	**113.3**	**2,421.6**	**(176.6)**	(2,684.5)	221.7	2,088.3	(374.5)
Insurance finance expenses/(income)	5	**3,624.1**	**25.8**	**49.3**	**3,699.2**	(5,777.2)	1.8	49.1	(5,726.3)
Total changes in the statement of profit or loss and OCI		**912.6**	**139.1**	**2,470.9**	**3,522.6**	(8,461.7)	223.5	2,137.4	(6,100.8)
Investment components		**(8,349.2)**	**-**	**8,349.2**	**-**	(6,416.4)	-	6,416.4	-
Cash flows									
Premiums received		**11,848.5**	**-**	**-**	**11,848.5**	14,214.6	-	-	14,214.6
Claims and other expenses paid		**-**	**-**	**(10,855.3)**	**(10,855.3)**	-	-	(8,548.7)	(8,548.7)
Insurance acquisition cash flows		**(942.0)**	**-**	**-**	**(942.0)**	(989.1)	-	-	(989.1)
Total cash flows		**10,906.5**	**-**	**(10,855.3)**	**51.2**	13,225.5	-	(8,548.7)	4,676.8
Other movements		**(203.3)**	**-**	**433.8**	**230.5**	(156.2)	-	350.7	194.5
Net insurance contract liabilities/(assets) as at 31 December		**67,734.0**	**362.6**	**2,941.1**	**71,037.7**	64,467.4	223.5	2,542.5	67,233.4
Insurance contract liabilities as at 31 December	14	**67,735.3**	**362.4**	**2,941.1**	**71,038.8**	64,468.9	223.5	2,542.5	67,234.9
Insurance contract assets as at 31 December	14	**(1.3)**	**0.2**	**-**	**(1.1)**	(1.5)	-	-	(1.5)
Net insurance contract liabilities/(assets) as at 31 December		**67,734.0**	**362.6**	**2,941.1**	**71,037.7**	64,467.4	223.5	2,542.5	67,233.4

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.1 Life insurance (continued)

14.1.1 Life insurance - insurance contracts issued (continued)

14.1.1.2 Reconciliation of the measurement components of insurance contract balances - contracts not measured under the PAA

		Group							
		2023				2022			
in Singapore Dollars (millions)	Note	Estimates of the present value of future cash flows	Risk adjustment	CSM	Total	Estimates of the present value of future cash flows	Risk adjustment	CSM	Total
Insurance contract liabilities as at 1 January		83,882.7	3,925.2	6,356.3	94,164.2	85,590.5	3,580.1	7,354.5	96,525.1
Insurance contract assets as at 1 January		(579.9)	117.8	107.2	(354.9)	(419.3)	104.1	105.1	(210.1)
Net insurance contract liabilities/(assets) as at 1 January		83,302.8	4,043.0	6,463.5	93,809.3	85,171.2	3,684.2	7,459.6	96,315.0
Changes that relate to current services									
CSM recognised for services provided		-	-	(735.6)	(735.6)	-	-	(818.9)	(818.9)
Risk adjustment recognised for the risk expired		-	(514.7)	-	(514.7)	-	(465.9)	-	(465.9)
Experience adjustments		(455.2)	-	-	(455.2)	(279.7)	-	-	(279.7)
Changes that relate to future services									
Contracts initially recognised in the period		(862.8)	659.9	418.3	215.4	(1,049.1)	500.5	708.4	159.8
Changes in estimates that adjust the CSM		(175.8)	(22.6)	198.4	-	264.8	371.3	(636.1)	-
Changes that result in onerous losses or reversal of such losses		202.9	95.4	-	298.3	289.5	42.8	-	332.3
Changes that relate to past services									
Adjustments to liabilities for incurred claims		155.9	5.2	-	161.1	168.6	13.1	-	181.7
Insurance service result		(1,135.0)	223.2	(118.9)	(1,030.7)	(605.9)	461.8	(746.6)	(890.7)
Insurance finance expenses/(income)	5	4,768.3	189.7	208.7	5,166.7	(5,452.4)	49.0	(47.4)	(5,450.8)
Effect of movements in exchange rates		(1,186.7)	(175.5)	(192.8)	(1,555.0)	(1,098.9)	(152.0)	(202.1)	(1,453.0)
Total changes in the statement of profit or loss and OCI		2,446.6	237.4	(103.0)	2,581.0	(7,157.2)	358.8	(996.1)	(7,794.5)
Cash flows									
Premiums received		16,125.7	-	-	16,125.7	17,822.4	-	-	17,822.4
Claims and other expenses paid		(13,880.5)	-	-	(13,880.5)	(11,318.9)	-	-	(11,318.9)
Insurance acquisition cash flows		(1,477.3)	-	-	(1,477.3)	(1,543.7)	-	-	(1,543.7)
Total cash flows		767.9	-	-	767.9	4,959.8	-	-	4,959.8
Other movements		242.8	-	(12.9)	229.9	329.0	-	-	329.0
Net insurance contract assets/(liabilities) as at 31 December		86,760.1	4,280.4	6,347.6	97,388.1	83,302.8	4,043.0	6,463.5	93,809.3
Insurance contract liabilities as at 31 December	14	87,006.5	4,156.2	6,237.9	97,400.6	83,882.7	3,925.2	6,356.3	94,164.2
Insurance contract assets as at 31 December	14	(246.4)	124.2	109.7	(12.5)	(579.9)	117.8	107.2	(354.9)
Net insurance contract assets/(liabilities) as at 31 December		86,760.1	4,280.4	6,347.6	97,388.1	83,302.8	4,043.0	6,463.5	93,809.3

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.1 Life insurance (continued)

14.1.1 Life insurance - insurance contracts issued (continued)

14.1.1.2 Reconciliation of the measurement components of insurance contract balances - contracts not measured under the PAA (continued)

		Company							
		2023				2022			
in Singapore Dollars (millions)	Note	**Estimates of the present value of future cash flows**	**Risk adjustment**	**CSM**	**Total**	Estimates of the present value of future cash flows	Risk adjustment	CSM	Total
Insurance contract liabilities as at 1 January		**62,734.8**	**1,181.3**	**3,318.8**	**67,234.9**	63,424.4	1,174.7	3,864.8	68,463.9
Insurance contract assets as at 1 January		**(3.2)**	**1.0**	**0.7**	**(1.5)**	(2.7)	0.9	0.8	(1.0)
Net insurance contract liabilities/(assets) as at 1 January		**62,731.6**	**1,182.3**	**3,319.5**	**67,233.4**	63,421.7	1,175.6	3,865.6	68,462.9
Changes that relate to current services									
CSM recognised for services provided		**-**	**-**	**(403.3)**	**(403.3)**	-	-	(462.9)	(462.9)
Risk adjustment recognised for the risk expired		**-**	**(191.3)**	**-**	**(191.3)**	-	(179.7)	-	(179.7)
Experience adjustments		**26.8**	**-**	**-**	**26.8**	(86.2)	-	-	(86.2)
Changes that relate to future services									
Contracts initially recognised in the period		**(216.6)**	**303.2**	**139.1**	**225.7**	(459.5)	221.5	320.0	82.0
Changes in estimates that adjust the CSM		**(51.1)**	**(13.6)**	**64.7**	**-**	416.5	(21.4)	(395.1)	-
Changes that result in onerous losses or reversal of such losses		**173.4**	**4.8**	**-**	**178.2**	243.1	1.0	-	244.1
Changes that relate to past services									
Adjustments to liabilities for incurred claims		**(23.8)**	**11.1**	**-**	**(12.7)**	25.2	3.0	-	28.2
Insurance service result		**(91.3)**	**114.2**	**(199.5)**	**(176.6)**	139.1	24.4	(538.0)	(374.5)
Insurance finance income/(expenses)	5	**3,595.8**	**61.3**	**42.1**	**3,699.2**	(5,700.5)	(17.7)	(8.1)	(5,726.3)
Total changes in the statement of profit or loss and OCI		**3,504.5**	**175.5**	**(157.4)**	**3,522.6**	(5,561.4)	6.7	(546.1)	(6,100.8)
Cash flows									
Premiums received		**11,848.5**	**-**	**-**	**11,848.5**	14,214.6	-	-	14,214.6
Claims and other expenses paid		**(10,855.3)**	**-**	**-**	**(10,855.3)**	(8,548.7)	-	-	(8,548.7)
Insurance acquisition cash flows		**(942.0)**	**-**	**-**	**(942.0)**	(989.1)	-	-	(989.1)
Total cash flows		**51.2**	**-**	**-**	**51.2**	4,676.8	-	-	4,676.8
Other movements		**230.5**	**-**	**-**	**230.5**	194.5	-	-	194.5
Net insurance contract assets/(liabilities) as at 31 December		**66,517.8**	**1,357.8**	**3,162.1**	**71,037.7**	62,731.6	1,182.3	3,319.5	67,233.4
Insurance contract liabilities as at 31 December	14	**66,520.5**	**1,356.7**	**3,161.6**	**71,038.8**	62,734.8	1,181.3	3,318.8	67,234.9
Insurance contract assets as at 31 December	14	**(2.7)**	**1.1**	**0.5**	**(1.1)**	(3.2)	1.0	0.7	(1.5)
Net insurance contract assets/(liabilities) as at 31 December		**66,517.8**	**1,357.8**	**3,162.1**	**71,037.7**	62,731.6	1,182.3	3,319.5	67,233.4

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.1 Life insurance (continued)

14.1.1 Life insurance - insurance contracts issued (continued)

14.1.1.3 Impact of contracts recognised during the year - contracts not measured under the PAA

	Group					
	Contracts issued					
	2023			2022		
in Singapore Dollars (millions)	**Non-onerous**	**Onerous**	**Total**	Non-onerous	Onerous	Total
Claims and other directly attributable expenses	**8,047.3**	**5,268.0**	**13,315.3**	13,996.6	1,274.2	15,270.8
Insurance acquisition cash flows	**1,240.5**	**333.6**	**1,574.1**	1,455.5	157.4	1,612.9
Estimates of present value of future cash outflows	**9,287.8**	**5,601.6**	**14,889.4**	15,452.1	1,431.6	16,883.7
Estimates of present value of future cash inflows	**(10,177.2)**	**(5,575.0)**	**(15,752.2)**	(16,472.9)	(1,459.9)	(17,932.8)
Risk adjustment	**471.1**	**188.8**	**659.9**	312.4	188.1	500.5
CSM	**418.3**	**-**	**418.3**	708.4	-	708.4
Increase in insurance contract liabilities from contracts recognised during the year	**-**	**215.4**	**215.4**	-	159.8	159.8

	Company					
	Contracts issued					
	2023			2022		
in Singapore Dollars (millions)	**Non-onerous**	**Onerous**	**Total**	Non-onerous	Onerous	Total
Claims and other directly attributable expenses	**5,238.1**	**4,993.4**	**10,231.5**	11,147.5	1,080.4	12,227.9
Insurance acquisition cash flows	**650.0**	**303.0**	**953.0**	863.3	121.2	984.5
Estimates of present value of future cash outflows	**5,888.1**	**5,296.4**	**11,184.5**	12,010.8	1,201.6	13,212.4
Estimates of present value of future cash inflows	**(6,139.5)**	**(5,261.6)**	**(11,401.1)**	(12,455.0)	(1,216.9)	(13,671.9)
Risk adjustment	**112.3**	**190.9**	**303.2**	124.2	97.3	221.5
CSM	**139.1**	**-**	**139.1**	320.0	-	320.0
Increase in insurance contract liabilities from contracts recognised during the year	**-**	**225.7**	**225.7**	-	82.0	82.0

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.1 Life insurance (continued)

14.1.1 Life insurance - insurance contracts issued (continued)

14.1.1.4 Amounts determined on transition to SFRS(I) 17

	Group							
	2023				2022			
in Singapore Dollars (millions)	**Contracts using the modified retrospective approach**	**Contracts using the fair value approach**	**All other contracts**	**Total**	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
CSM as at 1 January	**2,739.5**	**3,046.2**	**677.8**	**6,463.5**	3,381.8	3,973.5	104.3	7,459.6
Changes that relate to current services								
CSM recognised for services provided	**(246.6)**	**(289.7)**	**(199.3)**	**(735.6)**	(279.3)	(451.8)	(87.8)	(818.9)
Changes that relate to future services								
Contracts intially recognised in the period	**-**	**-**	**418.3**	**418.3**	-	-	708.4	708.4
Changes in estimates that adjust the CSM	**(78.8)**	**53.1**	**224.1**	**198.4**	(210.1)	(428.2)	2.2	(636.1)
Insurance service result	**(325.4)**	**(236.6)**	**443.1**	**(118.9)**	(489.4)	(880.0)	622.8	(746.6)
Insurance finance expenses/(income)	**122.6**	**73.0**	**13.1**	**208.7**	12.7	(23.2)	(36.9)	(47.4)
Effect of movements in exchange rates	**(149.1)**	**(20.4)**	**(23.3)**	**(192.8)**	(165.6)	(24.1)	(12.4)	(202.1)
Total changes in the statement of profit or loss or OCI	**(351.9)**	**(184.0)**	**432.9**	**(103.0)**	(642.3)	(927.3)	573.5	(996.1)
Other movements	**(7.4)**	**(2.2)**	**(3.3)**	**(12.9)**	-	-	-	-
CSM as at 31 December	**2,380.2**	**2,860.0**	**1,107.4**	**6,347.6**	2,739.5	3,046.2	677.8	6,463.5

	Company							
	2023				2022			
in Singapore Dollars (millions)	**Contracts using the modified retrospective approach**	**Contracts using the fair value approach**	**All other contracts**	**Total**	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
CSM as at 1 January	**192.0**	**2,796.3**	**331.2**	**3,319.5**	269.7	3,595.9	-	3,865.6
Changes that relate to current services								
CSM recognised for services provided	**(14.1)**	**(242.3)**	**(146.9)**	**(403.3)**	(15.1)	(380.9)	(66.9)	(462.9)
Changes that relate to future services								
Contracts intially recognised in the period	**-**	**-**	**139.1**	**139.1**	-	-	320.0	320.0
Changes in estimates that adjust the CSM	**(17.5)**	**(150.8)**	**233.0**	**64.7**	(62.6)	(440.7)	108.2	(395.1)
Insurance service result	**(31.6)**	**(393.1)**	**225.2**	**(199.5)**	(77.7)	(821.6)	361.3	(538.0)
Insurance finance expenses/(income)	**-**	**32.8**	**9.3**	**42.1**	-	22.5	(30.6)	(8.1)
Total changes in the statement of profit or loss or OCI	**(31.6)**	**(360.3)**	**234.5**	**(157.4)**	(77.7)	(799.1)	330.7	(546.1)
CSM as at 31 December	**160.4**	**2,436.0**	**565.7**	**3,162.1**	192.0	2,796.8	330.7	3,319.5

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.1 Life insurance (continued)

14.1.2 Life insurance - reinsurance contracts held

14.1.2.1 Reconciliation of the assets for remaining coverage and incurred claims

		Group							
		2023				2022			
		Assets for remaining coverage				Assets for remaining coverage			
in Singapore Dollars (millions)	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
Reinsurance contract assets as at 1 January		618.5	4.5	188.3	811.3	780.9	-	146.9	927.8
Reinsurance contract liabilities as at 1 January		(506.8)	-	61.9	(444.9)	(387.2)	-	12.4	(374.8)
Net reinsurance contract assets/(liabilities) as at 1 January		111.7	4.5	250.2	366.4	393.7	-	159.3	553.0
Allocation of reinsurance premiums		(767.9)	-	-	(767.9)	(736.0)	-	-	(736.0)
Amounts recoverable from reinsurers									
Recoveries of incurred claims and other insurance service expenses		-	-	377.6	377.6	-	-	374.1	374.1
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	64.1	-	64.1	-	4.5	-	4.5
Adjustments to assets for incurred claims		-	-	(206.6)	(206.6)	-	-	229.1	229.1
Net (expenses)/income from reinsurance contracts held		(767.9)	64.1	171.0	(532.8)	(736.0)	4.5	603.2	(128.3)
Net finance expenses/(income) from reinsurance contracts held	5	(13.9)	0.2	(0.1)	(13.8)	(25.6)	-	(0.2)	(25.8)
Effect of movements in exchange rates		(1.7)	-	(45.8)	(47.5)	(115.4)	-	78.8	(36.6)
Total changes in the statement of profit or loss and OCI		(783.5)	64.3	125.1	(594.1)	(877.0)	4.5	681.8	(190.7)
Cash flows									
Premiums paid		375.4	-	-	375.4	181.1	-	-	181.1
Amounts received		-	-	(309.0)	(309.0)	-	-	(240.5)	(240.5)
Total cash flows		375.4	-	(309.0)	66.4	181.1	-	(240.5)	(59.4)
Other movements		286.2	-	221.6	507.8	413.9	-	(350.4)	63.5
Net reinsurance contract assets/(liabilities) as at 31 December		(10.2)	68.8	287.9	346.5	111.7	4.5	250.2	366.4
Reinsurance contract assets as at 31 December	14	264.8	68.9	178.8	512.5	618.5	4.5	188.3	811.3
Reinsurance contract liabilities as at 31 December	14	(275.0)	(0.1)	109.1	(166.0)	(506.8)	-	61.9	(444.9)
Net reinsurance contract assets/(liabilities) as at 31 December		(10.2)	68.8	287.9	346.5	111.7	4.5	250.2	366.4

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.1 Life insurance (continued)

14.1.2 Life insurance - reinsurance contracts held (continued)

14.1.2.1 Reconciliation of the assets for remaining coverage and incurred claims (continued)

		Company							
		2023				2022			
		Assets for remaining coverage				Assets for remaining coverage			
in Singapore Dollars (millions)	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
Reinsurance contract assets as at 1 January		194.7	4.5	158.7	357.9	417.0	-	94.5	511.5
Reinsurance contract liabilities as at 1 January		(93.9)	-	54.4	(39.5)	(110.9)	-	7.6	(103.3)
Net reinsurance contract assets/(liabilities) as at 1 January		100.8	4.5	213.1	318.4	306.1	-	102.1	408.2
Allocation of reinsurance premiums		(328.3)	-	-	(328.3)	(299.3)	-	-	(299.3)
Amounts recoverable from reinsurers									
Recoveries of incurred claims and other insurance service expenses		-	-	247.9	247.9	-	-	232.9	232.9
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	64.5	-	64.5	-	4.5	-	4.5
Net (expenses)/income from reinsurance contracts held		(328.3)	64.5	247.9	(15.9)	(299.3)	4.5	232.9	(61.9)
Net finance expenses/(income) from reinsurance contracts held	5	(15.8)	(0.2)	(0.1)	(16.1)	(28.2)	-	(0.2)	(28.4)
Total changes in the statement of profit or loss and OCI		(344.1)	64.3	247.8	(32.0)	(327.5)	4.5	232.7	(90.3)
Cash flows									
Premiums paid		237.1	-	-	237.1	111.6	-	-	111.6
Amounts received		-	-	(186.1)	(186.1)	-	-	(109.4)	(109.4)
Total cash flows		237.1	-	(186.1)	51.0	111.6	-	(109.4)	2.2
Other movements		(10.0)	-	9.7	(0.3)	10.6	-	(12.3)	(1.7)
Net reinsurance contract assets/(liabilities) as at 31 December		(16.2)	68.8	284.5	337.1	100.8	4.5	213.1	318.4
Reinsurance contract assets as at 31 December	14	138.7	68.9	181.4	389.0	194.7	4.5	158.7	357.9
Reinsurance contract liabilities as at 31 December	14	(154.9)	(0.1)	103.1	(51.9)	(93.9)	-	54.4	(39.5)
Net reinsurance contract assets/(liabilities) as at 31 December		(16.2)	68.8	284.5	337.1	100.8	4.5	213.1	318.4

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.1 Life insurance (continued)

14.1.2 Life insurance - reinsurance contracts held (continued)

14.1.2.2 Reconciliation of the measurement components of reinsurance contract balances - contracts not measured under the PAA

		Group							
		2023				2022			
in Singapore Dollars (millions)	Note	Estimates of the present value of future cash flows	Risk adjustment	CSM	Total	Estimates of the present value of future cash flows	Risk adjustment	CSM	Total
Reinsurance contract assets as at 1 January		415.7	550.3	(154.7)	811.3	409.8	451.4	66.6	927.8
Reinsurance contract liabilities as at 1 January		(482.6)	19.0	18.7	(444.9)	(483.2)	96.9	11.5	(374.8)
Net reinsurance contract assets/(liabilities) as at 1 January		(66.9)	569.3	(136.0)	366.4	(73.4)	548.3	78.1	553.0
Changes that relate to current services									
CSM recognised for services provided		-	-	19.0	19.0	-	-	1.8	1.8
Risk adjustment recognised for the risk expired		-	(58.3)	-	(58.3)	-	(47.9)	-	(47.9)
Experience adjustments		(99.5)	0.1	-	(99.4)	(56.7)	1.1	-	(55.6)
Changes that relate to future services									
Contracts initially recognised in the period		59.0	92.7	(87.7)	64.0	34.1	97.6	(127.3)	4.4
Changes in estimates that adjust the CSM		(36.8)	(13.4)	50.2	-	81.3	8.5	(89.8)	-
Changes that relate to past services									
Changes in amounts recoverable arising from changes in liability for incurred claims		(457.5)	-	-	(457.5)	(31.4)	-	-	(31.4)
Net (expense)/income from reinsurance contracts held		(534.8)	21.1	(18.5)	(532.2)	27.3	59.3	(215.3)	(128.7)
Net finance (expense)/income from reinsurance contracts held	5	(31.0)	23.4	(6.2)	(13.8)	(0.1)	(26.3)	0.6	(25.8)
Effect of movements in exchange rates		(41.7)	(15.4)	9.8	(47.3)	(25.2)	(12.0)	0.6	(36.6)
Total changes in the statement of profit or loss and OCI		(607.5)	29.1	(14.9)	(593.3)	2.0	21.0	(214.1)	(191.1)
Cash flows									
Premiums paid		374.8	-	-	374.8	176.4	-	-	176.4
Amounts received		(309.2)	-	-	(309.2)	(235.3)	-	-	(235.3)
Total cash flows		65.6	-	-	65.6	(58.9)	-	-	(58.9)
Other movements		507.8	-	-	507.8	63.4	-	-	63.4
Net reinsurance contract assets/(liabilities) as at 31 December		(101.0)	598.4	(150.9)	346.5	(66.9)	569.3	(136.0)	366.4
Reinsurance contract assets as at 31 December	14	116.0	573.2	(176.7)	512.5	415.7	550.3	(154.7)	811.3
Reinsurance contract liabilities as at 31 December	14	(217.0)	25.2	25.8	(166.0)	(482.6)	19.0	18.7	(444.9)
Net reinsurance contract assets/(liabilities) as at 31 December		(101.0)	598.4	(150.9)	346.5	(66.9)	569.3	(136.0)	366.4

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.1 Life insurance (continued)

14.1.2 Life insurance - reinsurance contracts held (continued)

14.1.2.2 Reconciliation of the measurement components of reinsurance contract balances - contracts not measured under the PAA (continued)

		Company							
		2023				2022			
in Singapore Dollars (millions)	Note	Estimates of the present value of future cash flows	Risk adjustment	CSM	Total	Estimates of the present value of future cash flows	Risk adjustment	CSM	Total
Reinsurance contract assets as at 1 January		29.5	302.7	25.7	357.9	204.7	242.8	64.0	511.5
Reinsurance contract liabilities as at 1 January		(54.3)	9.9	4.9	(39.5)	(205.2)	91.1	10.8	(103.3)
Net reinsurance contract assets/(liabilities) as at 1 January		(24.8)	312.6	30.6	318.4	(0.5)	333.9	74.8	408.2
Changes that relate to current services									
CSM recognised for services provided		-	-	(15.3)	(15.3)	-	-	(13.0)	(13.0)
Risk adjustment recognised for the risk expired		-	(22.0)	-	(22.0)	-	(23.0)	-	(23.0)
Experience adjustments		(42.2)	-	-	(42.2)	(29.9)	-	-	(29.9)
Changes that relate to future services									
Contracts initially recognised in the period		64.9	63.1	(63.9)	64.1	28.4	32.9	(56.8)	4.5
Changes in estimates that adjust the CSM		(16.6)	(5.4)	22.0	-	(26.8)	2.3	24.5	-
Net (expense)/income from reinsurance contracts held		6.1	35.7	(57.2)	(15.4)	(28.3)	12.2	(45.3)	(61.4)
Net finance (expense)/income from reinsurance contracts held	5	(24.3)	9.8	(1.6)	(16.1)	4.0	(33.5)	1.1	(28.4)
Total changes in the statement of profit or loss and OCI		(18.2)	45.5	(58.8)	(31.5)	(24.3)	(21.3)	(44.2)	(89.8)
Cash flows									
Premiums paid		236.6	-	-	236.6	106.6	-	-	106.6
Amounts received		(186.1)	-	-	(186.1)	(104.4)	-	-	(104.4)
Total cash flows		50.5	-	-	50.5	2.2	-	-	2.2
Other movements		(0.3)	-	-	(0.3)	(2.2)	-	-	(2.2)
Net reinsurance contract assets/(liabilities) as at 31 December		7.2	358.1	(28.2)	337.1	(24.8)	312.6	30.6	318.4
Reinsurance contract assets as at 31 December	14	71.2	346.3	(28.5)	389.0	29.5	302.7	25.7	357.9
Reinsurance contract liabilities as at 31 December	14	(64.0)	11.8	0.3	(51.9)	(54.3)	9.9	4.9	(39.5)
Net reinsurance contract assets/(liabilities) as at 31 December		7.2	358.1	(28.2)	337.1	(24.8)	312.6	30.6	318.4

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.1 Life insurance (continued)

14.1.2 Life insurance - reinsurance contracts held (continued)

14.1.2.3 Impact of contracts recognised during the year - contracts not measured under the PAA

	Group					
	2023			2022		
in Singapore Dollars (millions)	**Contracts originated not in a net gain**	**Contracts originated in a net gain**	**Total**	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Estimates of present value of future cash outflows	**(307.0)**	**(193.1)**	**(500.1)**	(455.2)	(50.6)	(505.8)
Estimates of present value of future cash inflows	**317.3**	**241.8**	**559.1**	476.7	63.2	539.9
Risk adjustment	**49.4**	**43.3**	**92.7**	85.5	12.1	97.6
CSM	**(59.7)**	**(28.0)**	**(87.7)**	(107.0)	(20.3)	(127.3)
Increase in reinsurance contract assets from contracts recognised during the year	**-**	**64.0**	**64.0**	-	4.4	4.4

	Company					
	2023			2022		
in Singapore Dollars (millions)	**Contracts originated not in a net gain**	**Contracts originated in a net gain**	**Total**	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Estimates of present value of future cash outflows	**(93.5)**	**(193.1)**	**(286.6)**	(109.3)	(50.6)	(159.9)
Estimates of present value of future cash inflows	**109.6**	**241.9**	**351.5**	125.1	63.2	188.3
Risk adjustment	**19.9**	**43.2**	**63.1**	20.8	12.1	32.9
CSM	**(36.0)**	**(27.9)**	**(63.9)**	(36.6)	(20.2)	(56.8)
Increase in reinsurance contract assets from contracts recognised during the year	**-**	**64.1**	**64.1**	-	4.5	4.5

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.1 Life insurance (continued)

14.1.2 Life insurance - reinsurance contracts held (continued)

14.1.2.4 Amounts determined on transition to SFRS(I) 17

	Group					
	2023			2022		
in Singapore Dollars (millions)	**Contracts using the fair value approach**	**All other contracts**	**Total**	Contracts using the fair value approach	All other contracts	Total
CSM as at 1 January	**97.8**	**(233.8)**	**(136.0)**	74.9	3.2	78.1
Changes that relate to current services						
CSM recognised for services provided	**(14.3)**	**33.3**	**19.0**	(11.9)	13.7	1.8
Changes that relate to future services						
Contracts intially recognised in the period	**-**	**(87.7)**	**(87.7)**	-	(127.3)	(127.3)
Changes in estimates that adjust the CSM	**16.4**	**33.8**	**50.2**	33.1	(122.9)	(89.8)
	2.1	**(20.6)**	**(18.5)**	21.2	(236.5)	(215.3)
Net finance (expenses)/income from reinsurance contracts held	**1.9**	**(8.1)**	**(6.2)**	1.7	(1.1)	0.6
Effect of movements in exchange rates	**-**	**9.8**	**9.8**	-	0.6	0.6
Total changes in the statement of profit or loss or OCI	**4.0**	**(18.9)**	**(14.9)**	22.9	(237.0)	(214.1)
CSM as at 31 December	**101.8**	**(252.7)**	**(150.9)**	97.8	(233.8)	(136.0)

	Company					
	2023			2022		
in Singapore Dollars (millions)	**Contracts using the fair value approach**	**All other contracts**	**Total**	Contracts using the fair value approach	All other contracts	Total
CSM as at 1 January	**98.0**	**(67.4)**	**30.6**	74.8	-	74.8
Changes that relate to current services						
CSM recognised for services provided	**(14.3)**	**(1.0)**	**(15.3)**	(11.9)	(1.1)	(13.0)
Changes that relate to future services						
Contracts intially recognised in the period	**-**	**(63.9)**	**(63.9)**	-	(56.8)	(56.8)
Changes in estimates that adjust the CSM	**16.4**	**5.6**	**22.0**	33.2	(8.7)	24.5
	2.1	**(59.3)**	**(57.2)**	21.3	(66.6)	(45.3)
Net finance income/(expenses) from reinsurance contracts held	**1.9**	**(3.5)**	**(1.6)**	1.8	(0.7)	1.1
Total changes in the statement of profit or loss or OCI	**4.0**	**(62.8)**	**(58.8)**	23.1	(67.3)	(44.2)
CSM as at 31 December	**102.0**	**(130.2)**	**(28.2)**	97.9	(67.3)	30.6

NOTES TO THE FINANCIAL STATEMENTS

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.2 Expected recognition of the contractual service margin

An analysis of the expected recognition of the Group's CSM remaining at the end of the reporting period in profit or loss is provided in the following table:

				2023			
in Singapore Dollars (millions)	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Total**
Insurance contracts issued							
Life	**601.3**	**489.4**	**448.8**	**418.3**	**387.9**	**4,001.9**	**6,347.6**
Total insurance contracts issued	**601.3**	**489.4**	**448.8**	**418.3**	**387.9**	**4,001.9**	**6,347.6**
Reinsurance contracts held							
Life	**17.6**	**6.4**	**8.9**	**9.0**	**8.0**	**101.0**	**150.9**
Total reinsurance contracts held	**17.6**	**6.4**	**8.9**	**9.0**	**8.0**	**101.0**	**150.9**

				2022			
in Singapore Dollars (millions)	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contracts issued							
Life	621.8	499.6	452.3	420.9	390.7	4,078.2	6,463.5
Total insurance contracts issued	621.8	499.6	452.3	420.9	390.7	4,078.2	6,463.5
Reinsurance contracts held							
Life	28.4	22.6	10.7	4.9	5.6	63.8	136.0
Total reinsurance contracts held	28.4	22.6	10.7	4.9	5.6	63.8	136.0

14 INSURANCE AND REINSURANCE CONTRACTS (continued)

14.2 Expected recognition of the contractual service margin (continued)

An analysis of the expected recognition of the Company's CSM remaining at the end of the reporting period in profit or loss is provided in the following table:

	2023						
in Singapore Dollars (millions)	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Total**
Insurance contracts issued							
Life	**317.4**	**232.7**	**210.3**	**194.1**	**181.0**	**2,026.6**	**3,162.1**
Total insurance contracts issued	**317.4**	**232.7**	**210.3**	**194.1**	**181.0**	**2,026.6**	**3,162.1**
Reinsurance contracts held							
Life	**(4.4)**	**(3.2)**	**0.3**	**1.3**	**1.1**	**33.1**	**28.2**
Total reinsurance contracts held	**(4.4)**	**(3.2)**	**0.3**	**1.3**	**1.1**	**33.1**	**28.2**

	2022						
in Singapore Dollars (millions)	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contracts issued							
Life	338.3	255.7	224.4	207.8	192.4	2,100.9	3,319.5
Total insurance contracts issued	338.3	255.7	224.4	207.8	192.4	2,100.9	3,319.5
Reinsurance contracts held							
Life	(12.1)	(7.4)	(7.1)	(2.8)	(1.3)	0.1	(30.6)
Total reinsurance contracts held	(12.1)	(7.4)	(7.1)	(2.8)	(1.3)	0.1	(30.6)

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Note	Group 2023	Group 2022 restated	Company 2023	Company 2022 restated
15 OTHER DEBTORS					
Other debtors comprise the following:					
Financial Assets:					
Accrued interest and dividend receivable		**627.3**	562.8	**421.3**	374.3
Investment debtors		**350.8**	127.7	**337.8**	108.1
Other receivables		**13.2**	30.6	**19.7**	4.2
Amount due from holding company [1]		**34.9**	29.5	**34.9**	29.5
Deposits collected		**3.0**	3.1	**1.9**	1.9
	17	**1,029.2**	753.7	**815.6**	518.0
Non-Financial Assets:					
Prepayments and others		**24.1**	34.0	**16.4**	29.3
		1,053.3	787.7	**832.0**	547.3

[1] Amount due from holding company is non-trade related, unsecured, interest-free, repayable upon demand and is to be settled in cash.

in Singapore Dollars (millions)	Note	Company 2023	Company 2022
16 AMOUNT DUE FROM/(TO) SUBSIDIARIES AND RELATED COMPANIES			
Amount due from subsidiaries		**4.6**	6.8
Loans to subsidiaries		**0.1**	0.1
		4.7	6.9
Amounts due from related companies		**48.5**	73.3
		48.5	73.3
	17	**53.2**	80.2
Amounts to related companies		**(20.2)**	(0.2)
		(20.2)	(0.2)

The amounts due from/(to) subsidiaries and loans to subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)		Group		Company	
	Note	**2023**	2022 restated	**2023**	2022 restated
17 LOANS AND OTHER FINANCIAL ASSETS AT AMORTISED COST					
Loans comprise the following:					
Secured loans		**372.9**	292.5	**372.3**	291.8
Unsecured loans		**146.4**	194.8	**18.5**	45.1
		519.3	487.3	**390.8**	336.9
less: Provision for impairment of secured loans		**0.4**	0.7	**0.4**	0.7
Provision for impairment of unsecured loans		**8.1**	6.3	**-**	-
		510.8	480.3	**390.4**	336.2

If loans were carried at fair value, the carrying amounts would be as follows:

Loans		**524.5**	485.1	**390.9**	336.5
Loans and other financial assets at amortised cost:					
Cash and cash equivalents		**5,724.0**	8,936.6	**4,775.4**	7,325.9
Other debtors	15	**1,029.2**	753.7	**815.6**	518.0
Loans		**510.8**	480.3	**390.4**	336.2
Debt securities	19	**1,218.2**	1,802.5	**831.6**	1,475.1
Amount due from subsidiaries and related companies	16	**-**	-	**53.2**	80.2
Total loans and financial assets at amortised cost		**8,482.2**	11,973.1	**6,866.2**	9,735.4

17.1 Loans analysed by Interest Rate Sensitivity and Geography					
Fixed					
Singapore		**14.5**	4.9	**14.5**	4.9
Malaysia		**120.4**	144.1	**-**	-
		134.9	149.0	**14.5**	4.9
Floating					
Singapore		**375.9**	331.3	**375.9**	331.3
Total		**510.8**	480.3	**390.4**	336.2

The analysis by interest rate sensitivity is based on where the transactions are booked and where the credit risk resides.

18 DERIVATIVE FINANCIAL INSTRUMENTS

in Singapore Dollars (millions)	Group **Notional Amount 2023**	**Derivative Financial Assets 2023**	**Derivative Financial Liabilities 2023**	Notional Amount 2022	Derivative Financial Assets 2022	Derivative Financial Liabilities 2022
Foreign exchange:						
Forwards	**27,359.3**	**382.6**	**(121.3)**	27,354.3	501.1	(145.9)
Currency swaps	**1,982.2**	**96.1**	**(14.0)**	3,226.4	174.3	(6.9)
Options	**-**	**-**	**-**	69.0	12.0	-
Interest rates:						
Swaps	**904.0**	**23.7**	**(32.7)**	875.1	9.0	(64.4)
Exchange traded futures	**3,699.6**	**371.1**	**(4.0)**	840.5	2.2	(17.2)
Equity:						
Swaps	**20.5**	**-**	**(0.6)**	215.1	0.2	(33.2)
Futures	**1,070.4**	**13.7**	**(2.9)**	584.0	3.2	(0.1)
Options	**472.2**	**54.6**	**-**	769.5	32.9	(4.8)
Bonds:						
Forwards	**175.0**	**2.2**	**(0.8)**	210.6	0.3	(4.8)
Credit:						
Swaps	**10.0**	**9.9**	**-**	588.8	1.9	(3.7)
	35,693.2	**953.9**	**(176.3)**	34,733.3	737.1	(281.0)

in Singapore Dollars (millions)	Company **Notional Amount 2023**	**Derivative Financial Assets 2023**	**Derivative Financial Liabilities 2023**	Notional Amount 2022	Derivative Financial Assets 2022	Derivative Financial Liabilities 2022
Foreign exchange:						
Forwards	**27,359.3**	**382.6**	**(121.3)**	27,348.9	501.1	(145.9)
Currency swaps	**1,881.7**	**96.1**	**(5.5)**	3,119.4	174.2	(5.5)
Options	**-**	**-**	**-**	69.0	12.0	-
Interest rates:						
Swaps	**904.0**	**23.7**	**(32.7)**	875.1	9.0	(64.4)
Exchange traded futures	**3,699.6**	**371.1**	**(4.0)**	840.5	2.2	(17.2)
Equity:						
Swaps	**20.5**	**-**	**(0.6)**	215.1	0.2	(33.2)
Futures	**1,070.4**	**13.7**	**(2.9)**	584.0	3.2	(0.1)
Options	**472.2**	**54.6**	**-**	769.5	32.9	(4.8)
Credit:						
Swaps	**10.0**	**9.9**	**-**	588.8	1.9	(3.7)
	35,417.7	**951.7**	**(167.0)**	34,410.3	736.7	(274.8)

The tables above show the fair value of derivative financial instruments, recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and the basis upon which changes in the value of derivatives are measured.

The fair value of derivatives shown above represents the current risk exposure but not the maximum risk exposure that would arise in the future as a result of the changes in value.

in Singapore Dollars (millions)	Group		Company	
	2023	2022	**2023**	2022
19 INVESTMENTS		restated		restated
19.1 Financial assets at FVOCI				
Equity securities designated at FVOCI				
(i) Quoted equity securities	**1,454.6**	1,273.3	**1,081.1**	905.5
- Hongkong Stock Exchange	**266.6**	316.6	**173.8**	229.9
- Bursa Malaysia	**212.8**	212.3	**-**	-
- New York Stock Exchange	**179.7**	115.7	**179.7**	115.7
- Tokyo Stock Exchange	**148.2**	125.4	**148.2**	125.4
- Singapore Exchange	**127.1**	192.5	**59.1**	131.7
- NASDAQ/NGS (Global Select Market)	**123.7**	24.0	**123.7**	24.0
- Korea Stock Exchange	**88.4**	84.4	**88.4**	84.4
- Taiwan Stock Exchange	**85.1**	80.9	**85.1**	80.9
- Australian Stock Exchange	**63.0**	65.9	**63.0**	65.9
- Others	**160.0**	55.6	**160.1**	47.6
(ii) Unquoted equity securities	**22.3**	22.7	**2.6**	2.6
	1,476.9	1,296.0	**1,083.7**	908.1
Debt securities at FVOCI				
(iii) Quoted debt securities[1]	**7,298.1**	5,669.7	**6,464.2**	5,052.4
(iv) Unquoted debt securities	**4,258.1**	2,478.1	**2,970.5**	1,111.0
	11,556.2	8,147.8	**9,434.7**	6,163.4
Total securities measured at FVOCI	**13,033.1**	9,443.8	**10,518.4**	7,071.5

During the financial year ended 31 December 2023, the Group and the Company sold listed equity securities as the underlying investments are no longer aligned with the Group's and the Company's long-term investment strategy. The investments for the Group and the Company had fair value of $711.6 million (2022: $684.4 million) and $660.9 million (2022: $588.3 million) respectively at the date of disposal. The cumulative loss on disposal of $10.3 million (2022: gain of $6.9 million) and $6.7 million (2022: gain of $18.2 million) for the Group and the Company were reclassified from fair value reserve to retained earnings.

	Group 2023	Group 2022 restated	Company 2023	Company 2022 restated
19.2 Financial assets at FVTPL				
Mandatorily measured at FVTPL				
Equity securities				
(i) Quoted equity securities	**11,364.5**	11,388.0	**4,106.9**	3,650.8
(ii) Unquoted equity securities	**24.8**	21.8	**3.4**	-
	11,389.3	11,409.8	**4,110.3**	3,650.8
Debt securities				
(iii) Quoted debt securities	**3,877.8**	4,885.8	**3,783.6**	4,797.1
(iv) Unquoted debt securities	**3,218.7**	2,717.6	**1,394.9**	1,068.6
	7,096.5	7,603.4	**5,178.5**	5,865.7
Other investments				
(v) Collective investment schemes[2]	**18,339.8**	13,747.0	**17,287.5**	12,869.7
Total financial assets mandatorily measured at FVTPL	**36,825.6**	32,760.2	**26,576.3**	22,386.2

(1) Included in quoted debt securities are quoted government securities amounting to $42.6 million (2022: $33.8 million) which are lodged with the regulator as statutory deposits.

(2) Collective investment schemes include but are not limited to hedge funds, private equity funds,unit trusts,real estate investment funds, exchange traded funds and open-ended investment company funds .

in Singapore Dollars (millions)	Note	Group 2023	Group 2022 restated	Company 2023	Company 2022 restated
19 INVESTMENTS (continued)					
19.2 Financial assets at FVTPL (continued)					
Designated at FVTPL					
Debt securities					
(i) Quoted debt securities		**27,820.3**	28,688.3	**23,643.5**	24,915.4
(ii) Unquoted debt securities		**13,643.0**	12,347.3	**4,671.5**	3,541.6
Total financial assets designated at FVTPL[1]		**41,463.3**	41,035.6	**28,315.0**	28,457.0
Total financial assets at FVTPL		**78,288.9**	73,795.8	**54,891.3**	50,843.2
19.3 Financial assets at amortised cost					
Debt securities					
(i) Quoted debt securities		**1,033.1**	1,097.7	**646.5**	770.3
(ii) Unquoted debt securities		**185.1**	704.8	**185.1**	704.8
Total financial assets at amortised cost[2]	17	**1,218.2**	1,802.5	**831.6**	1,475.1
TOTAL INVESTMENTS		**92,540.2**	85,042.1	**66,241.3**	59,389.8

(1) These securities are designated at fair value through the profit or loss on initial recognition.

(2) If these financial assets are measured using market value, the carrying amount would be as follows:

in Singapore Dollars (millions)	Group 2023	Group 2022	Company 2023	Company 2022
Quoted debt securities	**1,014.2**	1,401.1	**645.3**	1,150.4
Unquoted debt securities	**184.4**	314.1	**184.4**	314.1
	1,198.6	1,715.2	**829.7**	1,464.5

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Group		Company	
	2023	2022	**2023**	2022

20 **UNDERLYING ITEMS**

The following table sets out the composition and the fair value of underlying items of the Group's and the Company's contracts with direct participation features.

	Group 2023	Group 2022	Company 2023	Company 2022
Cash and cash equivalents	**3,222.0**	6,356.7	**2,665.2**	5,285.1
Derivative financial instruments	**578.2**	213.8	**584.3**	219.0
Equity securities	**10,706.0**	10,777.8	**4,056.9**	3,596.6
Debt securities	**42,988.9**	40,322.7	**29,778.9**	27,569.2
Other investments	**17,184.5**	13,029.7	**15,939.1**	12,080.8
Loans	**392.3**	334.1	**331.1**	259.6
Investment in subsidiaries	**-**	-	**312.6**	337.8
Investment properties	**1,375.7**	1,385.4	**1,117.9**	1,109.4
Property, plant and equipment	**841.3**	833.1	**757.1**	742.2
Total	**77,288.9**	73,253.3	**55,543.1**	51,199.7

in Singapore Dollars (millions)	Note	Company 2023	Company 2022
21 **INVESTMENT IN SUBSIDIARIES**			
Investment in shares, at cost		**391.4**	391.4
Less: Provision for impairment of investment in subsidiaries	12	**(7.2)**	(7.2)
		384.2	384.2

Significant restrictions:

The ability of insurance subsidiaries to transfer funds to the Group in the form of cash dividends is subject to local insurance laws and regulations and solvency requirements in certain jurisdictions in which the subsidiaries operate. These requirements do not constitute a material limitation on the ability of the subsidiaries to transfer funds to the Group.

22 **INTERESTS IN STRUCTURED ENTITIES**

A structured entity is defined as 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, or when the relevant activities are directed by means of contractual arrangements. The Group and the Company have interests in unconsolidated structured entities as described below.

The Group and the Company hold shares or units in investment vehicles, which consist of:

- Debt securities which comprise: Mortgage-Backed-Securities (MBS), Asset Backed Securities (ABS), and Structured Deposits (SD).
- Collective Investment Schemes which comprise: hedge funds, private equity funds, unit trusts, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETF) and Open Ended Investment Companies (OEIC).

22 INTERESTS IN STRUCTURED ENTITIES (continued)

The Group's and the Company's holdings in investment vehicles are subject to the terms and conditions of the respective investment vehicle's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those investment vehicles.

The investment vehicles in the investment portfolio are managed by portfolio managers who are compensated by the respective investment vehicles for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee, and is reflected in the valuation of the investment vehicles.

22.1 Interests in unconsolidated structured entities

As part of their investment activities, the Group and the Company invest in unconsolidated structured entities. As at 31 December 2023, the total interest in unconsolidated structured entities was $19,857.6 million (2022: $14,608.6 million) for the Group and $17,938.7 million (2022: $13,196.6 million) for the Company.

The Group and the Company do not sponsor any of the unconsolidated structured entities.

A summary of the Group's and the Company's interests in unconsolidated structured entities is as follows:

	Group		**Company**	
in Singapore Dollars (millions)	**2023**	2022	**2023**	2022
Debt securities				
Analysed as:				
MBS	**571.3**	201.7	**543.3**	172.1
ABS	**125.2**	197.4	**107.9**	154.8
SD	**821.3**	462.5	**-**	-
Collective investment schemes				
Analysed as:				
Hedge funds	**1,674.5**	1,462.3	**1,674.5**	1,462.3
Private equity funds	**2,890.7**	2,817.9	**2,840.8**	2,791.3
Unit trusts	**3,414.9**	2,909.1	**2,660.8**	2,300.5
REITs	**849.8**	777.1	**626.9**	553.8
ETF	**1,008.7**	514.5	**983.3**	495.7
OEIC	**8,501.2**	5,266.1	**8,501.2**	5,266.1
Total	**19,857.6**	14,608.6	**17,938.7**	13,196.6

The Group's and the Company's maximum exposure to the loss on the interests presented above is the carrying amount of the investments.

The Group and the Company have not provided any financial or other support to the unconsolidated structured entities as at the reporting date, and there are no intentions to provide support in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

23 INTANGIBLE ASSETS

		Group				
in Singapore Dollars (millions)	Note	Software	Capital works in progress	Club Membership	Distribution Platform	Total
Cost						
At 1 January 2022		396.0	80.2	0.5	2.6	479.3
Reclassification		56.8	(56.8)	-	-	-
Additions		8.3	42.8	-	-	51.1
Disposals/assets written off		(11.4)	(0.3)	-	-	(11.7)
Currency translation reserve adjustment		(7.8)	(1.9)	-	(0.1)	(9.8)
At 31 December 2022/ 1 January 2023		**441.9**	**64.0**	**0.5**	**2.5**	**508.9**
Reclassification		**45.8**	**(45.8)**	**-**	**-**	**-**
Reclassification to property, plant and equipment	26	**(0.1)**	**-**	**-**		**(0.1)**
Additions		**6.7**	**48.3**	**-**	**-**	**55.0**
Disposals/assets written off		**(12.3)**	**-**	**-**	**-**	**(12.3)**
Currency translation reserve adjustment		**(8.2)**	**(1.9)**	**-**	**(0.2)**	**(10.3)**
At 31 December 2023		**473.8**	**64.6**	**0.5**	**2.3**	**541.2**
Accumulated amortisation						
At 1 January 2022		(329.8)	-	(0.1)	(0.8)	(330.7)
Amortisation charge for the year	6	(39.1)	-	-	(0.4)	(39.5)
Disposals/assets written off		11.3	-	-	-	11.3
Currency translation reserve adjustment		6.7	-	-	-	6.7
At 31 December 2022/ 1 January 2023		**(350.9)**	**-**	**(0.1)**	**(1.2)**	**(352.2)**
Amortisation charge for the year	6	**(40.4)**	**-**	**-**	**(0.3)**	**(40.7)**
Disposals/assets written off		**12.3**	**-**	**-**	**-**	**12.3**
Reclassification to property, plant and equipment	26	**0.1**	**-**	**-**	**-**	**0.1**
Currency translation reserve adjustment		**6.5**	**-**	**-**	**0.1**	**6.6**
At 31 December 2023		**(372.4)**	**-**	**(0.1)**	**(1.4)**	**(373.9)**
Net book value						
At 31 December 2022		91.0	64.0	0.4	1.3	156.7
At 31 December 2023		**101.4**	**64.6**	**0.4**	**0.9**	**167.3**

23 INTANGIBLE ASSETS (continued)

		Company			
in Singapore Dollars (millions)	Note	Software	Capital works in progress	Club Membership	Total
Cost					
At 1 January 2022		263.9	47.8	0.5	312.2
Reclassification		47.2	(47.2)	-	-
Additions		4.8	31.9	-	36.7
Disposals/assets written off		(11.4)	(0.2)	-	(11.6)
At 31 December 2022/ 1 January 2023		**304.5**	**32.3**	**0.5**	**337.3**
Reclassification		**41.7**	**(41.7)**	**-**	**-**
Additions		**3.2**	**38.1**	**-**	**41.3**
Disposals/assets written off		**(12.3)**	**-**	**(0.1)**	**(12.4)**
At 31 December 2023		**337.1**	**28.7**	**0.4**	**366.2**
Accumulated amortisation					
At 1 January 2022		(222.5)	-	(0.1)	(222.6)
Amortisation charge for the year	6	(27.2)	-	-	(27.2)
Disposals/assets written off		11.3	-	-	11.3
At 31 December 2022/ 1 January 2023		**(238.4)**	**-**	**(0.1)**	**(238.5)**
Amortisation charge for the year	6	**(30.3)**	**-**	**-**	**(30.3)**
Disposals/assets written off		**12.3**	**-**	**-**	**12.3**
At 31 December 2023		**(256.4)**	**-**	**(0.1)**	**(256.5)**
Net book value					
At 31 December 2022		66.1	32.3	0.4	98.8
At 31 December 2023		**80.7**	**28.7**	**0.3**	**109.7**

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Note	Group 2023	Group 2022	Company 2023	Company 2022
24 INVESTMENT PROPERTIES					
Balance sheet:					
At the beginning of the year		**1,881.2**	1,883.9	**1,198.2**	1,106.9
Additions (subsequent expenditure)		**1.1**	1.0	**-**	-
Net gain from fair value adjustments	5	**16.3**	91.3	**9.3**	91.3
Reclassifcation to asset held for sale	25	**-**	(72.6)	**-**	-
Currency translation reserve adjustment		**(17.9)**	(22.4)	**-**	-
At the end of the year		**1,880.7**	1,881.2	**1,207.5**	1,198.2
Profit or Loss Statement:					
Rental income from investment properties:					
- Minimum lease payments		**49.9**	47.3	**21.9**	20.1
Direct operating expenses (including repairs and maintenance) arising from:					
- Rental generating properties		**(17.5)**	(17.1)	**(7.0)**	(6.3)
- Non-rental generating properties		**(0.1)**	-	**-**	-
		(17.6)	(17.1)	**(7.0)**	(6.3)

Investment properties collectively form an asset class which is an integral part of the overall investment strategy for the asset-liability management of the life insurance business.

Investment properties are stated at fair value, which has been determined based on objective valuation undertaken by independent valuers as at the balance sheet date. Valuations are performed by accredited independent valuers with recent experience in the location and category of the properties being valued.

25 ASSET HELD FOR SALE

The directors of the Group's subsidiary approved the sale of a property as at 31 December 2022, and this sale has been completed in 2023. The property was reclassified from investment property to asset held for sale during 2022 and measured at fair value. The fair value of the property amounting to $72.6 million as at 31 December 2022 and measured using the income approach. This was a level 3 measurement as per the fair value hierarchy set out in note 32.3.

NOTES TO THE FINANCIAL STATEMENTS

26 PROPERTY, PLANT AND EQUIPMENT

		Group								
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
in Singapore Dollars (millions)	Note	Leasehold Land[1]	Office Space	Other Right-Of-Use Assets	Freehold Land[1]	Capital Works In Progress	Buildings[1]	Computer Equipment and Software Development Costs	Other Assets[2]	Total
Cost										
At 1 January 2022		37.9	100.5	0.9	60.5	15.1	606.2	134.3	102.2	1,057.6
Additions		-	0.2	-	-	1.3	-	7.2	2.6	11.3
Disposals/assets written off		-	(0.1)	-	-	-	-	(2.0)	(8.3)	(10.4)
Reclassification		-	-	-	-	(11.6)	-	-	11.6	-
Currency translation reserve adjustment		(0.3)	(0.1)	-	(0.2)	-	(8.4)	(5.3)	(2.4)	(16.7)
At 31 December 2022/ 1 January 2023		**37.6**	**100.5**	**0.9**	**60.3**	**4.8**	**597.8**	**134.2**	**105.7**	**1,041.8**
Additions		**-**	**0.2**	**-**	**-**	**14.4**	**1.3**	**7.0**	**10.0**	**32.9**
Disposals/assets written off		**-**	**-**	**-**	**-**	**-**	**-**	**(3.6)**	**(5.9)**	**(9.5)**
Reclassification		**-**	**-**	**-**	**-**	**(1.0)**	**-**	**-**	**1.0**	**-**
Reclassification from intangible assets	23	**-**	**-**	**-**	**-**	**-**	**-**	**0.1**	**-**	**0.1**
Currency translation reserve adjustment		**(0.3)**	**(0.1)**	**-**	**(0.2)**	**-**	**(7.9)**	**(4.9)**	**(2.4)**	**(15.8)**
At 31 December 2023		**37.3**	**100.6**	**0.9**	**60.1**	**18.2**	**591.2**	**132.8**	**108.4**	**1,049.5**

NOTES TO THE FINANCIAL STATEMENTS

26 PROPERTY, PLANT AND EQUIPMENT (continued)

in Singapore Dollars (millions)	Note	Group: Right-Of-Use Assets: Leasehold Land[1]	Office Space	Other Right-Of-Use Assets	Property, Plant and Equipment Owned: Freehold Land[1]	Capital Works In Progress	Buildings[1]	Computer Equipment and Software Development Costs	Other Assets[2]	Total
Accumulated Depreciation and Impairment Loss										
At 1 January 2022		(2.1)	(26.6)	(0.6)	(1.4)	-	(302.0)	(111.5)	(70.4)	(514.6)
Depreciation charge for the year	6	-	(12.0)	(0.1)	-	-	(12.0)	(9.9)	(8.8)	(42.8)
Disposals/assets written off		-	-	-	-	-	-	2.0	8.3	10.3
Currency translation reserve adjustment		-	0.1	-	-	-	3.9	5.1	2.3	11.4
At 31 December 2022/ 1 January 2023		**(2.1)**	**(38.5)**	**(0.7)**	**(1.4)**	**-**	**(310.1)**	**(114.3)**	**(68.6)**	**(535.7)**
Depreciation charge for the year	6	**-**	**(12.1)**	**-**	**-**	**-**	**(12.0)**	**(9.8)**	**(7.9)**	**(41.8)**
Disposals/assets written off		**-**	**-**	**-**	**-**	**-**	**-**	**3.6**	**5.8**	**9.4**
Reclassification to intangible assets	23	**-**	**-**	**-**	**-**	**-**	**-**	**(0.1)**	**-**	**(0.1)**
Currency translation reserve adjustment		**-**	**-**	**(0.1)**	**-**	**-**	**3.9**	**5.0**	**2.3**	**11.1**
At 31 December 2023		**(2.1)**	**(50.6)**	**(0.8)**	**(1.4)**	**-**	**(318.2)**	**(115.6)**	**(68.4)**	**(557.1)**
Net Book Value										
At 31 December 2022		35.5	62.0	0.2	58.9	4.8	287.7	19.9	37.1	506.1
At 31 December 2023		**35.2**	**50.0**	**0.1**	**58.7**	**18.2**	**273.0**	**17.2**	**40.0**	**492.4**

(1) If the freehold land, leasehold land and buildings were measured using market value, the carrying amount would be as follows:

in Singapore Dollars (millions)	Group 2023	2022
Freehold land, Leasehold land and Buildings	**847.6**	846.6

(2) Other assets include motor vehicles, office furniture, fittings and equipment.

NOTES TO THE FINANCIAL STATEMENTS

26 PROPERTY, PLANT AND EQUIPMENT (continued)

26.1 Leases

This note provides information for leases where the Group is a lessee.

The Group has entered into operating lease agreements for computer equipment and office rental. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 5 years. There are several lease contracts that include extension and termination options.

The Group also has certain leases of office rental with lease terms of 12 months or less and leases of computer equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following are the amounts recognised in the Profit or Loss Statement:

		Group	
in Singapore Dollars (millions)	Note	**2023**	2022
Depreciation expense of right-of-use assets		**12.1**	12.1
Interest expense on lease liabilities	6	**1.6**	1.9
Expense relating to short-term leases		**0.4**	0.6
Expense relating to leases of low-value assets		**0.1**	0.2
Total amount recognised in the Profit or Loss Statement		**14.2**	14.8

The total cash outflow for leases in 2023 was $12.9 million (2022: $13.9 million).

NOTES TO THE FINANCIAL STATEMENTS

26 PROPERTY, PLANT AND EQUIPMENT (continued)

		Company								
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
in Singapore Dollars (millions)	Note	Leasehold Land[1]	Office Space	Other Right-Of-Use Assets	Freehold Land[1]	Capital Works In Progress	Buildings[1]	Computer Equipment and Software Development Costs	Other Assets[2]	Total
Cost										
At 1 January 2022		32.1	101.9	0.1	56.6	14.4	461.6	43.5	56.9	767.1
Additions		-	2.4	-	-	1.5	-	5.0	1.5	10.4
Disposals/assets written off		-	(2.6)	-	-	-	-	(1.7)	(8.2)	(12.5)
Reclassification		-	-	-	-	(11.6)	-	-	11.6	-
At 31 December 2022/ 1 January 2023		**32.1**	**101.7**	**0.1**	**56.6**	**4.3**	**461.6**	**46.8**	**61.8**	**765.0**
Additions		**-**	**3.6**	**-**	**-**	**14.4**	**-**	**3.3**	**8.0**	**29.3**
Disposals/assets written off		**-**	**-**	**-**	**-**	**-**	**-**	**(3.2)**	**(5.5)**	**(8.7)**
Reclassification		**-**	**-**	**-**	**-**	**(1.0)**	**-**	**-**	**1.0**	**-**
At 31 December 2023		**32.1**	**105.3**	**0.1**	**56.6**	**17.7**	**461.6**	**46.9**	**65.3**	**785.6**

NOTES TO THE FINANCIAL STATEMENTS

26 PROPERTY, PLANT AND EQUIPMENT (continued)

		Company								
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
in Singapore Dollars (millions)	Note	Leasehold Land[1]	Office Space	Other Right-Of-Use Assets	Freehold Land[1]	Capital Works In Progress	Buildings[1]	Computer Equipment and Software Development Costs	Other Assets[2]	Total
Accumulated Depreciation and Impairment Loss										
At 1 January 2022		-	(28.1)	(0.1)	-	-	(242.3)	(27.7)	(30.9)	(329.1)
Depreciation charge for the year	6	-	(12.9)	-	-	-	(9.2)	(6.1)	(7.2)	(35.4)
Disposals/assets written off		-	2.6	-	-	-	-	1.7	8.1	12.4
At 31 December 2022/ 1 January 2023		**-**	**(38.4)**	**(0.1)**	**-**	**-**	**(251.5)**	**(32.1)**	**(30.0)**	**(352.1)**
Depreciation charge for the year	6	**-**	**(13.1)**	**-**	**-**	**-**	**(9.2)**	**(6.0)**	**(6.2)**	**(34.5)**
Disposals/assets written off		**-**	**-**	**-**	**-**	**-**	**-**	**3.2**	**5.5**	**8.7**
At 31 December 2023		**-**	**(51.5)**	**(0.1)**	**-**	**-**	**(260.7)**	**(34.9)**	**(30.7)**	**(377.9)**
Net Book Value										
At 31 December 2022		32.1	63.3	-	56.6	4.3	210.1	14.7	31.8	412.9
At 31 December 2023		**32.1**	**53.8**	**-**	**56.6**	**17.7**	**200.9**	**12.0**	**34.6**	**407.7**

[1] If the freehold land, leasehold land and buildings were measured using market value, the carrying amount would be as follows:

	Company	
in Singapore Dollars (millions)	**2023**	2022
Freehold land, Leasehold land and Buildings	**691.9**	681.2

[2] Other assets include motor vehicles, office furniture, fittings and equipment.

26 PROPERTY, PLANT AND EQUIPMENT (continued)

26.2 Leases

This note provides information for leases where the Company is a lessee.

The Company has entered into operating lease agreements for computer equipment and office rental. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 5 years. There are several lease contracts that include extension and termination options.

The Company also has certain leases of office rental with lease terms of 12 months or less and leases of computer equipment with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases respectively.

The following are the amounts recognised in the Profit or Loss Statement:

		Company	
in Singapore Dollars (millions)	Note	**2023**	2022
Depreciation expense of right-of-use assets		**13.1**	12.9
Interest expense on lease liabilities	6	**1.7**	1.9
Expense relating to short-term leases		**0.3**	-
Expense relating to leases of low-value assets		**0.1**	0.1
Total amount recognised in the Profit or Loss Statement		**15.2**	14.9

The total cash outflow for leases in 2023 was $14.1 million (2022: $13.4 million).

NOTES TO THE FINANCIAL STATEMENTS

27 EXECUTIVES' SHARE OPTION SCHEME

27.1 OCBC Share Option Scheme

In April 2005, the senior executives and executive Directors of the Group and the Company ("Optionholders") were nominated to participate in the OCBC Bank Share Option Scheme (2001) ("OCBC Option Scheme"). OCBC Bank has ceased granting share options under the 2001 Scheme effective from financial year 2018 remuneration. Share options granted in prior years continue to be outstanding until the options lapse or are exercised by the recipients. The share options have a validity period of 10 years from date of grant.

For the financial year ended 31 December 2023, there were no options granted under the OCBC Share Option Scheme (2022: nil) to the Optionholders to acquire ordinary shares in OCBC Bank pursuant to 2001 Scheme, and no options were granted to a director of the Company (2022:nil).

Information with respect to the number of options granted under the OCBC Option Scheme to the Optionholders is as follows:

	Group			
	2023		2022	
	Number of options	**Average Price**	Number of options	Average Price
Number of shares comprised in options:				
At beginning of year	**1,706,888**	**$10.344**	2,332,353	$10.103
Lapsed during the year	**(10,224)**	**$10.018**	(14,856)	$12.113
Exercised during the year	**(815,370)**	**$9.707**	(610,609)	$9.383
Outstanding at end of year	**881,294**	**$10.937**	1,706,888	$10.344
Exercisable at end of year	**881,294**	**$10.937**	1,706,888	$10.344
Average share price underlying the options exercised during the financial year		**$12.619**		$12.245

	Company			
	2023		2022	
	Number of options	**Average Price**	Number of options	Average Price
Number of shares comprised in options:				
At beginning of year	**1,190,264**	**$10.488**	1,669,645	$10.185
Lapsed during the year	**(10,224)**	**$10.018**	(5,232)	$13.340
Exercised during the year	**(627,554)**	**$9.615**	(474,149)	$9.490
Outstanding at end of year	**552,486**	**$11.403**	1,190,264	$10.488
Exercisable at end of year	**552,486**	**$11.403**	1,190,264	$10.488
Average share price underlying the options exercised during the financial year		**$12.619**		$12.245

Details of the options outstanding as at 31 December 2023 are as follows:

				Group		Company	
Grant year	**Grant date**	**Exercise period**	**Acquisition Price**	**Outstanding**	**Exercisable**	**Outstanding**	**Exercisable**
2014	14.03.2014	15.03.2015 - 13.03.2024	$9.169	**147,463**	**147,463**	**18,227**	**18,227**
2015	16.03.2015	16.03.2016 - 15.03.2025	$10.378	**104,080**	**104,080**	**67,050**	**67,050**
2016	16.03.2016	16.03.2017 - 15.03.2026	$8.814	**116,596**	**116,596**	**75,620**	**75,620**
2017	23.03.2017	23.03.2018 - 22.03.2017	$9.598	**178,176**	**178,176**	**121,071**	**121,071**
2018	22.03.2018	22.03.2019 - 21.03.2028	$13.340	**334,979**	**334,979**	**270,518**	**270,518**
				881,294	**881,294**	**552,486**	**552,486**

The carrying amount of the liability recognised on the balance sheet related to the above options at 31 December 2023 is $1.0 million (31 December 2022: $1.6 million) for the Group and $0.9 million (31 December 2022: $1.2 million) for the Company.

As at 31 December 2023, the weighted average remaining contractual life of outstanding options for the Group and the Company was 2.7 years (2022: 2.7 years) and 3.2 years (2022: 3.0 years) respectively.

There were no outstanding options held by directors of the Company as at 31 December 2023 (2022: nil).

NOTES TO THE FINANCIAL STATEMENTS

27 EXECUTIVES' SHARE OPTION SCHEME (continued)

27.2 OCBC Deferred Share Plan ("DSP")

The DSP aims to increase the performance-orientation and retention factor in compensation packages of executives, and foster an ownership culture within the organisation. It also aligns the interests of executives with the sustained business performance of OCBC Bank. OCBC Group Executive Director selected by the OCBC Group Remuneration Committee, are eligible to participate in the DSP.

Half (50%) of the share awards will vest after two years with the remaining 50% vesting at the end of three years in accordance with the guidelines established under the DSP. Prior to the vesting date, the executives will not be accorded voting rights for the shares.

OCBC Bank adopted the OCBC Deferred Share Plan 2021 (DSP 2021) on 29 April 2021 to replace the DSP, which was terminated on the same day. The termination of the DSP does not affect the awards which have been granted, whether such awards have been released (whether fully or partially) or not. By implementing the DSP 2021, which permits new ordinary shares to be issued, OCBC Bank has greater flexibility in its methods for delivery of ordinary shares, as this can be effected through an issue of new ordinary shares, in addition to the transfer of existing ordinary shares (including treasury shares).

During the financial year, 53,875 (2022: 40,919) ordinary shares were granted to eligible executives under the DSP, of which none (2022: nil) were granted to a director of the Company.

Total awards of 298,649 (2022: 385,014) ordinary shares, which none (2022: nil) ordinary shares to directors of the Company, were granted to eligible executives of the Group and the Company under the DSP for the financial year ended 31 December 2023. The fair value of the shares at grant date was $3.7 million (2022: $4.4 million).

27.3 OCBC Employee Share Purchase Plan ("ESP")

The ESP was implemented for all employees of the participating companies in OCBC Group, including executive Directors.

The ESP is a saving-based share ownership plan to help employees own ordinary shares in OCBC Bank through their monthly contributions via deductions from payroll and/or from Central Provident Fund. The employees have the option to convert the contributions to ordinary shares after one year or to withdraw the contributions at any time. As a further incentive to employees to enrol in the ESP Plan, OCBC Bank pays interest on the amounts saved at a preferential interest rate. The duration of the offering period is 24 months.

In July 2023, the Bank launched its eigteenth offering of ESP for Group employees, which commenced on 1 September 2023 and expire on 31 August 2025. Under the offering, OCBC Bank granted rights to the Group and to the Company to acquire 825,929 (2022: 822,213) and 647,197 (2022: 615,945) ordinary shares in the Bank. The fair value of rights, determined using the binomial valuation model was $0.6 million (2022: $0.7 million) for the Group and $0.5 million (2022: $0.6 million) for the Company. Significant inputs to the valuation model are set out below.

	2023	2022
Acquisition price ($)	**12.47**	12.07
Share price ($)	**12.94**	12.24
Expected volatility based on historical volatility as of acceptance date (%)	**12.97**	16.51
Singapore government bond yields (%)	**3.36**	2.45
Expected dividend yield (%)	**4.91**	4.05

NOTES TO THE FINANCIAL STATEMENTS

27 EXECUTIVES' SHARE OPTION SCHEME (continued)

27.3 OCBC Employee Share Purchase Plan ("ESP") (continued)

A summary of the movement in the number of acquisition rights of the ESP Plan issued to the Group's and the Company's employees is as follows:

	Group			
	2023		2022	
	Number of Subscription Rights	**Weighted Average Subscription Price**	Number of Subscription Rights	Weighted Average Subscription Price
At 1 January	**1,461,879**	**$11.842**	1,876,928	$10.166
Subscriptions on commencement of plan	**825,929**	**$12.470**	822,213	$12.070
Lapsed/Forfeited	**(224,755)**	**$12.114**	(293,609)	$10.777
Exercised	**(662,097)**	**$11.603**	(943,653)	$9.039
At 31 December	**1,400,956**	**$12.281**	1,461,879	$11.842
Average share price underlying acquisition rights exercised during the year		**$12.649**		$11.986

	Company			
	2023		2022	
	Number of Subscription Rights	**Weighted Average Subscription Price**	Number of Subscription Rights	Weighted Average Subscription Price
At 1 January	**1,087,641**	**$11.843**	1,389,701	$10.190
Subscriptions on commencement of plan	**647,197**	**$12.470**	615,942	$12.070
Lapsed/Forfeited	**(179,885)**	**$12.160**	(244,612)	$10.753
Exercised	**(495,213)**	**$11.604**	(673,390)	$9.035
At 31 December	**1,059,740**	**$12.284**	1,087,641	$11.843
Average share price underlying acquisition rights exercised during the year		**$12.649**		$11.986

As at 31 December 2023, the weighted average remaining contractual life of outstanding acquisition rights was 1.2 years (2022: 1.2 years) for both the Group and the Company. No director of the Group or the Company has acquisition rights under the ESP Plan (2022: nil).

in Singapore Dollars (millions)	Group 2023	Group 2022	Company 2023	Company 2022
28 OTHER MATTERS				
28.1 Capital commitments				
Commitments for capital expenditure not provided for in the financial statements:				
- investment properties	**11.0**	15.3	**11.0**	15.3
- property, plant and equipment	**104.5**	74.5	**103.0**	49.1
	115.5	89.8	**114.0**	64.4
28.2 Investment commitments				
Commitments for investments not provided for in the financial statements:				
- private equity	**945.4**	921.6	**848.6**	820.6
- private real estate investment trust ("REITS")	**359.4**	484.9	**359.4**	484.9
- private debt	**250.6**	-	**250.6**	-
- loans	**10.5**	7.9	**10.5**	7.9
	1,565.9	1,414.4	**1,469.1**	1,313.4
28.3 Minimum lease receivable				
Future minimum lease receivable under non-cancellable operating leases are as follows as of 31 December:				
Within one year	**40.2**	43.4	**24.4**	22.8
After one year but not more than five years	**27.0**	28.5	**9.1**	13.6
	67.2	71.9	**33.5**	36.4

28.4 Acquisition of AmMetLife Insurance Berhad and AmMetLife Takaful Berhad by Great Eastern Life Assurance (Malaysia) Berhad and Great Eastern Takaful Berhad

On 2 October 2023, the Group's subsidiaries, Great Eastern Life Assurance (Malaysia) Berhad ("GELM") and Great Eastern Takaful Berhad ("GETB") entered into an implementation agreement with AMAB Holdings Sdn Bhd ("AMAB") and MetLife International Holdings, LLC ("MetLife"), in relation to the proposed acquisition by GELM and GETB of 100% of the shares in AmMetLife Insurance Berhad ("AML") and AmMetLife Takaful Berhad ("AMT") respectively.

In addition, the proposed acquisition will see GELM and GETB, together with AML and AMT respectively, entering into exclusive twenty-year bancassurance and bancatakaful agreements for the distribution of life insurance and family takaful products through the distribution network of AMMB Holdings Berhad's banking subsidiaries. The consideration for the proposed acquisition and exclusive twenty-year distribution partnership is approximately RM1,121 million (approximately S$325 million). The proposed acquisition is subject to regulatory and other relevant approvals and is expected to be completed in the first half of 2024.

29 RELATED PARTY TRANSACTIONS

The Group and the Company enter into transactions with their related parties in the normal course of business.

29.1 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties took place at terms agreed between the parties during the financial year:

in Singapore Dollars (millions)	Group		Company	
	2023	2022	**2023**	2022
Fees and commission and other income received from related parties of the ultimate holding company	**295.8**	340.5	**295.8**	315.9
Fees and commission expense paid to:				
- ultimate holding company	**186.8**	237.3	**183.3**	237.3
- related parties of the ultimate holding company	**481.7**	460.8	**436.0**	419.8
Interest income received from:				
- ultimate holding company	**3.4**	4.8	**3.4**	4.8
- related parties of the ultimate holding company	**3.2**	8.3	**-**	-
Interest expense paid to:				
- ultimate holding company	**5.3**	0.2	**-**	-
Rental income received from related parties of the ultimate holding company	**0.2**	0.3	**-**	-
Other expenses paid to:				
- ultimate holding company	**7.6**	11.1	**3.9**	5.1
- related parties of the ultimate holding company	**9.2**	8.1	**4.3**	6.4
Group service fee charged to related parties of the ultimate holding company	**28.5**	25.0	**28.5**	25.0

29.2 Balance sheet balances with related parties

Balance sheet balances with related parties as at 31 December are as follows:

in Singapore Dollars (millions)	Group		Company	
	2023	2022	**2023**	2022
Cash and cash equivalents held with:				
- ultimate holding company	**746.7**	725.5	**568.8**	703.9
- related parties of the ultimate holding company	**215.8**	300.3	**-**	0.1
Investments in debt securities of related parties of the ultimate holding company	**103.6**	113.2	**-**	-
Derivative financial assets held with: ultimate holding company	**306.8**	362.8	**306.8**	362.8
Derivative financial liabilities held with: ultimate holding company	**17.9**	80.3	**17.9**	80.3

Outstanding balances at balance sheet date other than loan payable to ultimate holding company are unsecured and interest free. Settlement will take place in cash.

There was no provision for doubtful debts at the balance sheet date and no bad debt expense for the year for both the Group and the Company (2022: Nil).

29.3 Compensation of key management personnel

Short-term employee benefits	**19.6**	20.2	**13.8**	14.4
Central Provident Fund/Employee Provident Fund	**1.0**	1.1	**0.2**	0.2
Share-based payments	**4.2**	4.4	**3.3**	3.5
	24.8	25.7	**17.3**	18.1
Comprises amounts paid to:				
Directors of the Company	**1.1**	1.0	**1.1**	1.0
Other key management personnel	**23.7**	24.7	**16.2**	17.1
	24.8	25.7	**17.3**	18.1

NOTES TO THE FINANCIAL STATEMENTS

30 SEGMENTAL INFORMATION (continued)

(1) By Business Segments

in Singapore Dollars (millions)	Group							
	Shareholders		Life Insurance		Adjustments and Eliminations [1]		Consolidated	
	2023	2022 Restated	**2023**	2022 Restated	**2023**	2022 Restated	**2023**	2022 Restated
Insurance revenue	**-**	-	**5,829.1**	5,617.9	**-**	-	**5,829.1**	5,617.9
Insurance service expenses	**-**	-	**(4,810.8)**	(4,740.2)	**12.4**	13.0	**(4,798.4)**	(4,727.2)
Net expenses from reinsurance contracts held	**-**	-	**(532.8)**	(128.3)	**-**	-	**(532.8)**	(128.3)
Insurance service result	**-**	-	**485.5**	749.4	**12.4**	13.0	**497.9**	762.4
Interest revenue on								
Financial assets not measured at FVTPL	**34.1**	19.0	**602.2**	405.3	**-**	-	**636.3**	424.3
Financial assets measured at FVTPL	**24.3**	20.3	**1,632.6**	1,626.3	**-**	-	**1,656.9**	1,646.6
Other investment revenue	**22.2**	27.8	**3,428.6**	(6,920.4)	**-**	-	**3,450.8**	(6,892.6)
Increase in provision for impairment of assets	**(0.5)**	(1.6)	**(12.8)**	(25.1)	**-**	-	**(13.3)**	(26.7)
Change in third-party interests in consolidated investment funds	**(1.6)**	(0.2)	**-**	-	**-**	-	**(1.6)**	(0.2)
Net investment income	**78.5**	65.3	**5,650.6**	(4,913.9)	**-**	-	**5,729.1**	(4,848.6)
Finance (expenses)/income from insurance contracts issued	**-**	-	**(5,245.4)**	5,020.7	**14.0**	13.8	**(5,231.4)**	5,034.5
Finance income from reinsurance contracts held	**-**	-	**5.6**	12.7	**-**	-	**5.6**	12.7
Net insurance financial result	**-**	-	**(5,239.8)**	5,033.4	**14.0**	13.8	**(5,225.8)**	5,047.2
Net insurance and investment result	**78.5**	65.3	**896.3**	868.9	**26.4**	26.8	**1,001.2**	961.0
Fees and other income	**1.7**	0.6	**-**	0.1	**-**	-	**1.7**	0.7
Other expenses	**(42.2)**	(21.7)	**(73.7)**	(66.1)	**(26.0)**	(26.2)	**(141.9)**	(114.0)
Other income and expenses	**(40.5)**	(21.1)	**(73.7)**	(66.0)	**(26.0)**	(26.2)	**(140.2)**	(113.3)
Profit before income tax	**38.0**	44.2	**822.6**	802.9	**0.4**	0.6	**861.0**	847.7
Income tax expense	**(16.8)**	(45.9)	**(228.4)**	(157.9)	**-**	-	**(245.2)**	(203.8)
Profit/(loss) after income tax	**21.2**	(1.7)	**594.2**	645.0	**0.4**	0.6	**615.8**	643.9

[1] Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

30 SEGMENTAL INFORMATION (continued)

(1) By Business Segments (continued)

	Group							
in Singapore Dollars (millions)	Shareholders		Life Insurance		Adjustments and Eliminations [1]		Consolidated	
	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated	2023	2022 Restated
Other material items:								
Staff costs and related expenses	**0.9**	1.3	**413.4**	318.6	**-**	-	**414.3**	319.9
Rental expense	**-**	-	**57.4**	55.7	**-**	-	**57.4**	55.7
Non-cash items:								
Depreciation and amortisation expenses	**3.0**	4.1	**79.5**	78.2	**-**	-	**82.5**	82.3
Changes in fair value of investments:								
- through profit or loss statement	**0.2**	12.4	**2,879.9**	(7,535.4)	**-**	-	**2,880.1**	(7,523.0)
- through equity	**(16.0)**	(15.8)	**301.2**	(1,074.4)	**-**	-	**285.2**	(1,090.2)

	Group							
in Singapore Dollars (millions)	Shareholders		Life Insurance		Adjustments and Eliminations [1]		Consolidated	
	31 Dec 2023	31 Dec 2022 restated	31 Dec 2023	31 Dec 2022 restated	31 Dec 2023	31 Dec 2022 restated	31 Dec 2023	31 Dec 2022 restated
Assets and liabilities:								
Segment assets	**3,356.6**	1,825.3	**100,494.8**	97,948.5	**-**	-	**103,851.4**	**99,773.8**
Total assets	**3,356.6**	1,825.3	**100,494.8**	97,948.5	**-**	-	**103,851.4**	99,773.8
Segment liabilities	**42.7**	9.7	**99,765.1**	96,423.7	**-**	-	**99,807.8**	**96,433.4**
Income tax and deferred tax liabilities/(assets)	**5.9**	87.7	**398.4**	246.1	**-**	-	**404.3**	**333.8**
Total liabilities	**48.6**	97.4	**100,163.5**	96,669.8	**-**	**-**	**100,212.1**	96,767.2
Other segment information:								
Additions to non-current assets								
- intangible assets	**2.6**	1.9	**52.4**	49.2	**-**	-	**55.0**	51.1
- property, plant and equipment	**0.1**	0.1	**32.8**	11.2	**-**	-	**32.9**	11.3
- investment properties	**-**	-	**1.1**	1.0	**-**	-	**1.1**	1.0

[1] Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

30 SEGMENTAL INFORMATION (continued)

(2) By Geographical Segments

	Group									
in Singapore Dollars (millions)	Singapore		Malaysia		Other Asia		Adjustments and Eliminations		Consolidated	
	2023	2022 Restated	**2023**	2022 Restated	**2023**	2022 Restated	**2023**	2022 Restated	**2023**	2022 Restated
Insurance revenue from customers	**3,004.0**	2,840.2	**2,636.3**	2,625.8	**188.8**	151.9	**-**	-	**5,829.1**	5,617.9
Dividend from subsidiaries	**302.6**	295.7	**-**	-	**-**	-	**(302.6)**	(295.7)	**-**	-
Total revenue	**3,306.6**	3,135.9	**2,636.3**	2,625.8	**188.8**	151.9	**(302.6)**	(295.7)	**5,829.1**	5,617.9
Profit after income tax	**538.9**	545.1	**356.6**	342.8	**22.9**	51.7	**(302.6)**	(295.7)	**615.8**	643.9
Non-current assets	**2,115.0**	2,094.8	**426.2**	446.8	**7.5**	9.6	**(4.5)**	-	**2,544.2**	2,551.2

Non-current assets information presented above consist of intangible assets, investment properties and property, plant and equipment and deferred tax assets as presented in the consolidated balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES

Governance framework

Managing risk is an integral part of the Group's core business. As stated in the Enterprise Risk Management ("ERM") Framework, the Group shall:

- Operate within parameters and limits that are calibrated to the risk appetite approved by the Board; and
- Pursue appropriate risk-adjusted returns.

Group Risk Management department spearheads the development and implementation of the ERM Framework for the Group.

The Board is responsible for overseeing the Group’s risk exposure and management matters. The Board may delegate this responsibility to the Risk Management Committee ("RMC") and Senior Management for the execution of these initiatives. At the Group level, detailed risk management and oversight activities are undertaken by the following Group Management committees, all of which are chaired by the Group Chief Executive Officer and comprise key Senior Management Executives:

- Group Management Committee ("GMC")
- Group Investment Committee ("Group IC")
- Group Asset-Liability Committee (“Group ALC”)
- Group Technology Strategy Committee ("Group TSC")
- Group Product Management and Approval Committee ("Group PMAC")

GMC is responsible for providing leadership, direction and functional oversight on all matters including sustainability performance of the Group. In addition to complying with regulatory requirements, the GMC is also responsible for ensuring compliance and alignment with Group standards and guidelines. The GMC is supported by the Group IC, Group ALC, Group PMAC, Group TSC, Local Senior Management Team ("SMT"), Local ALC, Local Product Development Committee ("PDC") and Local IT Steering Committee ("ITSC").

Group IC is responsible for overseeing all investment management activities of the Group and ensuring that the interests and rights of policyholders are not compromised.

Group ALC is responsible for balance sheet management. Specifically, Group ALC reviews and formulates frameworks, policies, processes and methodologies relating to balance sheet management and Oversight Framework, i.e. Group standards and guidelines. Group ALC is supported by the Local ALC.

Group TSC is responsible for assisting GMC in providing the overall strategic direction and approval of all IT related issues and initiatives, including the digitalisation and transformation programs to support the Group's strategic growth into the future. Group TSC is supported by local ITSC.

Group PMAC is responsible for reviewing, approving and managing new and existing products, ensuring the business operates within the risk appetite in delivering the annual business targets. Local PDC is responsible for reviewing and endorsing new products at the local operating subsidiaries.

Regulatory framework

As set out in its Compliance Risk Management Framework, the Group operates its business on a sound and responsible basis, which entails compliance with the applicable laws, regulations, rules and standards.

Insurers are required to comply with the Insurance Act 1966 and relevant regulatory requirements, including requirements governing its investment activities. The responsibility for the formulation, establishment and approval of the policy for the investment of the funds rests with the respective Board of Directors (“Board”). The Board exercises oversight on investments to safeguard the interests of policyholders and shareholders.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The objectives of the Group's capital management policy are to create shareholder value, deliver sustainable returns to shareholders, maintain a strong capital position with sufficient buffer to meet policyholders' obligations and regulatory requirements and make strategic investments for business growth.

The Group and the Company had no significant changes in the policies and processes relating to their capital structures during the year.

Regulatory Capital

The Group and its insurance subsidiaries are required to comply with the capital requirements prescribed by the Insurance Regulations of the jurisdictions in which they operate. The Capital Adequacy Ratios of the Group and its insurance subsidiaries in Singapore, Malaysia and Indonesia remained well above the regulatory minimum ratios under the Risk-based Capital Frameworks established by the Monetary Authority of Singapore, Bank Negara Malaysia and Otoritas Jasa Keuangan, Indonesia respectively.

The Group's approach to capital management aims to maintain an adequate level of capital to meet regulatory requirements, including any additional amounts required by the regulators of the Group and its insurance subsidiaries. This involves managing asset liability decisions and the associated risks in a coordinated way by assessing and monitoring the available and required capital (by each regulated entity) on a regular basis and, where appropriate, taking appropriate actions to adjust the asset liability position of the Group and/or its subsidiaries in light of changes in economic conditions and risk characteristics.

The primary sources of capital of the Group are shareholders' equity. The Group defines available capital as the amount of assets in excess of liabilities measured in accordance with the Insurance Regulations of the respective jurisdictions in which the insurance subsidiaries operate.

Dividend

The Company is a 100% owned subsidiary. The dividend policy is to declare 100% of the current year's profits to its holding company, subject to meeting an internal buffer above the regulatory capital adequacy ratio of 120%. The internal buffer is defined in the Company's Risk and Capital Management framework.

The following sections provide details regarding the Group's and Company's exposure to insurance and key financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these insurance and key financial risks or the manner in which it manages and measures the risks.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk

The principal activity of the Group and the Company is the provision of insurance products and related financial advisory services. The products cover risks such as mortality, morbidity (health, disability, critical illness, personal accident), investment saving protection and wealth accumulation guarantees.

The Group's and the Company's underwriting strategies are designed to ensure that risks are well diversified across the types of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes into account current health conditions and family medical history, regular review of actual claims experience, as well as detailed claims handling procedures. Underwriting limits are also established to enforce appropriate risk selection criteria. For example, the Group has the right to reject renewal of insurance policy, impose deductibles and reject payment of fraudulent claims.

Risks inherent in the Group’s and the Company's activities include but are not limited to the following:

Insurance Risks of Life Insurance Contracts

Insurance risks arise when the Group underwrites insurance contracts. While insurance risks may not vary significantly across the geographical locations in which the Group currently operates, the types of risks insured, assumptions used in pricing the insurance products and subsequent setting aside of provisions may give rise to potential shortfalls in provision for future claims and expenses when actual claims experience are worse than projections. Assumptions that may cause insurance risks to be underestimated include assumptions on policy lapses, mortality, morbidity and expenses.

The Group and the Company utilise reinsurance to manage the mortality and morbidity risks. The Group’s and the Company's reinsurance management strategy and policy are reviewed annually by RMC and Group ALC. Reinsurance is structured according to the type of risk insured. Catastrophe reinsurance is procured to limit catastrophic losses.

In general, reinsurance business will only be given to reinsurers with a minimum credit rating of S&P A- or equivalent. The Group and the Company limit their risk to any one reinsurer by ceding different products to different reinsurers or to a panel of reinsurers.

The Group and Local ALCs review the actual experience of mortality, morbidity, lapses and surrenders, and expenses and ensures that the policies, guidelines and limits established for managing the risks remain adequate and appropriate.

A substantial portion of the Group's and the Company's life insurance funds is participating in nature. In the event of volatile investment climate and/or unusual claims experience, the insurer has the option of revising the bonus payable to policyholders.

For non-participating funds, the risk is that the guaranteed policy benefits must be met even when investment portfolios perform below expectations, or claims experience is higher than expected.

For investment-linked funds, the risk exposures for the Group and the Company are limited only to the underwriting aspect as all investment risks are borne by the policyholders. Nevertheless, the fees earned by the Group for managing the investment-linked funds would fluctuate with the changes in underlying fund values.

Stress testing is performed at least once a year to assess the solvency of the life insurance fund under various stress scenarios. The stress scenarios include regulatory prescribed scenarios, as well as scenarios depicting drastic changes in key parameters such as new business volume, market volatilities, expense patterns, mortality/morbidity patterns and lapse rates.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

TABLE 31(A): The table below sets out the concentration of the insurance contract liabilities by distribution of various life insurance risk as at the balance sheet date:

(i) by Class of business:

in Singapore Dollar (millions)	Group Gross	Group Reinsurance	Group Net	Company Gross	Company Reinsurance	Company Net
2023						
Whole life	**59,295.8**	**(10.0)**	**59,285.8**	**41,482.3**	**(50.3)**	**41,432.0**
Endowment	**35,797.7**	**(63.8)**	**35,733.9**	**27,866.8**	**4.4**	**27,871.2**
Term	**1,831.7**	**(272.7)**	**1,559.0**	**1,366.9**	**(291.2)**	**1,075.7**
Annuity	**385.0**	**-**	**385.0**	**321.7**	**-**	**321.7**
Others	**77.9**	**-**	**77.9**	**-**	**-**	**-**
Total	**97,388.1**	**(346.5)**	**97,041.6**	**71,037.7**	**(337.1)**	**70,700.6**
2022 (restated)						
Whole life	55,732.9	(37.2)	55,695.7	37,469.4	(35.7)	37,433.7
Endowment	35,924.5	(59.4)	35,865.1	28,135.3	3.3	28,138.6
Term	1,745.8	(270.3)	1,475.5	1,288.4	(286.0)	1,002.4
Annuity	400.3	-	400.3	340.3	-	340.3
Others	5.8	0.5	6.3	-	-	-
Total	93,809.3	(366.4)	93,442.9	67,233.4	(318.4)	66,915.0

(ii) by Country:

in Singapore Dollar (millions)	Group Gross	Group Reinsurance	Group Net	Company Gross	Company Reinsurance	Company Net
2023						
Singapore	**70,537.9**	**(337.0)**	**70,200.9**	**70,699.5**	**(336.8)**	**70,362.7**
Malaysia	**25,603.9**	**(8.7)**	**25,595.2**	**-**	**-**	**-**
Others	**1,246.3**	**(0.8)**	**1,245.5**	**338.2**	**(0.3)**	**337.9**
Total	**97,388.1**	**(346.5)**	**97,041.6**	**71,037.7**	**(337.1)**	**70,700.6**
2022 (restated)						
Singapore	66,779.6	(317.8)	66,461.8	66,927.2	(318.0)	66,609.2
Malaysia	25,964.8	(44.8)	25,920.0	-	-	-
Others	1,064.9	(3.8)	1,061.1	306.2	(0.4)	305.8
Total	93,809.3	(366.4)	93,442.9	67,233.4	(318.4)	66,915.0

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

The sensitivity analysis below shows the impact of changes in key parameters on the value of insurance contract liabilities, and hence on the Profit or Loss Statement and shareholders' Equity.

Sensitivity analysis produced are based on parameters set out as follows:

	Change in assumptions
(a) Scenario 1 – Mortality and Major Illness	+ 25% for all future years
(b) Scenario 2 – Mortality and Major Illness	- 25% for all future years
(c) Scenario 3 – Health and Disability	+ 25% for all future years
(d) Scenario 4 – Health and Disability	- 25% for all future years
(e) Scenario 5 – Lapse and Surrender rates	+ 25% for all future years
(f) Scenario 6 – Lapse and Surrender rates	- 25% for all future years
(g) Scenario 7 - Expenses	+ 30% for all future years

TABLE 31(B1): Profit/(loss) after tax and shareholders' equity sensitivity for the Singapore segment:

Impact on 1-year's Profit/(loss) after tax and shareholders' equity

<u>**Group and Company**</u>

	Impact on Profit/(Loss) After Tax			Impact on Equity		
in Singapore Dollars (millions)	Gross Impact	Reinsurance Ceded	Net Impact	Gross Impact	Reinsurance Ceded	Net Impact
2023						
Scenario 1 – Mortality and Major Illness	**(651.6)**	**314.8**	**(336.8)**	**(596.0)**	**289.6**	**(306.4)**
Scenario 2 – Mortality and Major Illness	**155.9**	**(81.0)**	**74.9**	**81.9**	**(48.8)**	**33.1**
Scenario 3 – Health and Disability	**(113.9)**	**8.2**	**(105.7)**	**(139.1)**	**26.8**	**(112.3)**
Scenario 4 – Health and Disability	**81.6**	**(1.2)**	**80.4**	**106.9**	**(19.8)**	**87.1**
Scenario 5 – Lapse and Surrender rates	**(41.0)**	**(27.6)**	**(68.6)**	**(21.4)**	**(25.5)**	**(46.9)**
Scenario 6 – Lapse and Surrender rates	**(24.6)**	**61.6**	**37.0**	**(50.4)**	**58.9**	**8.5**
Scenario 7 - Expenses	**(176.5)**	**17.0**	**(159.5)**	**(177.8)**	**17.0**	**(160.8)**
2022 (restated)						
Scenario 1 – Mortality and Major Illness	(467.3)	202.5	(264.8)	(392.8)	160.3	(232.5)
Scenario 2 – Mortality and Major Illness	93.6	(20.5)	73.1	6.1	32.7	38.8
Scenario 3 – Health and Disability	(79.1)	2.3	(76.8)	(117.8)	27.0	(90.8)
Scenario 4 – Health and Disability	57.8	(0.1)	57.7	96.5	(24.9)	71.6
Scenario 5 – Lapse and Surrender rates	(53.9)	(7.5)	(61.4)	(37.6)	(5.2)	(42.8)
Scenario 6 – Lapse and Surrender rates	47.4	12.9	60.3	32.1	10.3	42.4
Scenario 7 - Expenses	(111.6)	6.2	(105.4)	(113.3)	6.2	(107.1)

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

TABLE 31(B2): Profit/(Loss) After Tax and Shareholders' Equity sensitivity for the Malaysia segment:

Impact on 1-year's Profit/(Loss) After Tax and Equity

Group

	Impact on Profit/(Loss) After Tax			Impact on Equity		
in Singapore Dollars (millions)	Gross Impact	Reinsurance Ceded	Net Impact	Gross Impact	Reinsurance Ceded	Net Impact
2023						
Scenario 1 – Mortality and Major Illness	**(187.1)**	**37.8**	**(149.3)**	**(215.6)**	**48.3**	**(167.3)**
Scenario 2 – Mortality and Major Illness	**32.7**	**(8.1)**	**24.6**	**58.1**	**(17.1)**	**41.0**
Scenario 3 – Health and Disability	**(230.7)**	**11.4**	**(219.3)**	**(312.0)**	**12.4**	**(299.6)**
Scenario 4 – Health and Disability	**18.7**	**(1.5)**	**17.2**	**117.9**	**(2.5)**	**115.4**
Scenario 5 – Lapse and Surrender rates	**(54.5)**	**4.6**	**(49.9)**	**(75.2)**	**3.2**	**(72.0)**
Scenario 6 – Lapse and Surrender rates	**(7.2)**	**(0.5)**	**(7.7)**	**21.7**	**1.2**	**22.9**
Scenario 7 - Expenses	**(50.2)**	**3.1**	**(47.1)**	**(93.3)**	**3.1**	**(90.2)**
2022 (restated)						
Scenario 1 – Mortality and Major Illness	(212.6)	42.4	(170.2)	(238.9)	49.2	(189.7)
Scenario 2 – Mortality and Major Illness	34.1	(7.6)	26.5	61.4	(14.6)	46.8
Scenario 3 – Health and Disability	(234.7)	15.8	(218.9)	(303.7)	17.7	(286.0)
Scenario 4 – Health and Disability	17.4	(2.6)	14.8	100.5	(4.6)	95.9
Scenario 5 – Lapse and Surrender rates	(67.5)	6.2	(61.3)	(89.2)	5.1	(84.1)
Scenario 6 – Lapse and Surrender rates	(8.4)	(0.4)	(8.8)	22.0	1.1	23.1
Scenario 7 - Expenses	(55.4)	3.9	(51.5)	(91.3)	3.9	(87.4)

The above tables demonstrate the sensitivity of the Group's profit and loss after tax and equity to a change in actuarial valuation assumptions on an individual basis with all other variables held constant.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk

Market risk arises when market values of assets and liabilities are adversely affected by changes in financial markets. Changes in interest rates, foreign exchange rates, equity prices and prices of alternative investment assets can impact present and future earnings of the insurance operations, as well as shareholders' equity.

The Group and the Company are exposed to market risk through its investment portfolios, as well as in the mismatches between assets and liabilities of the Insurance Funds.

Group ALC, Group IC and Local ALCs actively manage market risks through the setting of investment policies and asset allocations, approving portfolio construction, risk measurement methodologies, as well as hedging and alternative risk transfer strategies. Investment limits are monitored at various levels to ensure that all investment activities are conducted within the Group's risk appetite and in line with the Group's management principles and philosophies. Compliance with established limits forms an integral part of the risk governance and financial reporting framework. The approach adopted by the Group in managing the various types of risk, including interest rate risk, foreign exchange risk, equity price risk, credit risk, alternative investment risk and liquidity risk, is briefly described below:

(a) ***Interest rate risk (including asset liability mismatch).*** The Group and the Company are exposed to interest rate risk through (i) investments in fixed income instruments and (ii) policy liabilities in the Insurance Funds. Since the Shareholders' Fund has exposure to investments in fixed income instruments but no exposure to insurance policy liabilities, it will incur economic losses when interest rates rise. Given the long duration of policy liabilities and the uncertainties in the cash flows of Insurance Funds, it is not possible to hold assets with duration that perfectly matches the duration of the policy liabilities. This results in interest rate risk and asset liability mismatch risk, and these risks are managed and monitored by Group ALC and Local ALCs.

<u>Managing interest rate benchmark reform</u>

i) Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBOR) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group and the Company have moderate exposure to IBORs on its financial instruments that will be reformed as part of this market-wide initiative. It was initially expected that most reforms affecting The Group and the Company will be completed by the end of 2021. However, the transition deadline for USD LIBOR has been extended to end June 2023, hence some instruments referencing this rate may not be transited until this date.

The Group and the Company anticipate that IBOR reform will have moderate operational, risk management and accounting impacts across all of its business lines. The main risks to which the Group and the Company are exposed as a result of IBOR reform are operational. For example, the bilateral renegotiation with private debt issuers, updating of contractual terms, updating of systems that use IBOR curves and revision of operational controls related to the reform. Financial risk is predominantly limited to interest rate risk.

The Group and the Company established a cross-functional IBOR Working Group to manage its transition to alternative rates. The objectives of the IBOR Working Group include evaluating the extent to which fixed income holdings, derivatives and liabilities reference IBOR cash flows, whether such contracts need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

ii) Non-derivative financial assets

The Group and the Company's IBOR exposures on bonds/FRNs holdings include SGD Swap Offer Rate ("SOR"), USD LIBOR, EUR LIBOR and GBP LIBOR primarily at Great Eastern Life Singapore ("GELS").

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(a) ***Interest rate risk (including asset liability mismatch) (continued)***

Managing interest rate benchmark reform (continued)

ii) Non-derivative financial assets (continued)

The alternative reference rate for SOR and SIBOR is the Singapore Overnight Rate Average (“SORA”); and for USD LIBOR is the Secured Overnight Financing Rate (SOFR). The changes to the contractual terms of financial assets indexed to SOR, SIBOR, and USD LIBOR to incorporate new benchmark rates are still in progress as at 31 December 2023.

The Group and the Company monitor the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group and the Company consider that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an ‘unreformed contract’).

The following table shows the total amounts of unreformed non-derivative financial assets as at 31 December 2023. The amounts of trading assets and investment securities are shown at their carrying amounts.

	Group and Company		
	Notional amount		
in Singapore Dollars(millions)	SOR	USD LIBOR	Total
Debt securities	634.0	425.6	1,059.6

iii) Non-derivative financial liabilities

The Group does not have any floating-rate liabilities which would be impacted by the IBOR reform.

iv) Derivatives

The Group and the Company hold derivatives for risk management and efficient portfolio management purposes, and are not designated in hedging relationships. The instruments used principally include interest rate, cross-currency, and total return swaps, which have floating legs that are indexed to various IBORs. Typically, derivative transactions that reference interest rate benchmarks incorporate standard terms such as the 2006 ISDA Definitions published by ISDA. ISDA has reviewed such definitions in light of IBOR reform and issued an IBOR fallback protocol on 23 October 2020 and a supplement to amend the 2006 ISDA Definitions effective 25 January 2021. This sets out how the amendments to new alternative benchmark rates (e.g. SORA, SOFR) in the 2006 ISDA Definitions will be accomplished. The effect of the supplement is to create fallback provisions in derivatives that describe what floating rates will apply on the permanent discontinuation of certain key IBORs or on ISDA declaring a non-representative determination of an IBOR. The Group and the Company have adhered to the protocol to implement the fallbacks to derivative contracts that were entered into before the effective date of the supplement, where the existing derivative counterparties have also adhered to the protocol. All new derivative contracts entered into on or after the effective date of the supplement that reference the 2006 ISDA Definitions will also include the fallback.

The following table shows the total amounts of unreformed derivative instruments as at 31 December 2023. For cross-currency swaps, the Group and the Company used the notional amount of the receive leg of the swap. The Group expects both legs of cross-currency swaps to be reformed simultaneously.

	Group and Company	
	Notional amount	
in Singapore Dollars(millions)	SOR	Total
Derivatives	20.0	20.0

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(b) ***Foreign exchange risk.*** The foreign exchange risk inherent in foreign currency fixed income portfolio is typically hedged using currency forwards and swaps wherever practical and cost-effective. Foreign exchange instruments are also used for efficient portfolio management.

The SGD and RM positions predominately arose from the entities within the Group with the same respective functional currencies. The Group has no significant concentration of foreign exchange risk.

Limits are set on the total amount of foreign currency (net of liabilities) to cap the Group's foreign exchange risk.

TABLE 31(C1): The tables below show the foreign exchange position of the Group's financial and insurance-related assets and liabilities by major currencies:

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2023					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	**129.6**	**232.5**	**315.0**	**799.8**	**1,476.9**
Debt securities	**4,561.0**	**1,790.3**	**4,670.9**	**534.0**	**11,556.2**
Financial assets at FVTPL					
Equity securities	**778.6**	**6,297.5**	**976.5**	**3,336.7**	**11,389.3**
Debt securities	**19,118.2**	**14,836.2**	**11,503.1**	**3,102.3**	**48,559.8**
Other investments	**8,768.3**	**215.7**	**7,784.0**	**1,571.8**	**18,339.8**
Financial assets at amortised cost					
Debt securities	**438.8**	**-**	**747.2**	**32.2**	**1,218.2**
Derivative financial assets	**18,961.1**	**2.2**	**(18,984.9)**	**975.5**	**953.9**
Loans	**201.0**	**120.5**	**-**	**189.3**	**510.8**
Other debtors	**318.3**	**201.4**	**407.1**	**102.4**	**1,029.2**
Cash and cash equivalents	**3,369.5**	**842.8**	**1,125.6**	**386.1**	**5,724.0**
Insurance contract assets	**-**	**9.9**	**0.9**	**1.7**	**12.5**
Reinsurance contract assets	**351.9**	**123.0**	**37.1**	**0.5**	**512.5**
	56,996.3	**24,672.0**	**8,582.5**	**11,032.3**	**101,283.1**
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	**621.1**	**391.2**	**547.3**	**77.2**	**1,636.8**
Derivative financial liabilities	**(3,055.0)**	**(101.2)**	**(2,355.5)**	**5,688.0**	**176.3**
Provision for agents' retirement benefits	**1.6**	**296.0**	**-**	**-**	**297.6**
Insurance contract liabilities	**67,080.2**	**25,613.8**	**4,011.2**	**695.4**	**97,400.6**
Reinsurance contract liabilities	**58.4**	**114.1**	**(6.6)**	**0.1**	**166.0**
	64,706.3	**26,313.9**	**2,196.4**	**6,460.7**	**99,677.3**

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(b) *Foreign exchange risk (continued)*

TABLE 31(C1): The tables below show the foreign exchange position of the Group's financial and insurance-related assets and liabilities by major currencies (continued):

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2022 (restated)					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	194.5	240.3	151.9	709.3	1,296.0
Debt securities	2,475.9	1,759.6	3,590.2	322.1	8,147.8
Financial assets at FVTPL					
Equity securities	859.3	6,607.7	658.3	3,284.5	11,409.8
Debt securities	19,995.7	14,130.1	11,175.6	3,337.6	48,639.0
Other investments	6,178.1	282.8	5,834.2	1,451.9	13,747.0
Financial assets at Amortised Cost					
Debt securities	804.1	-	995.0	3.4	1,802.5
Derivative financial assets	18,667.4	0.3	(15,911.1)	(2,019.5)	737.1
Loans	222.1	144.1	-	114.1	480.3
Other debtors	365.7	191.0	159.2	37.8	753.7
Cash and cash equivalents	6,248.7	1,503.5	849.4	335.0	8,936.6
Insurance contract assets	(0.1)	352.8	0.4	1.8	354.9
Reinsurance contract assets	324.7	450.2	35.6	0.8	811.3
	56,336.1	25,662.4	7,538.7	7,578.8	97,116.0
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	576.6	399.4	88.9	47.1	1,112.0
Derivative financial liabilities	(979.0)	4.8	(1,505.9)	2,761.1	281.0
Provision for agents' retirement benefits	0.7	295.1	-	-	295.8
Insurance contract liabilities	63,437.3	26,317.6	3,838.9	570.4	94,164.2
Reinsurance contract liabilities	39.4	405.4	0.1	-	444.9
	63,075.0	27,422.3	2,422.0	3,378.6	96,297.9

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(b) ***Foreign exchange risk (continued)***

TABLE 31(C2): The tables below show the foreign exchange position of the Company's financial and insurance-related assets and liabilities by major currencies:

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2023					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	**61.6**	**-**	**315.0**	**707.1**	**1,083.7**
Debt securities	**4,561.0**	**-**	**4,422.2**	**451.5**	**9,434.7**
Financial assets at FVTPL					
Equity securities	**483.7**	**38.9**	**919.4**	**2,668.3**	**4,110.3**
Debt securities	**19,118.2**	**21.2**	**11,463.8**	**2,890.3**	**33,493.5**
Other investments	**8,720.6**	**-**	**7,583.6**	**983.3**	**17,287.5**
Financial assets at amortised cost					
Debt securities	**438.7**	**-**	**392.9**	**-**	**831.6**
Derivative financial assets	**18,961.1**	**-**	**(18,984.9)**	**975.5**	**951.7**
Loans	**201.1**	**-**	**-**	**189.3**	**390.4**
Amounts due from subsidiaries and related companies	**53.2**	**-**	**-**	**-**	**53.2**
Other debtors	**325.1**	**0.3**	**392.7**	**97.5**	**815.6**
Cash and cash equivalents	**3,360.7**	**1.1**	**1,109.0**	**304.6**	**4,775.4**
Insurance contract assets	**-**	**-**	**-**	**1.1**	**1.1**
Reinsurance contract assets	**351.9**	**-**	**36.7**	**0.4**	**389.0**
	56,636.9	**61.5**	**7,650.4**	**9,268.9**	**73,617.7**
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	**616.6**	**-**	**543.4**	**32.9**	**1,192.9**
Amounts due to subsidiaries and related companies	**20.2**	**-**	**-**	**-**	**20.2**
Derivative financial liabilities	**(3,055.0)**	**-**	**(2,359.5)**	**5,581.5**	**167.0**
Provision for agents' retirement benefits	**1.6**	**-**	**-**	**-**	**1.6**
Insurance contract liabilities	**67,241.8**	**-**	**3,471.7**	**325.3**	**71,038.8**
Reinsurance contract liabilities	**58.4**	**-**	**(6.6)**	**0.1**	**51.9**
	64,883.6	**-**	**1,649.0**	**5,939.8**	**72,472.4**

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(b) ***Foreign exchange risk (continued)***

TABLE 31(C2): The tables below show the foreign exchange position of the Company's financial and insurance-related assets and liabilities by major currencies (continued):

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2022 (restated)					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	133.6	-	151.9	622.6	908.1
Debt securities	2,476.0	-	3,416.2	271.2	6,163.4
Financial assets at FVTPL					
Equity securities	520.4	42.6	601.6	2,486.2	3,650.8
Debt securities	19,995.8	11.7	11,136.3	3,178.9	34,322.7
Other investments	6,114.8	-	5,802.3	952.6	12,869.7
Financial assets at Amortised Cost					
Debt securities	804.2	-	670.9	-	1,475.1
Derivative financial assets	18,667.7	-	(15,911.1)	(2,019.9)	736.7
Loans	222.1	-	-	114.1	336.2
Amounts due from subsidiaries and related companies	70.0	10.1	-	0.1	80.2
Other debtors	335.3	0.2	147.8	34.7	518.0
Cash and cash equivalents	6,225.3	1.1	834.3	265.2	7,325.9
Insurance contract assets	-	-	-	1.5	1.5
Reinsurance contract assets	324.7	-	32.7	0.5	357.9
	55,889.9	65.7	6,882.9	5,907.7	68,746.2
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	562.9	-	87.2	8.7	658.8
Amounts due to subsidiaries and related companies	0.2	-	-	-	0.2
Derivative financial liabilities	(978.9)	-	(1,506.0)	2,759.7	274.8
Provision for agents' retirement benefits	0.8	-	-	-	0.8
Insurance contract liabilities	63,586.8	-	3,352.5	295.6	67,234.9
Reinsurance contract liabilities	39.4	-	0.1	-	39.5
	63,211.2	-	1,933.8	3,064.0	68,209.0

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(c) ***Equity price risk.*** Exposure to equity price risk exists in investment assets through direct equity, equity derivatives and fund investments, where the Group and the Company, through investments, bears all or most of the equity volatility and investment risks. Equity price risk also exists in investment-linked products where the revenues of the insurance operations are linked to the performances of underlying equity funds since this has an impact on the level of fees earned. Limits are set for single security holdings as a percentage of total equity holdings.

(d) ***Credit spread risk.*** Exposure to credit spread risk exists in the Group's and the Company's bond investments. Credit spread is the difference between the quoted yields of a credit and a government bond of the same maturity. Credit spreads widen when the default risk of credit bonds increases. Hence, widening credit spreads will result in mark-to-market losses in the Group's bond portfolio.

(e) ***Alternative investment risk.*** The Group and the Company are exposed to alternative investment risk through investments in real estate that it owns in Singapore and Malaysia, and through real estate funds, private equities, private debt, infrastructure and hedge funds. A monitoring process is established to manage foreign exchange, country and manager concentration risks. This process and the acquisition or divestment of alternative investments are reviewed and approved by RMC and Group IC.

(f) ***Commodity risk.*** The Group and the Company do not have any exposure to commodity risk.

(g) ***Liquidity risk.*** Liquidity risk arises when the Group and the Company are unable to meet its cash flow demands, or if the assets backing the liabilities cannot be sold quickly enough without incurring significant losses. For an insurance company, the greatest liquidity needs typically arise from its insurance liabilities. Demands for funds can usually be met through ongoing normal operations via premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by surrender of insurance policies due to negative publicity, deterioration of the economy, adverse news on other companies in the same or similar lines of business, unanticipated policy claims, or other unexpected cash demands from policyholders or derivative margin requirements.

Expected liquidity demands are managed through a combination of treasury, investment and asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are regularly monitored, and a reasonable amount of liquid assets are maintained 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 these have been quite stable over the past several years.

Unexpected liquidity demands are mitigated through product design, risk diversification, investment strategies and systematic monitoring. Surrender penalty in insurance contracts also protects the Group and the Company from losses due to unexpected surrender trends and reduces the sensitivity of surrenders to changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(g) *Liquidity risk (continued)*

Maturity Profile

TABLE 31(D1): The following tables show the expected recovery or settlement of financial assets and maturity profile of the Group's financial liabilities which are presented based on contractual undiscounted cash flows basis.

in Singapore Dollars (millions)	Carrying Amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2023						
FINANCIAL ASSETS						
Financial assets at FVOCI						
Equity securities	1,476.9	-	-	-	1,476.9	1,476.9
Debt securities	11,556.2	2,551.0	4,912.7	8,462.4	-	15,926.1
Financial assets at FVTPL						
Equity securities	11,389.3	-	-	-	11,389.3	11,389.3
Debt securities	48,559.8	6,015.2	15,685.1	44,260.2	715.1	66,675.6
Other investments	18,339.8	-	-	-	18,339.8	18,339.8
Financial assets at Amortised Cost						
Debt securities	1,218.2	779.6	158.7	633.8	-	1,572.1
Derivative financial assets	953.9	842.9	77.5	33.5	-	953.9
Loans	510.8	95.5	435.5	12.1	-	543.1
Other debtors	1,029.2	949.4	51.1	-	28.7	1,029.2
Cash and cash equivalents	5,724.0	5,724.0	-	-	-	5,724.0
	100,758.1	16,957.6	21,320.6	53,402.0	31,949.8	123,630.0
FINANCIAL LIABILITIES						
Other creditors	1,636.8	1,590.6	5.0	0.1	41.1	1,636.8
Derivative financial liabilites	176.3	138.7	6.2	31.4	-	176.3
Provision for agents' retirement benefits	297.6	151.6	56.4	89.6	-	297.6
	2,110.7	1,880.9	67.6	121.1	41.1	2,110.7

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liqudity Risk (continued)

(g) *Liquidity risk (continued)*

Maturity Profile (continued)

TABLE 31(D1): The following tables show the expected recovery or settlement of financial assets and maturity profile of the Group's financial liabilities which are presented based on contractual undiscounted cash flows basis. (continued)

in Singapore Dollars (millions)	Carrying Amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2022 (restated)						
FINANCIAL ASSETS						
Financial assets at FVOCI						
Equity securities	1,296.0	-	-	-	1,296.0	1,296.0
Debt securities	8,147.8	645.4	3,695.4	8,552.9	-	12,893.7
Financial assets at FVTPL						
Equity securities	11,409.8	-	-	-	11,409.8	11,409.8
Debt securities	48,639.0	4,865.3	19,134.2	39,327.6	1,173.0	64,500.1
Other investments	13,747.0	-	-	-	13,747.0	13,747.0
Financial assets at Amortised Cost						
Debt securities	1,802.5	788.5	845.5	640.7	-	2,274.7
Derivative financial assets	737.1	616.3	80.1	40.7	-	737.1
Loans	480.3	113.7	394.9	14.2	-	522.8
Other debtors	753.7	752.2	-	1.5	-	753.7
Cash and cash equivalents	8,936.6	8,936.6	-	-	-	8,936.6
	95,949.8	16,718.0	24,150.1	48,577.6	27,625.8	117,071.5
FINANCIAL LIABILITIES						
Other creditors	1,112.0	1,063.7	4.4	-	43.9	1,112.0
Derivative financial liabilites	281.0	210.1	12.3	58.6	-	281.0
Provision for agents' retirement benefits	295.8	139.7	56.7	99.4	-	295.8
	1,688.8	1,413.5	73.4	158.0	43.9	1,688.8

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(g) ***Liquidity risk (continued)***

Maturity Profile

TABLE 31(D2): The following tables show the expected recovery or settlement of financial assets and maturity profile of the Company's financial liabilities which are presented based on contractual undiscounted cash flows basis.

in Singapore Dollars (millions)	Carrying Amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2023						
FINANCIAL ASSETS						
Financial assets at FVOCI						
Equity securities	1,083.7	-	-	-	1,083.7	1,083.7
Debt securities	9,434.7	1,957.5	3,960.8	6,747.2	-	12,665.5
Financial assets at FVTPL						
Equity securities	4,110.3	-	-	-	4,110.3	4,110.3
Debt securities	33,493.5	4,174.3	9,126.3	32,857.6	467.4	46,625.6
Other investments	17,287.5	-	-	-	17,287.5	17,287.5
Financial assets at Amortised Cost						
Debt securities	831.6	759.9	88.1	3.5	-	851.5
Derivative financial assets	951.7	840.7	33.5	77.5	-	951.7
Loans	390.4	86.7	303.7	-	-	390.4
Amounts due from subsidiaries and related companies	53.2	53.2	-	-	-	53.2
Other debtors	815.6	767.5	48.1	-	-	815.6
Cash and cash equivalents	4,775.4	4,775.4	-	-	-	4,775.4
	73,227.6	13,415.2	13,560.5	39,685.8	22,948.9	89,610.4
FINANCIAL LIABILITIES						
Other creditors	1,192.9	1,192.0	0.9	-	-	1,192.9
Amounts due to subsidiaries and related companies	20.2	20.2	-	-	-	20.2
Derivative financial liabilites	167.0	131.6	4.1	31.3	-	167.0
Provision for agents' retirement benefits	1.6	1.6	-	-	-	1.6
	1,381.7	1,345.4	5.0	31.3	-	1,381.7

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(g) *Liquidity risk (continued)*

Maturity Profile (continued)

TABLE 31(D2): The following tables show the expected recovery or settlement of financial assets and maturity profile of the Company's financial liabilities which are presented based on contractual undiscounted cash flows basis. (continued)

in Singapore Dollars (millions)	Carrying Amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2022 (restated)						
FINANCIAL ASSETS						
Financial assets at FVOCI						
Equity securities	908.1	-	-	-	908.1	908.1
Debt securities	6,163.4	461.3	2,499.3	6,559.9	-	9,520.5
Financial assets at FVTPL						
Equity securities	3,650.8	-	-	-	3,650.8	3,650.8
Debt securities	34,322.7	5,798.8	12,166.1	28,182.0	397.7	46,544.6
Other investments	12,869.7	-	-	-	12,869.7	12,869.7
Financial assets at Amortised Cost						
Debt securities	1,475.1	768.8	775.0	10.4	-	1,554.2
Derivative financial assets	736.7	616.0	80.0	40.7	-	736.7
Loans	336.2	95.9	240.3	-	-	336.2
Other debtors	518.0	514.1	2.3	1.6	-	518.0
Amounts due from subsidiaries and related companies	80.2	80.2	-	-	-	80.2
Cash and cash equivalents	7,325.9	7,325.9	-	-	-	7,325.9
	68,386.8	15,661.0	15,763.0	34,794.6	17,826.3	84,044.9
FINANCIAL LIABILITIES						
Other creditors	658.8	658.8	-	-	-	658.8
Amounts due to subsidiaries and related companies	0.2	0.2	-	-	-	0.2
Derivative financial liabilites	274.8	205.3	11.0	58.5	-	274.8
Provision for agents' retirement benefits	0.8	0.8	-	-	-	0.8
	934.6	865.1	11.0	58.5	-	934.6

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(g) *Liquidity risk (continued)*

Maturity Profile for insurance and reinsurance contract liabilities

TABLE 31(D3): The following tables show the maturity profile of insurance contracts issued and reinsurance contracts held that are liabilities of the Group based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

in Singapore Dollars (millions)	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
As at 31 December 2023							
Insurance contract liabilities	**15,869.5**	**4,947.6**	**2,203.7**	**2,171.6**	**3,001.6**	**58,812.5**	**87,006.5**
Reinsurance contract liabilities held	**15.7**	**7.2**	**7.3**	**7.2**	**7.2**	**172.4**	**217.0**
Total	**15,885.2**	**4,954.8**	**2,211.0**	**2,178.8**	**3,008.8**	**58,984.9**	**87,223.5**
As at 31 December 2022 (restated)							
Insurance contract liabilities	11,257.3	7,869.3	3,449.5	1,963.0	2,033.7	57,309.9	83,882.7
Reinsurance contract liabilities held	313.0	12.6	22.0	11.6	11.2	112.2	482.6
Total	11,570.3	7,881.9	3,471.5	1,974.6	2,044.9	57,422.1	84,365.3

Amounts payable on demand

The amounts payable on demand are as follows.

	2023		2022	
in Singapore Dollars (millions)	**Amounts payable on demand**	**Carrying Amount**	Amounts payable on demand	Carrying Amount
Universal life contracts	**3,493.2**	**3,692.5**	3,222.5	3,418.4
Investment-linked contracts	**8,439.7**	**8,966.0**	7,909.2	8,225.0
Participating contracts	**54,292.5**	**65,640.4**	54,544.7	63,781.5
Total	**66,225.4**	**78,298.9**	65,676.4	75,424.9

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(g) ***Liquidity risk (continued)***

Maturity Profile for insurance and reinsurance contract liabilities

TABLE 31(D4): The following tables show the maturity profile of insurance contracts issued and reinsurance contracts held that are liabilities of the Company based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

in Singapore Dollars (millions)	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
As at 31 December 2023							
Insurance contract liabilities	**12,713.7**	**4,677.6**	**1,797.6**	**1,723.7**	**2,470.1**	**43,137.8**	**66,520.5**
Reinsurance contract liabilities held	**(27.7)**	**(0.1)**	**0.3**	**0.5**	**0.9**	**90.1**	**64.0**
Total	**12,686.0**	**4,677.5**	**1,797.9**	**1,724.2**	**2,471.0**	**43,227.9**	**66,584.5**
As at 31 December 2022 (restated)							
Insurance contract liabilities	7,891.2	7,551.4	3,175.7	1,596.6	1,559.8	40,960.1	62,734.8
Reinsurance contract liabilities held	(9.7)	6.0	15.1	5.1	5.0	32.8	54.3
Total	7,881.5	7,557.4	3,190.8	1,601.7	1,564.8	40,992.9	62,789.1

Amounts payable on demand

The amounts payable on demand are as follows.

in Singapore Dollars (millions)	**2023** Amounts payable on demand	**2023** Carrying Amount	2022 Amounts payable on demand	2022 Carrying Amount
Universal life contracts	**2,318.4**	**2,442.0**	2,244.1	2,366.8
Investment-linked contracts	**4,358.4**	**4,886.0**	4,096.5	4,413.0
Participating contracts	**39,696.3**	**47,971.3**	39,252.2	46,765.0
Total	**46,373.1**	**55,299.3**	45,592.8	53,544.8

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(g) *Liquidity risk (continued)*

Current/non-current classification of assets and liabilities

TABLE 31(D5): The following tables show the current/non-current classification of the Group's assets and liabilities:

in Singapore Dollars (millions)	Current*	Non-Current	Total
As at 31 December 2023			
ASSETS			
Cash and cash equivalents	5,724.0	-	5,724.0
Other debtors	972.6	80.7	1,053.3
Insurance contract assets	8.5	4.0	12.5
Reinsurance contract assets	(60.2)	572.7	512.5
Loans	86.9	423.9	510.8
Derivative financial assets	842.9	111.0	953.9
Investments	18,703.8	73,836.4	92,540.2
Deferred tax assets	-	3.8	3.8
Intangible assets	40.7	126.6	167.3
Property, plant and equipment	41.8	450.6	492.4
Investment properties	-	1,880.7	1,880.7
	26,361.0	77,490.4	103,851.4
LIABILITIES			
Other creditors	1,674.7	92.6	1,767.3
Derivative financial liabilities	138.6	37.7	176.3
Income tax payable	138.8	-	138.8
Provision for agents' retirement benefits	19.5	278.1	297.6
Deferred tax liabilities	1.0	264.5	265.5
Insurance contract liabilities	16,887.4	80,513.2	97,400.6
Reinsurance contract liabilities	21.5	144.5	166.0
	18,881.5	81,330.6	100,212.1

* expected recovery or settlement within 12 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(g) ***Liquidity risk (continued)***

TABLE 31(D5): The following tables show the current/non-current classification of the Group's assets and liabilities (continued):

in Singapore Dollars (millions)	Current*	Non-Current	Total
As at 31 December 2022 (restated)			
ASSETS			
Cash and cash equivalents	8,936.6	-	8,936.6
Other debtors	740.9	46.8	787.7
Insurance contract assets	164.5	190.4	354.9
Reinsurance contract assets	452.5	358.8	811.3
Loans	103.2	377.1	480.3
Derivative financial assets	616.0	121.1	737.1
Investments	18,276.2	66,765.9	85,042.1
Deferred tax assets	-	7.2	7.2
Intangible assets	39.5	117.2	156.7
Property, plant and equipment	43.0	463.1	506.1
Assets held for sale	72.6	-	72.6
Investment properties	-	1,881.2	1,881.2
	29,445.0	70,328.8	99,773.8
LIABILITIES			
Other creditors	1,142.9	104.6	1,247.5
Derivative financial liabilities	210.1	70.9	281.0
Income tax payable	228.0	-	228.0
Provision for agents' retirement benefits	19.9	275.9	295.8
Deferred tax liabilities	(1.3)	107.1	105.8
Insurance contract liabilities	12,301.5	81,862.7	94,164.2
Reinsurance contract liabilities	320.9	124.0	444.9
	14,222.0	82,545.2	96,767.2

* expected recovery or settlement within 12 months from the balance sheet date.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(g) ***Liquidity risk (continued)***

Current/non-current classification of assets and liabilities (continued)

TABLE 31(D6): The following tables show the current/non-current classification of the Company's assets and liabilities:

in Singapore Dollars (millions)	Current*	Non-Current	Total
As at 31 December 2023			
ASSETS			
Cash and cash equivalents	4,775.4	-	4,775.4
Other debtors	783.0	49.0	832.0
Insurance contract assets	2.6	(1.5)	1.1
Reinsurance contract assets	(45.2)	434.2	389.0
Amounts due from subsidiaries and related companies	53.2	-	53.2
Loans	86.7	303.7	390.4
Derivative financial assets	840.7	111.0	951.7
Investments	7,063.6	59,177.7	66,241.3
Investment in subsidiaries	-	384.2	384.2
Intangible assets	30.3	79.4	109.7
Property, plant and equipment	34.5	373.2	407.7
Investment properties	-	1,207.5	1,207.5
	13,624.8	62,118.4	75,743.2
LIABILITIES			
Other creditors	1,229.1	51.2	1,280.3
Amounts due to subsidiaries and related companies	20.2	-	20.2
Derivative financial liabilities	131.6	35.4	167.0
Income tax payable	134.5	-	134.5
Provision for agents' retirement benefits	0.8	0.8	1.6
Deferred tax	1.0	170.0	171.0
Insurance contract liabilities	13,150.2	57,888.6	71,038.8
Reinsurance contract liabilities	(17.3)	69.2	51.9
	14,650.1	58,215.2	72,865.3

* expected recovery or settlement within 12 months from the balance sheet date.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(g) ***Liquidity risk (continued)***

TABLE 31(D6): The following tables show the current/non-current classification of the Company's assets and liabilities (continued):

in Singapore Dollars (millions)	Current*	Non-Current	Total
As at 31 December 2022 (restated)			
ASSETS			
Cash and cash equivalents	7,325.9	-	7,325.9
Other debtors	495.7	51.6	547.3
Insurance contract assets	3.1	(1.6)	1.5
Reinsurance contract assets	76.8	281.1	357.9
Amounts due from subsidiaries and related companies	80.2	-	80.2
Loans	96.0	240.2	336.2
Derivative financial assets	615.7	121.0	736.7
Investments	6,895.1	52,494.7	59,389.8
Investment in subsidiaries	-	384.2	384.2
Intangible assets	27.2	71.6	98.8
Property, plant and equipment	43.0	369.9	412.9
Investment properties	-	1,198.2	1,198.2
	15,658.7	55,210.9	70,869.6
LIABILITIES			
Other creditors	693.6	57.5	751.1
Amounts due to subsidiaries and related companies	0.2	-	0.2
Derivative financial liabilities	205.3	69.5	274.8
Income tax payable	186.6	-	186.6
Provision for agents' retirement benefits	-	0.8	0.8
Deferred tax liabilities	(1.2)	73.6	72.4
Insurance contract liabilities	8,372.5	58,862.4	67,234.9
Reinsurance contract liabilities	(2.0)	41.5	39.5
	9,455.0	59,105.3	68,560.3

* expected recovery or settlement within 12 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(h) ***Credit risk***. Credit risk is the risk of loss arising from an obligor failing to discharge an obligation. The Group and the Company are mainly exposed to credit risk through (i) investments in cash and bonds, (ii) corporate lending activities and (iii) exposure to counterparty's credit risk in derivative transactions and reinsurance contracts. For all three types of exposures, financial loss may materialise as a result of a downgrading of credit rating or default by the borrower or counterparty.

Group-wide credit risk is managed by Group ALC. The Group and the Company establish internal limits by issuer and counterparty according to their investment credit rating which are actively monitored to manage the credit and concentration risk, and are reviewed on a regular basis. The creditworthiness of reinsurers is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available information. The task of evaluating and monitoring credit risk is undertaken by Local ALCs.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is mitigated through counterparty limits that are reviewed and approved on an annual basis.

Credit risk arising from customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated.

The Group and the Company issue unit-linked investment policies in which the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Group has no material credit risk or market risk on unit-linked financial assets.

The loans in the Group's and the Company's portfolio are generally secured by collateral, with a maximum loan-to-value ratio of 70%. The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines on the collateral eligibility have been established, and all collaterals are revalued on a regular basis. Management monitors the market values of collaterals, requests additional collaterals when needed and performs an impairment valuation when applicable. The fair values of collaterals, held by the Group as lender, for which it is entitled to sell or pledge in the event of default is as tabulated below:

		Group	
in Singapore Dollars (millions)	**Type of Collateral**	**Carrying Amount**	**Fair Value**
As at 31 December 2023			
Secured loans	**Properties**	**371.9**	**882.0**
	Others	**0.6**	**0.6**
Derivatives	**Cash**	**252.5**	**252.5**
		625.0	**1,135.1**
As at 31 December 2022(restated)			
Secured loans	Properties	291.6	545.4
	Others	0.2	0.2
Derivatives	Cash	186.1	186.1
		477.9	731.7

		Company	
in Singapore Dollars (millions)	**Type of Collateral**	**Carrying Amount**	**Fair Value**
As at 31 December 2023			
Secured loans	**Properties**	**371.9**	**882.0**
Derivatives	**Cash**	**252.5**	**252.5**
		624.4	**1,134.5**
As at 31 December 2022(restated)			
Secured loans	Properties	291.1	545.4
Derivatives	Cash	186.1	186.1
		477.2	731.5

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk(continued)

(h) ***Credit risk (continued)***

There were no securities lending arrangements as at 31 December 2023 (31 December 2022: nil).

As at the balance sheet date, no investments (2022: nil) were placed as collateral for currency hedging purposes.

Transactions are conducted under standard terms and conditions for securities borrowing and lending activities.

The following table sets out information about the credit quality of loans and debt securities measured at amortised cost and debt securities measured at FVOCI. The maximum exposure is shown on a gross basis, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives.

For explanation of the terms: '12-month ECL', 'lifetime ECL' and 'credit-impaired', refer to Note 2.9.6.

Group	**31 December 2023**			
in Singapore Dollars (millions)	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Loans and other receivables at amortised cost				
Investment Grade* (BBB to AAA)	**400.8**	**116.4**		**517.2**
Not Rated	**2.1**	**-**	**41.5**	**43.6**
	402.9	**116.4**	**41.5**	**560.8**
Loss allowance	**(0.6)**	**(7.9)**	**(41.5)**	**(50.0)**
Carrying amount	**402.3**	**108.5**	**-**	**510.8**
Debt securities at amortised cost				
Investment Grade* (BBB to AAA)	**1,217.0**	**-**	**-**	**1,217.0**
	1,217.0	**-**	**-**	**1,217.0**
Loss allowance	**1.2**	**-**	**-**	**1.2**
Carrying amount	**1,218.2**	**-**	**-**	**1,218.2**
Debt securities at FVOCI				
Investment Grade* (BBB to AAA)	**11,507.6**	**48.6**	**-**	**11,556.2**
	11,507.6	**48.6**	**-**	**11,556.2**

Group	31 December 2022 restated			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Loans and other receivables at amortised cost				
Investment Grade* (BBB to AAA)	373.7	112.1	-	485.8
Not Rated	1.5	-	32.1	33.6
	375.2	112.1	32.1	519.4
Loss allowance	(0.5)	(6.5)	(32.1)	(39.1)
Carrying amount	374.7	105.6	-	480.3
Debt securities at amortised cost				
Investment Grade* (BBB to AAA)	1,803.7	-	-	1,803.7
	1,803.7	-	-	1,803.7
Loss allowance	(1.2)	-	-	(1.2)
Carrying amount	1,802.5	-	-	1,802.5
Debt securities at FVOCI				
Investment Grade* (BBB to AAA)	8,064.7	79.2	-	8,143.9
Non Investment Grade* (C to BB)	-	3.9	-	3.9
	8,064.7	83.1	-	8,147.8

* Based on internal ratings grades which are equivalent to grades of external rating agencies.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(h) *Credit risk (continued)*

Company	**31 December 2023**			
in Singapore Dollars (millions)	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Loans and other receivables at amortised cost				
Investment Grade* (BBB to AAA)	**390.8**	**-**	**-**	**390.8**
Not Rated	**-**	**-**	**31.1**	**31.1**
	390.8	**-**	**31.1**	**421.9**
Loss allowance	**(0.4)**	**-**	**(31.1)**	**(31.5)**
Carrying amount	**390.4**	**-**	**-**	**390.4**
Debt securities at amortised cost				
Investment Grade* (BBB to AAA)	**831.9**	**-**	**-**	**831.9**
	831.9	**-**	**-**	**831.9**
Loss allowance	**(0.3)**	**-**	**-**	**(0.3)**
Carrying amount	**831.6**	**-**	**-**	**831.6**
Debt securities at FVOCI				
Investment Grade* (BBB to AAA)	**9,434.7**	**-**	**-**	**9,434.7**
Non Investment Grade* (C to BB)	**-**	**-**	**-**	**-**
	9,434.7	**-**	**-**	**9,434.7**

Company	31 December 2022 (restated)			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Loans and other receivables at amortised cost				
Investment Grade* (BBB to AAA)	336.9	-	-	336.9
Not Rated	-	-	31.1	31.1
	336.9	-	31.1	368.0
Loss allowance	(0.7)	-	(31.1)	(31.8)
Carrying amount	336.2	-	-	336.2
Debt securities at amortised cost				
Investment Grade* (BBB to AAA)	1,475.5	-	-	1,475.5
	1,475.5	-	-	1,475.5
Loss allowance	(0.4)	-	-	(0.4)
Carrying amount	1,475.1	-	-	1,475.1
Debt securities at FVOCI				
Investment Grade* (BBB to AAA)	6,159.5	-	-	6,159.5
Non Investment Grade* (C to BB)	-	3.9	-	3.9
	6,159.5	3.9	-	6,163.4

* Based on internal ratings grades which are equivalent to grades of external rating agencies.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(h) *Credit risk (continued)*

Group

The following table sets out the credit analysis for financial assets and reinsurance contract assets that are not subjected to ECL:

in Singapore Dollars (millions)	Investment Grade* (BBB to AAA)	Non Investment Grade* (C to BB)	Not Rated	Not subject to credit risk	Total carrying amount
As at 31 December 2023					
Financial assets at FVOCI					
Equity securities	**-**	**-**	**-**	**1,476.9**	**1,476.9**
Financial assets at FVTPL					
Equity securities	**-**	**-**	**-**	**11,389.3**	**11,389.3**
Debt securities	**40,794.4**	**3,089.7**	**4,675.7**	**-**	**48,559.8**
Other investments	**-**	**-**	**-**	**18,339.8**	**18,339.8**
Derivative financial assets	**953.9**	**-**	**-**	**-**	**953.9**
Other debtors	**2.9**	**1.1**	**1,025.2**	**-**	**1,029.2**
Cash and cash equivalents	**5,724.0**	**-**	**-**	**-**	**5,724.0**
Reinsurance contract assets	**512.5**	**-**	**-**	**-**	**512.5**
	47,987.7	**3,090.8**	**5,700.9**	**31,206.0**	**87,985.4**
As at 31 December 2022 (restated)					
Financial assets at FVOCI					
Equity securities	-	-	-	1,296.0	1,296.0
Financial assets at FVTPL					
Equity securities	-	-	-	11,409.8	11,409.8
Debt securities	41,996.9	2,362.4	4,279.7	-	48,639.0
Other investments	-	-	-	13,747.0	13,747.0
Derivative financial assets	737.1	-	-	-	737.1
Other debtors	2.4	1.1	750.2	-	753.7
Cash and cash equivalents	8,936.6	-	-	-	8,936.6
Reinsurance contract assets	811.3	-	-	-	811.3
	52,484.3	2,363.5	5,029.9	26,452.8	86,330.5

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(h) ***Credit risk (continued)***

Company
The following table sets out the credit analysis for financial assets and reinsurance contract assets that are not subjected to ECL:

in Singapore Dollars (millions)	Investment Grade* (BBB to AAA)	Non Investment Grade* (C to BB)	Not Rated	Not subject to credit risk	Total carrying amount
As at 31 December 2023					
Financial assets at FVOCI					
Equity securities	**-**	**-**	**-**	**1,083.7**	**1,083.7**
Financial assets at FVTPL					
Equity securities	**-**	**-**	**-**	**4,110.3**	**4,110.3**
Debt securities	**28,920.2**	**20.1**	**4,553.2**	**-**	**33,493.5**
Other investments	**-**	**-**	**-**	**17,287.5**	**17,287.5**
Derivative financial assets	**951.7**	**-**	**-**	**-**	**951.7**
Other debtors	**1.9**	**-**	**813.7**	**-**	**815.6**
Cash and cash equivalents	**4,775.4**	**-**	**-**	**-**	**4,775.4**
Reinsurance contract assets	**389.0**	**-**	**-**	**-**	**389.0**
	35,038.2	**20.1**	**5,366.9**	**22,481.5**	**62,906.7**
As at 31 December 2022 (restated)					
Financial assets at FVOCI					
Equity securities	-	-	-	908.1	908.1
Financial assets at FVTPL					
Equity securities	-	-	-	3,650.8	3,650.8
Debt securities	30,135.3	15.6	4,171.8	-	34,322.7
Other investments	-	-	-	12,869.7	12,869.7
Derivative financial assets	736.7	-	-	-	736.7
Other debtors	1.9	-	516.1	-	518.0
Cash and cash equivalents	7,325.9	-	-	-	7,325.9
Reinsurance contract assets	357.9	-	-	-	357.9
	38,557.7	15.6	4,687.9	17,428.6	60,689.8

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(h) *Credit risk (continued)*

Amounts arising from Expected Credit Losses ("ECL")

ECL provisioning is the setting of allowance for credit-impaired and non-credit impaired exposure in accordance to SFRS(I) 9 through forward-looking ECL model.

Measurement of ECL - Explanation of inputs, assumptions and estimation techniques
The key inputs into the measurement of ECL are of the following variables:
- probability of default ('PD');
- loss given default ('LGD'); and
- exposure at default ('EAD').

These parameters are derived from statistical models internally developed by the Group.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ('12M PD'), or over the remaining lifetime ('Lifetime PD') of the obligation. PD estimates are derived from PD models that incorporate both quantitative and qualitative inputs, which are in turn derived from internally and externally compiled data. The model outputs are adjusted to reflect forward-looking information whenever appropriorate.

LGD is the magnitude of the likely loss incurred during a default. LGD is expressed as a percentage of loss per unit of exposure at the time of default and represents an estimate of the economic loss in the event of the default of the counterparty. Factors in determining LGDs include claim seniority, availability and quality of collateral, legal enforceability processes in the jurisdiction and industry of borrower and prevailing market conditions. They are estimates at a certain date and are derived using statistical models. These statistical models are developed using internally compiled data and incorporate both quantitative and qualitative factors. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

EAD represents the expected exposure in the event of a default. The Group derives the EAD based on the current exposure to the counterparty and potential future exposure.

The ECL is determined by the PD, LGD and EAD for each individual exposure. The ECLs are first determined from the product of these three components, which are then adjusted to take into account forward-looking information. The ECLs are finally discounted to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Significant increase in credit risk
To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default assessed at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:
- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

A movement of an obligor's credit rating along the rating scale represents a change in the credit risk as measured by the change in PD.

The criteria for assessing whether credit risk has increased significantly will be determined by changes in 12M PDs and other qualitative factors. The credit risk of an obligor is deemed to have increased significantly since initial recognition if, based on the Group's quantitative model, the 12M PD is determined to have more than doubled since origination, except when the obligor remains within the investment grade ratings.

Using expert credit judgment and, where possible, relevant historical experience, the Group may determine that an obligor has undergone a significant increase in credit risk based on qualitative factors that are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The Group uses the watch-list as an additional trigger for the identification of significant increase in credit risk.

The Group considers an obligor to have relatively lower credit risk if it is of investment grade quality, taking into account both internal and external credit ratings.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(h) ***Credit risk (continued)***

Credit risk grades
The Group assigns each obligor to a credit risk grade that reflects the PD of the obligor. Credit risk grades are established based on qualitative and quantitative factors that are indicative of default risk. These factors vary depending on the nature of the exposure and the type of counterparty.

Credit risk grades are defined and calibrated such that the default risk increases as credit risk deteriorates. Each exposure is assigned with a credit risk grade at initial recognition, based on available information on the borrower. Obligors are subject to ongoing monitoring and review, and may be assigned with new credit risk grades that better reflects their creditworthiness. The monitoring typically involves the use of information obtained during periodic review, including published financial statements, external rating (where available), as well as qualitative information on an obligor's industry, competitive positioning, management, financial policy and financial flexibility.

Definition of default
The Group considers a financial asset to be in default by assessing the following criteria:

Quantitative criteria
For insurance receivables, the obligor is said to be in default if it fails to make contractual payments within 6 months after it falls due (i.e. after expiration of the maximum granted credit terms). For bonds and loans, the obligor is said to be in default if it fails to meet its contractual obligation and there are non-payments on another debt obligation of the same issuer to the Group.

Qualitative criteria
The counterparty is in bankruptcy or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty; distressed exchange, merger or amalgamation without assumption or breach of material loan covenants not rectified within a given timeframe, restructuring with expected principal haircut or a breach in material loan covenant that is not rectified within given timeframe.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected loss calculations.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(h) ***Credit risk (continued)***

Incorporating of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and in its ECL measurement. The Group has performed historical analysis and identified key economic variables impacting credit risk and ECLs for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are obtained from publicly available economic databases published on a quarterly basis and provide the best estimate view of the economy over the next four to five years, and based on such information to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach is used. The impact of these economic variables on PDs, EADs and LGDs has been determined via regression analyses.

In addition to the base economic scenario, the Group uses multiple scenarios to ensure non-linear risks are captured. The number of scenarios and the respective scenario attributes are reviewed at each reporting date. At 31 December 2022, the Group concluded that two particular scenarios are capable of capturing non-linear risks inherent in all portfolios. The scenario weightings are determined by expert credit judgment, taking into account the range of possible outcomes presented by the chosen scenarios. The assessment of significant increase in credit risk is performed using the 12M PD under each scenario multiplied by the associated scenario weights. This determines whether the financial instrument is in Stage 1, 2 or 3, and hence whether 12M or lifetime ECL should be applied. Following this assessment, the Group measures ECL as either a probability-weighted 12M ECL (Stage 1), or a probability-weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of uncertainty and the actual outcomes may be significantly different from projected outcomes. The Group considers these forecasts being representative of the best estimates of the possible outcomes and has analysed the non-linear risks and asymmetries within the various portfolios of the Group to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Group for the year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(h) *Credit risk (continued)*

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

Group	31 December 2023			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and receivables at amortised cost				
Balance at the beginning of the year	0.5	6.5	32.1	39.1
Net remeasurement of loss allowance	-	1.9	9.4	11.3
New financial assets purchased	0.5	(0.2)	-	0.3
Financial assets that have been derecognised	(0.4)	(0.2)	-	(0.6)
Changes in models/risk parameters	(0.1)	0.5	-	0.4
Foreign exchange and other movements	-	(0.5)	-	(0.5)
Balance at the end of the year	0.5	8.0	41.5	50.0
Debt securities at amortised cost				
Balance at the beginning of the year	1.1	-	-	1.1
Net remeasurement of loss allowance	0.3	-	-	0.3
New financial assets purchased	0.2	-	-	0.2
Financial assets that have been derecognised	(0.4)	-	-	(0.4)
Balance at the end of the year	1.2	-	-	1.2
Debt securities at FVOCI				
Balance at the beginning of the year	6.0	11.7	1.9	19.6
Transfer to 12-month ECL	1.1	(1.1)	-	-
Transfer to lifetime ECL not credit-impaired	0.7	-	-	0.7
Movement of loss allowance due to transfer	(1.1)	-	-	(1.1)
Net remeasurement of loss allowance	0.3	0.6	-	0.9
New financial assets purchased	5.5	(0.4)	-	5.1
Financial assets that have been derecognised	(3.0)	(0.7)	-	(3.7)
Changes in models/risk parameters	(0.2)	0.1	-	(0.1)
Foreign exchange and other movements	-	(0.2)	-	(0.2)
Balance at the end of the year	9.3	10.0	1.9	21.2
Increase in provision for impairment of financial assets for the year	3.4	0.5	9.4	13.3

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(h) ***Credit risk (continued)***

Loss allowance (continued)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument (continued).

Group	31 December 2022 (restated)			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and other receivables at amortised cost				
Balance at the beginning of the year	0.8	9.8	-	10.6
Net remeasurement of loss allowance	-	-	32.1	32.1
New financial assets purchased	0.4	3.2	-	3.6
Financial assets that have been derecognised	(0.7)	(4.1)	-	(4.8)
Changes in models/risk parameters	(0.1)	(2.5)	-	(2.6)
Foreign exchange and other movements	0.1	0.1	-	0.2
Balance at the end of the year	0.5	6.5	32.1	39.1
Debt securities at amortised cost				
Balance at the beginning of the year	1.6	-	-	1.6
Net remeasurement of loss allowance	0.1	-	-	0.1
New financial assets purchased	0.6	-	-	0.6
Financial assets that have been derecognised	(1.1)	-	-	(1.1)
Changes in models/risk parameters	0.1	-	-	0.1
Foreign exchange and other movements	(0.2)	-	-	(0.2)
Balance at the end of the year	1.1	-	-	1.1
Debt securities at FVOCI				
Balance at the beginning of the year, as previously reported	5.6	3.1	1.9	10.6
Adoption of SFRS(I) 17	0.9	9.5	-	10.4
Balance at the beginning of the year, restated	6.5	12.6	1.9	21.0
New financial assets purchased	3.6	2.2	-	5.8
Financial assets that have been derecognised	(3.3)	(2.3)	-	(5.6)
Changes in models/risk parameters	(0.8)	(0.7)	-	(1.5)
Foreign exchange and other movements	-	(0.1)	-	(0.1)
Balance at the end of the year	6.0	11.7	1.9	19.6
(Decrease)/increase in provision for impairment of financial assets for the year	(1.2)	(4.2)	32.1	26.7

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(h) ***Credit risk (continued)***

Loss allowance (continued)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument (continued).

Company	**31 December 2023**			
in Singapore Dollars (millions)	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Total**
Loans and other receivables at amortised cost				
Balance at the beginning of the year	**0.7**	**-**	**31.1**	**31.8**
New financial assets purchased	**0.1**	**-**	**1.3**	**1.4**
Financial assets that have been derecognised	**(0.4)**	**-**	**-**	**(0.4)**
Changes in models/risk parameters	**-**	**-**	**-**	**-**
Balance at the end of the year	**0.4**	**-**	**32.4**	**32.8**
Debt securities at amortised cost				
Balance at the beginning of the year	**0.4**	**-**	**-**	**0.4**
New financial assets purchased	**0.5**	**-**	**-**	**0.5**
Financial assets that have been derecognised	**(0.3)**	**-**	**-**	**(0.3)**
Balance at the end of the year	**0.6**	**-**	**-**	**0.6**
Debt securities at FVOCI				
Balance at the beginning of the year	**3.0**	**0.2**	**1.8**	**5.0**
Net remeasurement of loss allowance	**0.2**	**(0.1)**	**-**	**0.1**
New financial assets purchased	**4.3**	**-**	**-**	**4.3**
Financial assets that have been derecognised	**(2.0)**	**-**	**-**	**(2.0)**
Changes in models/risk parameters	**(0.3)**	**-**	**-**	**(0.3)**
Balance at the end of the year	**5.2**	**0.1**	**1.8**	**7.1**
Increase/(decrease) in provision for impairment of financial assets for the year	**2.1**	**(0.1)**	**1.3**	**3.3**

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit Risk and Liquidity Risk (continued)

(h) *Credit risk (continued)*

Loss allowance (continued)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument (continued).

Company	31 December 2022 (restated)			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and other receivables at amortised cost				
Balance at the beginning of the year	0.4	-	-	0.4
New financial assets purchased	0.3	-	31.1	31.4
Financial assets that have been derecognised	(0.2)	-	-	(0.2)
Changes in models/risk parameters	0.2	-	-	0.2
Balance at the end of the year	0.7	-	31.1	31.8
Debt securities at amortised cost				
Balance at the beginning of the year	-	-	-	-
New financial assets purchased	0.4	-	-	0.4
Balance at the end of the year	0.4	-	-	0.4
Debt securities at FVOCI				
Balance at the beginning of the year	1.6	0.3	1.8	3.7
Net remeasurement of loss allowance	-	(0.1)	-	(0.1)
New financial assets purchased	1.6	-	-	1.6
Financial assets that have been derecognised	(1.0)	-	-	(1.0)
Changes in models/risk parameters	0.8	-	-	0.8
Balance at the end of the year	3.0	0.2	1.8	5.0
Increase/(decrease) in provision for impairment of financial assets for the year	2.1	(0.1)	31.1	33.1

The changes in risk parameters may consist of management overlays, including but not limited to, the application of judgment to:
i) key economic variables including GDP growth projections,
ii) scenario weightings,
iii) obligor's credit rating to reflect a deterioration of credit risk,
iv) events arose post-model-run that require adjustment.

Loss allowances are reviewed quarterly, taking into consideration the adequacy of key variables.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(i) ***Concentration risk.*** An important element of managing both Market, Credit and Liquidity Risks is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place to manage concentration risk. These limits are reviewed on a regular basis by the respective management committees. The Group's exposures are within the concentration limits set by the respective local regulators.

The Group actively manages its investment mix to ensure that there is no significant concentration in Market, Credit and Liquidity Risk.

(j) ***Sensitivity analysis on financial risks.*** The sensitivity analysis below shows the impact on the Group's and the Company's net profit after tax by applying possible shocks to each key variables, with all other variables constant. Co-movement of key variables can significantly affect the fair values and/or amortised cost of financial assets. To demonstrate the impact due to changes in each key variable, the variables are changed individually.

The impact on net profit after tax represents the effect caused by changes in fair value of financial assets whose fair values are recorded in the Profit or Loss Statement, and changes in valuation of insurance and reinsurance contract liabilities/assets. The equity sensitivity represents the impact on net profit after tax and the effect on changes in fair value of financial assets measured at FVOCI.

Market risk sensitivity analysis:

	Group											
	Impact on Profit After Tax						Impact on Equity					
	2023			2022 (restated)			2023			2022 (restated)		
in Singapore Dollars (millions)	**Financial assets**	**Insurance & reinsurance contracts**	**Total**	Financial assets	Insurance & reinsurance contracts	Total	**Financial assets**	**Insurance & reinsurance contracts**	**Total**	Financial assets	Insurance & reinsurance contracts	Total
Change in variables:												
(a) Interest rate												
+ 100 basis points	**(2,788.3)**	**2,738.3**	**(50.0)**	(2,210.7)	2,203.2	(7.5)	**(3,269.2)**	**3,052.8**	**(216.4)**	(2,635.9)	2,458.8	(177.1)
- 100 basis points	**3,228.4**	**(3,209.0)**	**19.4**	2,511.3	(2,528.3)	(17.0)	**3,772.5**	**(3,642.7)**	**129.8**	2,995.5	(2,880.0)	115.5
(b) Foreign Currency												
5% increase in market value of USD denominated assets	**113.8**	**(146.5)**	**(32.7)**	115.8	(123.1)	(7.3)	**113.8**	**(144.6)**	**(30.8)**	115.8	(131.5)	(15.7)
5% decrease in market value of USD denominated assets	**(113.8)**	**140.7**	**26.9**	(115.8)	123.1	7.3	**(113.8)**	**138.8**	**25.0**	(115.8)	134.1	18.3
(c) Equity												
20% increase in market indices:												
- STI	**325.9**	**(317.5)**	**8.4**	267.9	(260.3)	7.6	**346.1**	**(327.8)**	**18.3**	298.6	(269.5)	29.1
- KLCI	**947.8**	**(951.4)**	**(3.6)**	681.0	(681.5)	(0.5)	**981.6**	**(983.6)**	**(2.0)**	716.2	(715.3)	0.9
20% decrease in market indices:												
- STI	**(326.7)**	**318.0**	**(8.7)**	(267.9)	260.2	(7.7)	**(347.0)**	**328.3**	**(18.7)**	(298.6)	269.5	(29.1)
- KLCI	**(947.8)**	**927.3**	**(20.5)**	(681.0)	656.4	(24.6)	**(981.6)**	**959.5**	**(22.1)**	(716.2)	690.2	(26.0)
(d) Credit												
Spread + 100 basis points	**(1,227.1)**	**1,193.8**	**(33.3)**	(1,062.3)	1,065.7	3.4	**(1,541.9)**	**1,277.6**	**(264.3)**	(1,351.5)	1,149.9	(201.6)
Spread - 100 basis points	**1,407.2**	**(1,372.6)**	**34.6**	1,180.6	(1,178.3)	2.3	**1,760.2**	**(1,478.3)**	**281.9**	1,508.9	(1,280.9)	228.0
(e) Alternative Investments[1]												
10% increase in market value of all alternative investments	**581.0**	**(520.1)**	**60.9**	419.4	(354.2)	65.2	**598.2**	**(536.8)**	**61.4**	442.9	(377.6)	65.3
10% decrease in market value of all alternative investments	**(581.0)**	**519.9**	**(61.1)**	(419.4)	353.9	(65.5)	**(598.2)**	**536.6**	**(61.6)**	(442.9)	377.3	(65.6)

The above table demonstrates the sensitivity of the Group's profit and loss after tax and equity to a change in the specified variable on an individual basis with all other variables held constant.

[1] Alternative Investments comprise investments in real estate, private equity, infrastructure and hedge funds.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market, Credit and Liquidity Risk (continued)

(j) ***Sensitivity analysis on financial risks (continued)***
Market risk sensitivity analysis:

	Company											
	Impact on Profit After Tax						Impact on Equity					
	2023			2022 (restated)			2023			2022 (restated)		
in Singapore Dollars (millions)	**Financial assets**	**Insurance & reinsurance contracts**	**Total**	Financial assets	Insurance & reinsurance contracts	Total	**Financial assets**	**Insurance & reinsurance contracts**	**Total**	Financial assets	Insurance & reinsurance contracts	Total
Change in variables:												
(a) Interest rate												
+ 100 basis points	**(2,121.1)**	**2,101.1**	**(20.0)**	(1,637.8)	1,651.4	13.6	**(2,509.0)**	**2,314.2**	**(194.8)**	(1,972.1)	1,831.6	(140.5)
- 100 basis points	**2,477.4**	**(2,456.4)**	**21.0**	1,874.2	(1,885.7)	(11.5)	**2,918.8**	**(2,774.2)**	**144.6**	2,258.5	(2,153.2)	105.3
(b) Foreign Currency												
5% increase in market value of USD denominated assets	**102.5**	**(135.2)**	**(32.7)**	112.5	(119.7)	(7.2)	**102.5**	**(133.3)**	**(30.8)**	112.5	(128.1)	(15.6)
5% decrease in market value of USD denominated assets	**(102.5)**	**129.5**	**27.0**	(112.5)	119.7	7.2	**(102.5)**	**127.6**	**25.1**	(112.5)	128.1	15.6
(c) Equity												
20% increase in market indices: - STI	**281.0**	**(272.5)**	**8.5**	219.2	(211.6)	7.6	**290.9**	**(272.5)**	**18.4**	240.7	(211.6)	29.1
20% decrease in market indices: - STI	**(281.8)**	**273.3**	**(8.5)**	(219.2)	211.6	(7.6)	**(291.7)**	**273.3**	**(18.4)**	(240.7)	211.6	(29.1)
(d) Credit												
Spread + 100 basis points	**(833.8)**	**804.1**	**(29.7)**	(694.2)	694.8	0.6	**(1,087.9)**	**822.6**	**(265.3)**	(917.6)	721.5	(196.1)
Spread - 100 basis points	**973.0**	**(937.8)**	**35.2**	773.0	(770.0)	3.0	**1,260.2**	**(976.0)**	**284.2**	1,029.8	(802.3)	227.5
(e) Alternative Investments[1]												
10% increase in market value of all alternative investments	**556.4**	**(495.5)**	**60.9**	399.2	(333.9)	65.3	**556.9**	**(495.5)**	**61.4**	399.2	(333.9)	65.3
10% decrease in market value of all alternative investments	**(556.4)**	**495.5**	**(60.9)**	(399.2)	334.0	(65.2)	**(556.9)**	**495.5**	**(61.4)**	(399.2)	334.0	(65.2)

The above table demonstrates the sensitivity of the Company's profit and loss after tax and equity to a change in the specified variable on an individual basis with all other variables held constant.

(1) Alternative Investments comprise investments in real estate, private equity, infrastructure and hedge funds.

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Operational and Compliance Risk

Operational risk is an event or action that may potentially impact partly or completely the achievement of the organisation's objectives resulting from inadequate or failed internal processes and systems, human factors, or external events.

Compliance risk is any event or action that may potentially impact partly or completely the achievement of the organisation's objectives, as a result of its failure to comply with the following applicable laws, regulations and standards:

- local laws, regulations and rules governing licensed activities undertaken by the Group;
- foreign laws, regulations and rules that have extraterritorial jurisdiction over the Group's licensed activities;
- codes of practice promoted by industry associations of which the Group is member of; and
- any other applicable regulations which do not specifically govern the licensed activities undertaken by the Group but can expose the organisation to legal, regulatory or reputational loss.

The day-to-day management of operational and compliance risk is through the maintenance of comprehensive internal control frameworks, supported by an infrastructure of systems and procedures to monitor processes and transactions. GMC reviews operational and compliance issues on a Group basis at its monthly meetings while local level issues are managed and monitored by the Local SMTs. The Internal Audit team reviews the systems of internal controls to assess their ongoing relevance and effectiveness, and reports at least quarterly to the Audit Committee.

Technology, Information and Cyber Risks

Technology risk is defined as risk related to any potential adverse outcome, damage, loss, disruption, violation, system/ hardware failure, capacity deficiency arising from the use of technologies such as electronic hardware/ devices, software, online networks and telecommunications systems.

Information risk is defined as risk related to confidentiality, integrity and availability of information (in physical or digital form).

Cyber risk is defined as risk related to acts perpetrated by malicious threat actors including internal sabotage, espionage, malicious attacks, hacking incidents, fraudulent conduct using information and communication technologies.

The Group adopts a risk-based approach in managing technology, risks relating to IT disruption, cyber threats, data loss and third parties. Key risk indicators related to technology, information and cyber risks are reported to the Board on a regular basis. Independent assessment is performed by Internal Audit on the adequacy and effectiveness of the technology risk controls.

Sustainability Risk

Sustainability risk is defined as any environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and enterprise value. The Group has integrated ESG considerations into the investment and underwriting activities.

At present, the Group manages social and governance-related risk through existing frameworks and policies. In order to build resilience as the world transits to a low-carbon economy, the Group has formalised the Group Environmental Risk Management Policy which sets forth guiding principles and minimum standards in managing environmental risk within the Group. Environmental risk arises from the potential adverse impact of changes in the environment on economic activities and human well-being. Environmental issues that are of concern include climate change, loss of biodiversity, pollution and changes in land use. Environmental risk can manifest in three dimensions of risk as follows:

• Physical risk – impact of weather events and long-term or widespread environmental changes. It arises from acute (event-driven) and chronic (long term shift) climate-related events that damage property, reduce productivity and disrupt trade.
• Transition risk – arises from the process of adjustment to an environmentally sustainable economy, including change in public policies, disruptive technological developments, and shifts in consumer and investor preferences.
• Liability risk – arises from legal risk and claims on damages and losses incurred from inaction or lack of action that results in the effects of physical and transition risks.

NOTES TO THE FINANCIAL STATEMENTS

31 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Sustainability Risk (continued)

The Group's risk assessment considers the financial and non-financial impacts from physical and transition risks arising from climate change. With this, the Group has put in place processes, methodology, and both qualitative and quantitative tools to identify and assess environmental risk for investment and underwriting portfolios.

For underwriting portfolio, risk transfer tool such as reinsurance is used to assist in managing environmental risk. For investment portfolio, the objective is to build resilient investment portfolios whilst striking a balance between ESG considerations, impact and financial returns.

The Group has made its first disclosures on climate-related risks aligned to the Task Force on Climate-related Financial Disclosures ("TCFD") in May 2021 as part of GEH Sustainability Report 2021. The report provides some insights into the Group's governance approach, strategy and risk management, as well as key metrics and targets for climate-related financial risks.

32 FAIR VALUE OF ASSETS AND LIABILITIES

32.1 Fair Value Hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, quotes from brokers and market makers, cash flow discounting and other valuation techniques commonly used by market participants, and

Level 3 - Unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement (with Level 3 being the lowest).

<u>Transfers between levels of the fair value heirarchy</u>

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.2 Assets and Liabilities Measured at Fair Value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			
	2023			
	Fair value measurements at the end of the reporting period using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2023				
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	-	382.6	-	382.6
Currency swaps	-	96.1	-	96.1
Interest rates				
Swaps	-	23.7	-	23.7
Exchange traded futures	371.1	-	-	371.1
Equity				
Futures	13.7	-	-	13.7
Options	-	54.6	-	54.6
Bond				
Forwards	-	2.2	-	2.2
Credit				
Swaps	-	9.9	-	9.9
	384.8	569.1	-	953.9
Financial assets at FVOCI				
Equity securities	1,454.6	-	22.3	1,476.9
Debt securities	7,270.9	4,285.3	-	11,556.2
	8,725.5	4,285.3	22.3	13,033.1
Financial assets at FVTPL				
Equity securities	11,364.2	3.7	21.4	11,389.3
Debt securities	28,424.8	20,135.0	-	48,559.8
Other investments	1,891.6	13,557.5	2,890.7	18,339.8
	41,680.6	33,696.2	2,912.1	78,288.9
Financial assets as at 31 December 2023	50,790.9	38,550.6	2,934.4	92,275.9
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,880.7	1,880.7
Non-financial assets as at 31 December 2023	-	-	1,880.7	1,880.7
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	-	121.3	-	121.3
Currency swaps	-	14.0	-	14.0
Interest rates				
Swaps	-	32.7	-	32.7
Exchange traded futures	4.0	-	-	4.0
Equity				
Swaps	-	0.6	-	0.6
Futures	2.9	-	-	2.9
Bond				
Forwards	-	0.8	-	0.8
Financial liabilities as at 31 December 2023	6.9	169.4	-	176.3

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.2 Assets and Liabilities Measured at Fair Value (continued):

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period (continued):

	Group			
	2022 (restated)			
	Fair value measurements at the end of the reporting period using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2022				
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	-	501.1	-	501.1
Currency swaps	-	174.3	-	174.3
Options	-	12.0	-	12.0
Interest rates				
Swaps	-	9.0	-	9.0
Exchange traded futures	2.2	-	-	2.2
Equity				
Swaps	-	0.2	-	0.2
Futures	3.2	-	-	3.2
Options	-	32.9	-	32.9
Bond				
Forwards	-	0.3	-	0.3
Credit				
Swaps	-	1.9	-	1.9
	5.4	731.7	-	737.1
Financial assets at FVOCI				
Equity securities	1,273.3	-	22.7	1,296.0
Debt securities	4,873.9	1,181.6	-	6,055.5
	6,147.2	1,181.6	22.7	7,351.5
Financial assets at FVTPL				
Equity securities	11,387.5	0.5	21.8	11,409.8
Debt securities	34,650.7	15,509.0	571.6	50,731.3
Other investments	1,328.2	9,600.9	2,817.9	13,747.0
	47,366.4	25,110.4	3,411.3	75,888.1
Financial assets as at 31 December 2022	53,519.0	27,023.7	3,434.0	83,976.7
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,881.2	1,881.2
Asset held for sale	-	-	72.6	72.6
Non-financial assets as at 31 December 2022	-	-	1,953.8	1,953.8
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	-	145.9	-	145.9
Currency swaps	-	6.9	-	6.9
Interest rates				
Swaps	-	64.4	-	64.4
Exchange traded futures	17.2	-	-	17.2
Equity				
Swaps	-	33.2	-	33.2
Futures	0.1	-	-	0.1
Options	-	4.8	-	4.8
Bond				
Forwards	-	4.8	-	4.8
Credit				
Swaps	-	3.7	-	3.7
Financial liabilities as at 31 December 2022	17.3	263.7	-	281.0

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.2 **Assets and Liabilities Measured at Fair Value (continued):**
The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period (continued):

	Company			
	2023			
	Fair value measurements at the end of the reporting period using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2023				
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	-	382.6	-	382.6
Currency swaps	-	96.1	-	96.1
Interest rates				
Swaps	-	23.7	-	23.7
Exchange traded futures	371.1	-	-	371.1
Equity				
Futures	13.7	-	-	13.7
Options	-	54.6	-	54.6
Credit				
Swaps	-	9.9	-	9.9
	384.8	566.9	-	951.7
Financial assets at FVOCI				
Equity securities	1,081.1	-	2.6	1,083.7
Debt securities	6,939.9	2,494.8	-	9,434.7
	8,021.0	2,494.8	2.6	10,518.4
Financial assets at FVTPL				
Equity securities	4,106.9	3.4	-	4,110.3
Debt securities	28,251.0	5,242.5	-	33,493.5
Other investments	1,596.5	12,850.2	2,840.8	17,287.5
	33,954.4	18,096.1	2,840.8	54,891.3
Financial assets as at 31 December 2023	42,360.2	21,157.8	2,843.4	66,361.4
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,207.5	1,207.5
Non-financial assets as at 31 December 2023	-	-	1,207.5	1,207.5
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	-	121.3	-	121.3
Currency swaps	-	5.5	-	5.5
Interest rates				
Swaps	-	32.7	-	32.7
Exchange traded futures	4.0	-	-	4.0
Equity				
Swaps	-	0.6	-	0.6
Futures	2.9	-	-	2.9
Financial liabilities as at 31 December 2023	6.9	160.1	-	167.0

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.2 Assets and Liabilities Measured at Fair Value (continued):
The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period (continued):

	Company			
	2022 (restated)			
	Fair value measurements at the end of the reporting period using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2022				
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	-	501.1	-	501.1
Currency swaps	-	174.2	-	174.2
Options	-	12.0	-	12.0
Interest rates				
Swaps	-	9.0	-	9.0
Exchange traded futures	2.2	-	-	2.2
Equity				
Swaps	-	0.2	-	0.2
Futures	3.2	-	-	3.2
Options	-	32.9	-	32.9
Credit				
Swaps	-	1.9	-	1.9
	5.4	731.3	-	736.7
Financial assets at FVOCI				
Equity securities	905.5	-	2.6	908.1
Debt securities	6,047.0	115.4	1.0	6,163.4
	6,952.5	115.4	3.6	7,071.5
Financial assets at FVTPL				
Equity securities	3,650.6	0.2	-	3,650.8
Debt securities	33,028.4	732.7	561.6	34,322.7
Other investments	1,046.1	9,032.3	2,791.3	12,869.7
	37,725.1	9,765.2	3,352.9	50,843.2
Financial assets as at 31 December 2022	44,683.0	10,611.9	3,356.5	58,651.4
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,198.2	1,198.2
Non-financial assets as at 31 December 2022	-	-	1,198.2	1,198.2
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	-	145.9	-	145.9
Currency swaps	-	5.5	-	5.5
Interest rates				
Swaps	-	64.4	-	64.4
Exchange traded futures	17.2	-	-	17.2
Equity				
Futures	-	33.2	-	33.2
Swaps	0.1	-	-	0.1
Options	-	4.8	-	4.8
Credit				
Swaps	-	3.7	-	3.7
Financial liabilities as at 31 December 2022	17.3	257.5	-	274.8

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.3 Level 3 Fair Value Measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements:
The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

		Group		
Description	**Fair value as at 31 December 2023**	**Valuation techniques**	**Unobservable inputs**	**Range (weighted average)**
Investment properties	**1,880.7**	**Comparison approach**	**Estimated psf**	**$11 to $3,482**
		Capitalisation approach	**Capitalisation rate**	**3.25%**
		Income approach	**Rental per square foot ("p.s.f") per month**	**$2.11 to $2.13**
			Car park bay rental rate	**$88.96**
			Monthly outgoing rate p.s.f.	**$0.40**
			Capitalisation rate	**5.75% to 6.00%**
			Void rate	**5%**
Investments				
Unquoted equities	**43.7**	**Net asset value[1]**	**not applicable**	**not applicable**
Collective investment schemes	**2,890.7**	**Net asset value[1]**	**not applicable**	**not applicable**

Description	Fair value as at 31 December 2022	Valuation techniques	Unobservable inputs	Range (weighted average)
Investment properties	1,881.2	Comparison approach	Estimated psf	$10 to $4,173
		Capitalisation approach	Capitalisation rate	3.25%
Asset held for sale	72.6	Income approach	Rental psf per month	$0.72 to $1.78
			Rental growth rate	0%
			Long-term vacancy rate	12.50%
			Discount rate	5.75% to 6.00%
Investments				
Unquoted debt securities	22.3	Discounted cash flow	Yield	4% to 6%
Unquoted debt securities	549.3	Income approach	Risk-adjusted discount rate	Spread of 1-2% above risk-free interest rate
Unquoted equities	44.5	Net asset value[1]	not applicable	not applicable
Collective investment schemes	2,817.9	Net asset value[1]	not applicable	not applicable

(1) These investments are valued using net asset value. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.3 Level 3 Fair Value Measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements: (continued)
The following table shows the information about fair value measurements using significant unobservable inputs (Level 3) (continued):

Company				
Description	**Fair value as at 31 December 2023**	**Valuation techniques**	**Unobservable inputs**	**Range (weighted average)**
Investment properties	**1,207.5**	**Direct Comparison Method**	**Estimated psf**	**$1,667 to $2,503**
Investments				
Unquoted equities	**2.6**	**Net asset value[(1)]**	**not applicable**	**not applicable**
Collective investment schemes	**2,840.8**	**Net asset value[(1)]**	**not applicable**	**not applicable**

Description	Fair value as at 31 December 2022	Valuation techniques	Unobservable inputs	Range (weighted average)
Investment properties	1,198.2	Direct Comparison Method	Estimated psf	$1,643 to $2,516
Investment				
Unquoted debt securities	22.3	Discounted cash flow	Yield	4% to 6%
Unquoted debt securities	540.3	Income approach	Risk-adjusted discount rate	Spread of 1-2% above risk-free interest rate
Unquoted equities	2.6	Net asset value[(1)]	not applicable	not applicable
Collective investment schemes	2,791.3	Net asset value[(1)]	not applicable	not applicable

(1) These investments are valued using net asset value. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy.

For investment properties, a significant increase/(decrease) in unobservable inputs would result in a significantly higher/(lower) fair value measurement.

(ii) Valuation process:
The valuations of financial instruments are performed by the custodians and the valuations of investment properties are performed by the external valuers. The valuations conducted by the custodians are verified and assessed for reasonableness by Group Finance department against available market conditions. The valuations of investment properties are based primarily on the comparison approach and the capitalisation approach. The major inputs of the valuation of investment properties are reviewed by management. The property management department also held discussions with external valuers on any significant fluctuation noted from the independent valuation reports. The valuations conducted by the external valuers are verified and assessed for reasonableness by management against property values of other comparable properties.

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.3 Level 3 Fair Value Measurements (continued)

(iii) Movements in Level 3 assets and liabilities measured at fair value:
The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Group Fair value measurements using significant unobservable inputs (Level 3)											
	31 December 2023						31 December 2022					
	Investments						Investments					
in Singapore Dollars (millions)	**Unquoted debt securities**	**Unquoted equities**	**Collective Investment Schemes**	**Investment Properties**	**Asset held for sale**	**Total**	Unquoted debt securities	Unquoted equities	Collective Investment Schemes	Investment Properties	Asset held for sale	Total
Opening balance	**571.6**	**44.5**	**2,817.9**	**1,881.2**	**72.6**	**5,387.8**	-	51.5	2,656.1	1,883.9	-	4,591.5
Total gain/(loss) for the year:												
Included in the Profit or Loss Statement												
- Gain/(loss) on sale of investments and changes in fair value	**14.9**	**(0.4)**	**(149.0)**	**16.3**	**-**	**(118.2)**	-	(2.7)	(85.8)	91.3	-	2.8
Included in other comprehensive income												
- Changes in fair value	**-**	**(0.4)**	**-**	**-**	**-**	**(0.4)**	-	(4.3)	-	-	-	(4.3)
Purchases and sales for the period:												
Purchases	**-**	**-**	**903.6**	**1.1**	**-**	**904.7**	-	-	609.4	1.0	-	610.4
Sales	**(561.8)**	**-**	**(681.8)**	**-**	**(72.6)**	**(1,316.2)**	-	-	(361.8)	-	-	(361.8)
Reclassification from property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-
Reclassification	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	(72.6)	72.6	-
Transfer to/from during the year:												
Transfer from Level 1	**-**	**-**	**-**	**-**	**-**	**-**	562.6	-	-	-	-	562.6
Transfer from Level 2	**(24.7)**	**-**	**-**	**-**	**-**	**(24.7)**	9.0	-	-	-	-	9.0
Currency translation reserve adjustment	**-**	**-**	**-**	**(17.9)**	**-**	**(17.9)**	-	-	-	(22.4)	-	(22.4)
Closing balance	**-**	**43.7**	**2,890.7**	**1,880.7**	**-**	**4,815.1**	571.6	44.5	2,817.9	1,881.2	72.6	5,387.8

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.3 Level 3 Fair Value Measurements (continued)

(iii) Movements in Level 3 assets and liabilities measured at fair value: (continued)
The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3) (continued):

	Company									
	Fair value measurements using significant unobservable inputs (Level 3)									
	31 December 2023					31 December 2022				
	Investments					Investments				
in Singapore Dollars (millions)	**Unquoted debt securities**	**Unquoted equities**	**Collective Investment Schemes**	**Investment Properties**	**Total**	Unquoted debt securities	Unquoted equities	Collective Investment Schemes	Investment Properties	Total
Opening balance	**562.6**	**2.6**	**2,791.3**	**1,198.2**	**4,554.7**	-	2.7	2,642.9	1,106.9	3,752.5
Total gain/(loss) for the year:										
Included in the Profit or Loss Statement										
- Gain/(loss) on sale of investments and changes in fair value	**12.4**	**-**	**(149.6)**	**9.3**	**(127.9)**	-	(0.1)	(86.7)	91.3	4.5
Included in other comprehensive income										
Purchases and sales for the period:										
Purchases	**-**	**-**	**199.1**	**-**	**199.1**	-	-	592.7	-	592.7
Sales	**(550.3)**	**-**	**-**	**-**	**(550.3)**	-	-	(357.6)	-	(357.6)
Transfer to/from during the year:										
Transfer from Level 1	**-**	**-**	**-**	**-**	**-**	562.6	-	-	-	562.6
Transfer to Level 2	**(24.7)**	**-**	**-**	**-**	**(24.7)**	-	-	-	-	-
Closing balance	**-**	**2.6**	**2,840.8**	**1,207.5**	**4,050.9**	**562.6**	**2.6**	**2,791.3**	**1,198.2**	**4,554.7**

NOTES TO THE FINANCIAL STATEMENTS

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

32.4 Assets and Liabilities Not Carried at Fair Value but for which Fair Value is Disclosed

The following tables show an analysis of the Group's and the Company's assets and liabilities not measured at fair value but for which fair value is disclosed:

	Group 2023 Fair value measurements at the end of the reporting period using				
in Singapore Dollars (millions)	**Quoted prices in active markets for identical assets (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**	**Carrying Amount**
Assets					
Debt securities at amortised cost	**1,089.1**	**109.5**	**-**	**1,198.6**	**1,218.2**
Loans	**-**	**524.5**	**-**	**524.5**	**510.8**
Freehold land, leasehold land and buildings	**-**	**-**	**847.6**	**847.6**	**366.9**

	Group 2022 Fair value measurements at the end of the reporting period using				
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying Amount
Assets					
Debt securities at amortised cost	1,609.5	105.7	-	1,715.2	1,802.5
Loans	-	485.1	-	485.1	480.3
Freehold land, leasehold land and buildings	-	-	846.6	846.6	382.1

	Company 2023 Fair value measurements at the end of the reporting period using				
in Singapore Dollars (millions)	**Quoted prices in active markets for identical assets (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**	**Carrying Amount**
Assets					
Debt securities at amortised cost	**720.2**	**109.5**	**-**	**829.7**	**831.6**
Loans	**-**	**390.9**	**-**	**390.9**	**390.4**
Freehold land, leasehold land and buildings	**-**	**-**	**691.9**	**691.9**	**289.6**

	Company 2022 Fair value measurements at the end of the reporting period using				
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying Amount
Assets					
Debt securities at amortised cost	1,358.8	105.7	-	1,464.5	1,475.1
Loans	-	336.5	-	336.5	336.2
Freehold land, leasehold land and buildings	-	-	681.2	681.2	298.8

33 DIVIDENDS

	Group and Company	
in Singapore Dollars (millions)	**2023**	2022
Final one-tier tax exempt dividend for previous year of $1.21 per ordinary share (2022: $1.06 per ordinary share)	**117.5**	103.0
Interim one-tier tax exempt dividend of $1.73 per ordinary share (2022: nil)	**168.0**	-
	285.5	103.0

The Directors proposed a final one-tier tax exempt dividend of $2.17 per ordinary share and a special one-tier tax exempt dividend of $10.29 per ordinary share, totalling $12.46 per ordinary share amounting to $1,210.8 million (2022: $117.5 million) be paid in respect of the financial year ended 31 December 2023. This has not been recognised as distributions to shareholders.

There are no income tax consequences attached to the dividend to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

34 AUTHORISATION OF FINANCIAL STATEMENTS

At the Board of Directors' Meeting held on 23 February 2024, the Board authorised these financial statements for issue and that two Directors of the Board, Mr Soon Tit Koon and Mr Leo Mun Wai, sign the Directors' Report on behalf of the Board.

THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 190800011G)

Directors' Statement and Audited Consolidated Financial Statements

For the Financial Year Ended 31 December 2022

DIRECTORS' STATEMENT

The Directors are pleased to present this statement to the member together with the audited consolidated financial statements of The Great Eastern Life Assurance Company Limited (the "Company") and its subsidiaries (collectively the "Group") and the balance sheet, profit or loss statement, statement of comprehensive income and statement of changes in equity of the Company for the financial year ended 31 December 2022.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors,

(i) the consolidated financial statements of the Group and the balance sheet, profit or loss statement, statement of comprehensive income and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, the financial performance, changes in equity of the Group and the Company and cash flows of the Group for the financial year ended on that date; and

(ii) at the date of this, statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

Mr Koh Beng Seng, Chairman
Ms Mimi Ho
Mr Norman Ip
Mr Lee Boon Ngiap (Appointed on 16 April 2022)
Mr Kyle Lee
Mr Leo Mun Wai
Mr Quah Wee Ghee

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangements whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, save as disclosed in this statement.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The Directors of the Company do not have interests in shares in the Company, as the Company is a wholly-owned subsidiary of Great Eastern Holdings Limited ("GEH"). The Company's ultimate holding company is Oversea-Chinese Banking Corporation Limited ("OCBC Bank").

DIRECTORS' STATEMENT (continued)

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

According to the register of Directors' shareholdings, the Directors who held office at the end of the financial year had an interest in shares in, or debentures of, OCBC Bank and its related corporations as at the end of the financial year, are set out below:

	Holdings registered in the name of Directors or in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 1.1.2022 or date of appointment	**As at 31.12.2022**	As at 1.1.2022 or date of appointment	**As at 31.12.2022**
Ordinary shares in the capital of OCBC Bank				
Mr Koh Beng Seng	7,644	**13,644**	–	**–**
Ms Mimi Ho	2,756	**2,756**	11,357[1]	**11,357** [1]
Mr Norman Ip	4,614	**4,614**	10,340[1]	**10,340** [1]
Mr Kyle Lee	135,121	**135,121**	–	**–**
Mr Quah Wee Ghee	50,072	**50,072**	654[1]	**654** [1]

Note:
[1] Held by spouse.

Saved as disclosed above, the Directors holding office at the end of the financial year did not have any interest in shares in, or debentures of, the Company or any related corporation either at the beginning of the financial year, date of appointment or at the end of the financial year.

5. SHARE OPTIONS

The Company does not have any share option scheme in place.

6. AUDIT COMMITTEE

The Audit Committee ("AC") comprises three non-executive Directors. The AC members at the date of this statement are Mr Leo Mun Wai (AC Chairman), Ms Mimi Ho and Mr Lee Boon Ngiap. The AC convened nine meetings during the financial year under review.

The AC performs the functions specified under Section 201B(5) of the Companies Act 1967, including reviewing with the auditor its audit plan, its evaluation of the system of internal accounting controls and its audit report, reviewing the assistance given by the Company's officers to the auditor, reviewing the scope and results of the internal audit procedures, reviewing the financial statements of the Company and of the Group and the auditor's report thereon prior to their submission to the Company's Board of Directors. The AC also performs the functions specified in the Insurance (Corporate Governance) Regulations 2013 and Guidelines on Corporate Governance for Designated Financial Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued by the Monetary Authority of Singapore on 9 November 2021.

The AC has nominated PricewaterhouseCoopers LLP for reappointment as auditor at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT (continued)

7. AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the Board of Directors

Koh Beng Seng
Chairman

Leo Mun Wai
Director

Singapore
21 February 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of The Great Eastern Life Assurance Company Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet, the profit or loss statement, the statement of comprehensive income and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the profit or loss statements of the Group and of the Company for the year ended 31 December 2022;
- the statements of comprehensive income of the Group and of the Company for the year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2022;
- the statements of changes in equity of the Group and of the Company for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's 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

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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.

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 21 February 2023

PROFIT OR LOSS STATEMENTS
for the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021
Income					
Gross Premiums		**18,172.3**	18,588.8	**14,143.2**	14,796.1
Premiums ceded to reinsurers		**(694.7)**	(602.5)	**(295.2)**	(312.0)
Net premiums		**17,477.6**	17,986.3	**13,848.0**	14,484.1
Commissions received from reinsurers		**20.5**	16.6	**12.1**	13.2
Dividend from subsidiaries		**-**	-	**295.7**	166.4
Investment income, net	4	**2,693.7**	2,527.4	**1,514.6**	1,392.3
Rental income, net		**27.4**	27.3	**33.0**	30.9
Fees and other income		**0.6**	-	**0.6**	-
(Loss)/gain on sale of investments and changes in fair value	5	**(7,857.9)**	(1,138.1)	**(7,011.7)**	5.4
Change in third-party interests in consolidated investment funds		**(0.2)**	(0.2)	**-**	-
(Loss)/gain on exchange differences		**(53.4)**	36.2	**(56.8)**	35.7
Total income		**12,308.3**	19,455.5	**8,635.5**	16,128.0
less: ***Expenses***					
Gross claims, maturities, surrenders and annuities		**10,932.8**	11,214.5	**8,218.0**	8,822.2
Claims, maturities, surrenders and annuities recovered from reinsurers		**(534.8)**	(442.9)	**(332.0)**	(196.5)
Commissions and distribution expenses		**1,321.3**	1,441.7	**822.2**	951.6
Increase/(decrease) in provision for impairment of assets		**27.0**	2.9	**33.1**	(5.8)
Management and other expenses	8	**519.7**	529.5	**334.9**	349.2
Interest expense		**-**	0.2	**-**	0.2
Increase in provision for agents' retirement benefits	7	**38.3**	19.7	**0.6**	0.2
Depreciation and amortisation expenses	8	**82.3**	75.0	**62.6**	53.8
Gross change in insurance contract liabilities	15	**(713.0)**	2,461.4	**(1,071.9)**	2,386.7
Change in insurance contract liabilities ceded to reinsurers	15	**(118.5)**	1,734.2	**56.9**	1,652.3
Total expenses		**11,555.1**	17,036.2	**8,124.4**	14,013.9
Profit before income tax		**753.2**	2,419.3	**511.1**	2,114.1
Income tax credit/(expense) attributable to policyholders' returns	9	**248.8**	(1,294.0)	**222.1**	(1,339.9)
Profit before tax attributable to shareholders' profits		**1,002.0**	1,125.3	**733.2**	774.2
Income tax credit/(expense)		**73.2**	(1,483.4)	**184.7**	(1,418.6)
less: Income tax (credit)/expense attributable to policyholders' returns		**(248.8)**	1,294.0	**(222.1)**	1,339.9
Income tax expense attributable to shareholders' profits	9	**(175.6)**	(189.4)	**(37.4)**	(78.7)
Profit after income tax		**826.4**	935.9	**695.8**	695.5
Attributable to:					
Shareholders		**825.0**	934.1	**695.8**	695.5
Non-controlling interests		**1.4**	1.8	**-**	-
		826.4	935.9	**695.8**	695.5
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	10	**$8.49**	$9.61		

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021
Profit after income tax for the year		**826.4**	935.9	**695.8**	695.5
Other comprehensive loss:					
Items that will not be reclassified to Profit or Loss Statement:					
Exchange differences arising on translation of overseas entities attributable to non-controlling interests		**(0.8)**	(0.2)	**-**	-
Revaluation (loss)/gain on equity instruments at fair value through other comprehensive income		**(174.0)**	82.4	**(167.8)**	84.6
Income tax related to the above		**28.5**	(12.2)	**28.6**	(14.4)
Items that may be reclassified subsequently to Profit or Loss Statement:					
Exchange differences arising on translation of overseas entities		**(88.4)**	(21.1)	**-**	-
Debt instruments at fair value through other comprehensive income:					
Changes in fair value		**(823.9)**	(173.4)	**(771.5)**	(128.0)
Changes in allowance for expected credit losses	32	**(1.0)**	1.0	**1.3**	(1.4)
Reclassification of loss/(gain) on disposal of investments to the Profit or Loss Statement	5	**65.6**	(39.7)	**61.3**	(39.0)
Income tax related to the above		**132.4**	32.9	**120.5**	28.6
Other comprehensive loss for the year, after tax		**(861.6)**	(130.3)	**(727.6)**	(69.6)
Total comprehensive (loss)/income for the year		**(35.2)**	805.6	**(31.8)**	625.9
Total comprehensive (loss)/income attributable to:					
Shareholders		**(34.4)**	805.8	**(31.8)**	625.9
Non-controlling interests		**(0.8)**	(0.2)	**-**	-
		(35.2)	805.6	**(31.8)**	625.9

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
as at 31 December 2022

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021
Share capital	11	**97.2**	97.2	**97.2**	97.2
Reserves					
Currency translation reserve	12	**(104.0)**	(15.6)	**-**	-
Fair value reserve	12	**(599.2)**	181.5	**(556.0)**	189.8
Retained earnings		**5,811.8**	5,081.5	**4,365.1**	3,754.1
SHAREHOLDERS' EQUITY		**5,205.8**	5,344.6	**3,906.3**	4,041.1
NON-CONTROLLING INTERESTS		**71.8**	71.2	**-**	-
TOTAL EQUITY		**5,277.6**	5,415.8	**3,906.3**	4,041.1
LIABILITIES					
Insurance payables	13	**7,030.7**	6,512.6	**2,373.6**	2,089.2
Other creditors	14	**1,966.9**	1,874.3	**1,393.3**	1,349.1
Amounts due to subsidiaries and related companies	18	**-**	-	**0.2**	4.5
Income tax payable		**228.0**	292.1	**186.6**	222.9
Derivative financial liabilities	20	**281.0**	110.3	**274.8**	102.6
Provision for agents' retirement benefits	7	**295.8**	291.3	**0.8**	0.2
Deferred tax liabilities	9	**2,032.3**	2,563.6	**1,834.7**	2,317.0
Insurance contract liabilities	15	**85,565.0**	87,718.3	**61,793.0**	62,864.9
TOTAL EQUITY AND LIABILITIES		**102,677.3**	104,778.3	**71,763.3**	72,991.5
ASSETS					
Cash and cash equivalents		**8,936.6**	8,467.5	**7,325.9**	6,750.3
Other debtors	16	**819.5**	814.4	**574.9**	559.3
Insurance receivables	17	**3,453.4**	3,231.6	**988.4**	977.6
Asset held for sale	26	**72.6**	-	**-**	-
Reinsurers' share of insurance contract liabilities	15	**579.8**	472.5	**237.1**	294.0
Amounts due from subsidiaries and related companies	18	**-**	-	**80.2**	91.9
Loans	19	**480.3**	592.0	**336.2**	342.0
Derivative financial assets	20	**737.1**	359.7	**736.7**	357.4
Investments	21	**85,042.1**	88,265.1	**59,389.8**	61,600.3
Deferred tax assets	9	**11.9**	-	**-**	-
Investment in subsidiaries	22	**-**	-	**384.2**	384.2
Intangible assets	24	**156.7**	148.6	**98.8**	89.6
Investment properties	25	**1,881.2**	1,883.9	**1,198.2**	1,106.9
Property, plant and equipment	27	**506.1**	543.0	**412.9**	438.0
TOTAL ASSETS		**102,677.3**	104,778.3	**71,763.3**	72,991.5

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - GROUP
for the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Attributable to shareholders of the Company Share Capital	Currency Translation Reserve	Fair Value Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 2022		97.2	(15.6)	181.5	5,081.5	5,344.6	71.2	5,415.8
Profit for the year		-	-	-	825.0	825.0	1.4	826.4
Other comprehensive loss								
Exchange differences arising on translation of overseas entities		-	(88.4)	-	-	(88.4)	(0.8)	(89.2)
Net revaluation loss on equity instruments at fair value through other comprehensive income		-	-	(145.5)	-	(145.5)	-	(145.5)
Debt instruments at FVOCI:								
Changes in fair value		-	-	(823.9)	-	(823.9)	-	(823.9)
Changes in allowance for expected credit losses	32	-	-	(1.0)	-	(1.0)	-	(1.0)
Reclassification of loss on disposal of investments to the Profit or Loss Statement	5	-	-	65.6	-	65.6	-	65.6
Income tax related to the above		-	-	132.4	-	132.4	-	132.4
Other comprehensive loss for the year, after tax		-	(88.4)	(772.4)	-	(860.8)	(0.8)	(861.6)
Total comprehensive (loss)/income for the year		-	(88.4)	(772.4)	825.0	(35.8)	0.6	(35.2)
Reclassification of net change in fair value of equity instruments upon derecognition	21	-	-	(8.3)	8.3	-	-	-
Distributions to shareholders								
Dividends paid during the year:								
Final one-tier tax exempt dividend for the previous year	34	-	-	-	(103.0)	(103.0)	-	(103.0)
Total distributions to shareholders		-	-	-	(103.0)	(103.0)	-	(103.0)
Total transactions with shareholders in their capacity as shareholders		-	-	-	(103.0)	(103.0)	-	(103.0)
Balance at 31 December 2022		97.2	(104.0)	(599.2)	5,811.8	5,205.8	71.8	5,277.6

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - GROUP
for the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Attributable to shareholders of the Company: Share Capital	Currency Translation Reserve	Fair Value Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 2021		97.2	5.5	309.9	4,210.4	4,623.0	69.6	4,692.6
Profit for the year		-	-	-	934.1	934.1	1.8	935.9
Other comprehensive loss								
Exchange differences arising on translation of overseas entities		-	(21.1)	-	-	(21.1)	(0.2)	(21.3)
Net revaluation gain on equity instruments at fair value through other comprehensive income		-	-	70.2	-	70.2	-	70.2
Debt instruments at FVOCI:								
Changes in fair value		-	-	(173.4)	-	(173.4)	-	(173.4)
Changes in allowance for expected credit losses	32	-	-	1.0	-	1.0	-	1.0
Reclassification of gain on disposal of investments to the Profit or Loss Statement	5	-	-	(39.7)	-	(39.7)	-	(39.7)
Income tax related to the above		-	-	32.9	-	32.9	-	32.9
Other comprehensive loss for the year, after tax		-	(21.1)	(109.0)	-	(130.1)	(0.2)	(130.3)
Total comprehensive (loss)/income for the year		-	(21.1)	(109.0)	934.1	804.0	1.6	805.6
Reclassification of net change in fair value of equity instruments upon derecognition	21	-	-	(19.4)	19.4	-	-	-
Distributions to shareholders								
Dividends paid during the year:								
Final one-tier tax exempt dividend for the previous year	34	-	-	-	(82.4)	(82.4)	-	(82.4)
Total distributions to shareholders		-	-	-	(82.4)	(82.4)	-	(82.4)
Total transactions with shareholders in their capacity as shareholders		-	-	-	(82.4)	(82.4)	-	(82.4)
Balance at 31 December 2021		97.2	(15.6)	181.5	5,081.5	5,344.6	71.2	5,415.8

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY - COMPANY
for the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Share Capital	Fair Value Reserve	Retained Earnings	Total Equity
Balance at 1 January 2022		**97.2**	**189.8**	**3,754.1**	**4,041.1**
Profit for the year		**-**	**-**	**695.8**	**695.8**
Other comprehensive (loss)/income					
Net revaluation loss on equity instruments at fair value through other comprehensive income		**-**	**(139.2)**	**-**	**(139.2)**
Debt instruments at FVOCI:					
Changes in fair value		**-**	**(771.5)**	**-**	**(771.5)**
Changes in allowance for expected credit losses	32		**1.3**		**1.3**
Reclassification of loss on disposal of investments to the Profit or Loss Statement	5	**-**	**61.3**	**-**	**61.3**
Income tax related to the above		**-**	**120.5**	**-**	**120.5**
Other comprehensive loss for the year, after tax		**-**	**(727.6)**	**-**	**(727.6)**
Total comprehensive (loss)/income for the year		**-**	**(727.6)**	**695.8**	**(31.8)**
Reclassification of net change in fair value of equity instruments upon derecognition	21	**-**	**(18.2)**	**18.2**	**-**
Distributions to shareholders					
Dividends paid during the year:					
Final one-tier tax exempt dividend for the previous year	34	**-**	**-**	**(103.0)**	**(103.0)**
Total distributions to shareholders		**-**	**-**	**(103.0)**	**(103.0)**
Total transactions with shareholders in their capacity as shareholders		**-**	**-**	**(103.0)**	**(103.0)**
Balance at 31 December 2022		**97.2**	**(556.0)**	**4,365.1**	**3,906.3**
Balance at 1 January 2021		97.2	281.6	3,118.8	3,497.6
Profit for the year		-	-	695.5	695.5
Other comprehensive income/(loss)					
Net revaluation gain on equity instruments at fair value through other comprehensive income		-	70.2	-	70.2
Debt instruments at FVOCI:					
Changes in fair value		-	(128.0)	-	(128.0)
Changes in allowance for expected credit losses	32		(1.4)		(1.4)
Reclassification of gain on disposal of investments to the Profit or Loss Statement	5	-	(39.0)	-	(39.0)
Income tax related to the above		-	28.6	-	28.6
Other comprehensive income for the year, after tax		-	(69.6)	-	(69.6)
Total comprehensive income for the year		-	(69.6)	695.5	625.9
Reclassification of net change in fair value of equity instruments upon derecognition	21	-	(22.2)	22.2	-
Distributions to shareholders					
Dividends paid during the year:					
Final one-tier tax exempt dividend for the previous year	34	-	-	(82.4)	(82.4)
Total distributions to shareholders		-	-	(82.4)	(82.4)
Total transactions with shareholders in their capacity as shareholders		-	-	(82.4)	(82.4)
Balance at 31 December 2021		97.2	189.8	3,754.1	4,041.1

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**753.2**	2,419.3
Adjustments for non-cash items:			
Loss on sale of investments and changes in fair value	5	**7,857.9**	1,138.1
Increase in provision for impairment of assets		**27.0**	2.9
Increase in provision for agents' retirement benefits	7	**38.3**	19.7
Depreciation and amortisation expenses	24,27	**82.3**	75.0
Loss/(gain) on exchange differences		**53.4**	(36.2)
Change in insurance contract liabilities	15	**(713.0)**	2,461.4
Change in insurance contract liabilities ceded to reinsurers	15	**(118.5)**	1,734.2
Dividend income	4	**(696.3)**	(639.8)
Interest income	4	**(2,212.0)**	(2,098.1)
Interest expense		**-**	0.2
Interest expense on policy benefits and lease liabilities	8	**208.7**	201.0
Share-based payments	8	**5.4**	4.7
		5,286.4	5,282.4
Changes in working capital:			
Insurance receivables		**(605.9)**	(275.0)
Other debtors		**(14.4)**	107.9
Insurance payables		**(454.3)**	579.1
Other creditors		**(16.7)**	(986.5)
Cash generated from operations		**4,195.1**	4,707.9
Income tax paid		**(373.2)**	(260.6)
Interest paid on policy benefits and lease liabilities		**(208.7)**	(201.0)
Agents' retirement benefits paid	7	**(16.2)**	(18.7)
Net cash flows generated from operating activities		**3,597.0**	4,227.6

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	**2022**	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities and sales of investments		**35,195.7**	35,705.1
Purchase of investments		**(41,042.0)**	(42,700.7)
Proceeds from sale of property, plant and equipment		**0.5**	4.4
Purchase of property, plant and equipment and investment properties	25, 27	**(12.3)**	(38.8)
Acquisition of intangible assets	24	**(51.1)**	(57.5)
Interest income received		**2,200.1**	2,094.1
Interest expense paid		**-**	(9.3)
Dividends received		**698.1**	656.4
Net cash flows used in investing activities		**(3,011.0)**	(4,346.3)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	34	**(103.0)**	(82.4)
Principal element of lease payments		**(13.9)**	(13.9)
Redemption of debt issued		**-**	(400.0)
Net cash flows used in financing activities		**(116.9)**	(496.3)
Net increase/(decrease) in cash and cash equivalents		**469.1**	(615.0)
Cash and cash equivalents at the beginning of the year		**8,467.5**	9,082.5
Cash and cash equivalents at the end of the year		**8,936.6**	8,467.5
Cash and cash equivalents comprise:			
Cash and bank balances		**2,785.2**	2,309.8
Cash on deposit		**2,456.4**	2,305.8
Short term instruments		**3,695.0**	3,851.9
		8,936.6	8,467.5

Included in the cash and cash equivalents are bank deposits amounting to $1.5 million (2021: $1.6 million) which are lodged with the regulator as statutory deposits and are not available for use by the Group.

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

The Great Eastern Life Assurance Company Limited (the "Company" or "GEL") is a limited liability company which is incorporated and domiciled in the Republic of Singapore. The notes refer to the Company and its subsidiaries (collectively the "Group") unless otherwise stated. The registered office and principal place of business of the Company is located at 1 Pickering Street, #16-01, Great Eastern Centre, Singapore 048659.

The principal activity of the Company is life assurance business. The principal activities of the significant subsidiaries within the Group are stated in Note 3. There have been no significant changes in the nature of these activities during the financial year.

The Company is a wholly-owned subsidiary of Great Eastern Holdings Limited ("GEH"), a public listed company, incorporated in the Republic of Singapore. GEH's immediate and ultimate holding company is Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), which prepares financial statements for public use.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations as issued by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest $0.1 million except as otherwise stated.

2.2 Changes in Accounting Policies

2.2.1 New Standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual financial periods beginning or after 1 January 2022.

SFRS(I)	**Title**	**Effective date (Annual periods beginning on or after)**
SFRS(I) 3	Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Various	Annual improvements to SFRS(I)s 2018-2020	1 January 2022

The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective

The Group and the Company have not applied the following SFRS(I) that have been issued but which are not yet effective:

SFRS(I)	**Title**	**Effective date (Annual periods beginning on or after)**
SFRS(I) 17	Insurance Contracts	1 January 2023
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
SFRS(I) 17	Amendments to SFRS(I) 17 Insurance Contract	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Various	Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

The Directors expect that the adoption of the new standards above will not have any material impact on the financial statements in the year of initial application, except for SFRS(I) 17, as described below.

SFRS(I) 17 Insurance Contracts
The Group will apply SFRS(I) 17 for the first time on 1 January 2023. It is a comprehensive new accounting standard for insurance and reinsurance contracts covering recognition, measurement, presentation and disclosure, and is expected to have a material impact on the Group's consolidated financial statements in the period of initial application.

A. SFRS(I) 17 Insurance Contracts

SFRS(I) 17 replaces SFRS(I) 4 *Insurance Contracts* and is effective for annual periods beginning on or after 1 January 2023. The nature and effects of the changes in the Group accounting policies are summarised below.

i. Identifying contracts in the scope of SFRS(I) 17
SFRS(I) 17 establishes specific principles for the recognition, measurement, presentation and disclosure of insurance contracts issued and reinsurance contracts held by the Group.

The key principles of SFRS(I) 17 are that the Group:
- Identifies insurance contracts as those under which the Group accepts significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance contracts and accounts for them in accordance with other standards; and
- Divides the insurance and reinsurance contracts into groups they will recognise and measure.

ii. Level of aggregation
Under SFRS(I) 17, insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into quarterly cohorts (by quarter of issuance) for life insurance, into three groups based on the expected profitability of the contracts:
(i) any contracts that are onerous at initial recognition;
(ii) any contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
(iii) any remaining contracts in the portfolio.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The profitability groupings are not reassessed under subsequent measurement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

ii. Level of aggregation (continued)

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts into quarterly cohorts (by quarter of issuance) for life reinsurance treaties into groups of:

(i) contracts for which there is a net gain at initial recognition, if any;
(ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
(iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual reinsurance treaty basis.

The level of aggregation requirements of SFRS(I) 17 limits the offsetting of gains on groups of profitable contracts, which are generally deferred as a Contractual Service Margin ("CSM"), against losses on groups of onerous contracts, which are recognised immediately.

iii. Contract Boundary

Under SFRS(I) 17, the measurement of a group of insurance contracts includes all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- Both of the following criteria are satisfied:
  - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
  - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Fulfilment cash flows relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

For life insurance contracts with renewal periods, the Group assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Group by considering all the risks covered for the policyholder by the Group, that the Group would consider when underwriting equivalent contracts on the renewal dates for the remaining service. Therefore, the cash flows related to renewals of insurance contracts will not be included in the contract boundary.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer. A substantive right to receive services from the reinsurer ends either when the reinsurer can reprice the contract to fully reflect the reinsured risk, or when the reinsurer has a substantive right to terminate coverage.

The Group reassesses contract boundaries of each group at the end of each reporting period.

Cash flows that are not directly attributable to a portfolio of insurance contracts, are recognised in other operating expenses as incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

iv. Measurement - Overview

SFRS(I) 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a Contractual Service Margin ("CSM"). For an explanation of how the Group will apply the measurement model, see Note 2.2.2A(v).

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which the Group promises an investment return based on underlying items; they are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All other insurance and all reinsurance contracts are expected to be classified as contracts without direct participation features.

Some of these contracts are measured under the Premium Allocation Approach ("PAA"). The PAA is an optional simplified measurement model in SFRS(I) 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria.

v. Measurement – contracts not measured under the PAA

On initial recognition, the Group measures a group of insurance contracts as the total of (a) the fulfilment cash flows, and (b) the CSM. The fulfilment cash flows of a group of insurance contracts do not reflect the Group's non-performance risk.

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised.

<u>Fulfilment Cash Flows ("FCF")</u>

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

v. Measurement – contracts not measured under the PAA (continued)

The estimates of future cash flows:
(a) are based on a probability-weighted mean of the full range of possible outcomes;
(b) are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
(c) reflect conditions existing at the measurement date.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows.

<u>CSM</u>
The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:
(a) the initial recognition of the FCF;
(b) cash flows arising from the contracts in the group at that date;
(c) the derecognition of any insurance acquisition cash flows asset; and
(d) the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

<u>Subsequent Measurement</u>
Subsequently, the carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage ("LRC") comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims ("LIC") includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

- The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows:

Changes relating to future service	Adjusted against CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated cash flows	Recognised as insurance finance income or expenses in profit or loss, except for certain portfolios measured using the GMM where the OCI option is applied.

The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

v. Measurement – contracts not measured under the PAA (continued)

Reinsurance contracts

The Group will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance income or expense as it receives insurance contract services from the reinsurer in the future.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group; and to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Under SFRS(I) 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

SFRS(I) 17 will require the Group to assess at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

v. Measurement – contracts not measured under the PAA (continued)

Impact assessment

Under SFRS(I) 17, all profits will be recognised in profit or loss over the life of the contracts, and this will primarily be driven by the timing of the recognition in profit or loss of the CSM as services are provided and the risk adjustment for non-financial risk as the related risk expires. The Group expects that, even though the total profit recognised over the lifetime of the contracts will not change, it will emerge differently under SFRS(I) 17.

The increase in liabilities for Life contracts on transition to SFRS(I) 17 can mainly be attributed to the following.

Key changes from SFRS(I) 4	Impact on equity on transition to SFRS(I) 17 at 1 January 2022
The estimates of the present value of future cash flows will increase as a result of a reduction in the discount rates because of the SFRS(I) 17 requirements to measure future cash flows using current discount rates.	**Decrease**
The risk adjustment for non-financial risk under SFRS(I) 17 will be lower than the risk margin under SFRS(I) 4 as a result of (a) recalibration of the measurement techniques to conform with the SFRS(I) 17 requirements, and (b) exclusion of financial risk and general operational risk from SFRS(I) 17 risk adjustment for non-financial risk for certain entities with the Group.	**Increase**
A CSM, determined using the transition approaches described under Note 2.2.2B, will be recognised for the unearned profit for these contracts.	**Decrease**

vi. Measurement – Significant Judgments and Estimates

The Group makes estimates, assumptions and judgments in its estimates of future cash flows, discount rates used, risk adjustments for non-financial risk, and CSM. At the date of these financial statements, the Group is still in the midst of finalising the judgments and estimation techniques employed, which are subject to change until the Group reports SFRS(I) 17 for the first time in calendar year 2023.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the observable market yields of Government Securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates. The Group does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

vi. Measurement – Significant Judgments and Estimates (continued)

The confidence level technique was used to derive the overall risk adjustment for non-financial risk. Applying a confidence level technique, the Group will estimate the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associate risks over all future years. The target confidence level will be at 85th percentile.

<u>Estimates of future cash flows</u>

In estimating future cash flows, the Group will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience updated to reflect current expectations of future events.

The estimates of future cash flows will reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group will take into account current expectations of future events that might affect cash flows. Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows will be attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities will be allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

vii. Presentation and disclosure

Under SFRS(I) 17, for presentation in the balance sheet, the Group will aggregate portfolios of insurance and reinsurance contracts held and present separately:

- Portfolios of insurance contracts that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts that are liabilities; and
- Portfolios of reinsurance contracts held that are labilities.

The portfolios referred to above are those established at initial recognition in accordance with the SFRS(I) 17 requirements.

The descriptions of the line items in the consolidated profit or loss statement will change significantly compared with the Group's current practice. Under SFRS(I) 4, the Group reports the following line items: premiums, claims, maturities, surrenders and annuities and change in insurance contract liabilities. SFRS(I) 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expense;
- Insurance finance income or expense; and
- Income or expenses from reinsurance contracts held.

The Group will provide disaggregated qualitative and quantitative information in the notes to the financial statements about:

- The amounts recognised in its financial statements from insurance contracts and reinsurance contracts; and
- Significant judgments, and changes in those judgments made when applying the standard.

Insurance service result comprises insurance revenue and insurance service expenses.

<u>Insurance revenue</u>

As the Group provides insurance contract services under the insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

The requirements of SFRS(I) 17 to recognise insurance revenue over the coverage period will result in slower revenue recognition compared with the Group's current practice of recognising revenue when the related premiums are written. Many insurance premiums include an investment (that is, deposit) component – an amount that will be paid to policyholders or their beneficiaries in all circumstances, regardless of whether an insured event occurs. The receipt and repayment of these non-distinct investment components do not relate to the provision of insurance services; therefore, such amounts are not presented as part of the Group's revenue or insurance service expenses.

<u>Insurance service expense</u>

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

Other expenses that relate directly to the fulfilment of insurance contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment contracts are included in other operating expenses in the consolidated statement of profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

A. SFRS(I) 17 Insurance Contracts (continued)

vii. Presentation and disclosure (continued)

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

(a) the effect of the time value of money and changes in the time value of money; and
(b) the effect of financial risk and changes in financial risk.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income or expenses for life insurance.

The Group includes all insurance finance income or expenses for the period in profit or loss, except for certain portfolios measured using the GMM where the Other Comprehensive Income (“OCI”) option is applied. This is expected to reduce accounting mismatches in profit or loss, considering that many of the supporting financial assets will be debt investments measured at fair value through other comprehensive income (“FVOCI”).

The Group systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts.

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Group reclassifies the insurance finance income or expenses to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

Disclosure

SFRS(I) 17 requires extensive new disclosures about amounts recognised in the financial statements, including detailed reconciliations of contracts, effects of newly recognised contracts and information on the expected CSM emergence pattern, as well as disclosures about significant judgments made when applying SFRS(I) 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts and reinsurance contracts. Disclosures will generally be made at a more granular level than under SFRS(I) 4, providing more transparent information for assessing the effects of contracts on the financial statements.

B. Transition

The Group will restate the comparative information based on the transition approaches taken on adoption of SFRS(I) 17.

Changes in accounting policies resulting from the adoption of SFRS(I) 17 will be applied using the full retrospective approach to the extent practicable. The full retrospective approach will be applied to insurance contracts that were originated less than one year prior to the effective date. The modified retrospective approach will be applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date. The fair value approach will be applied to the remaining insurance contracts in force at transition date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Basis of Consolidation and Business Combinations

2.3.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances, except for insurance contract liabilities (Note 2.10). A list of the Company's significant subsidiaries is shown in Note 3.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.3.2 Business Combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses, if any.

2.5 Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control and is generally established for a narrow and well-defined objective.

For the purpose of disclosure, the Group would be considered to sponsor a structured entity if it has a key role in establishing the structured entity or its name appears in the overall structure of the structured entity.

2.6 Joint Arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interests in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in a joint venture is set out in Note 2.7.

2.7 Associates and Joint Ventures

Associates are entities over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investment in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture. If the investment in an associate is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the Group may elect to measure that investment at fair value through profit or loss in accordance with SFRS(I) 9. The Group will make this election separately for each associate, at initial recognition of the associate or joint venture.

On acquisition of the investment, an excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, investments in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in an associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and the respective carrying value and recognises the amount in the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Associates and Joint Ventures (continued)

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures the retained investment at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

If the Group’s ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.8 Transactions with Non-Controlling Interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to shareholders of the Company, and is presented separately in the Profit or Loss Statement, Statement of Comprehensive Income and within equity in the Balance Sheet, separately from Shareholders’ Equity. An exception to this occurs when non-controlling interests arise through minority unit holders’ interest in consolidated investment funds, when they are recognised as a liability, reflecting the net assets of the consolidated entity. These interests qualify as a financial liability as they give the holder the right to put the instrument back to the issuer for cash. Changes in these liabilities are recognised in the Profit or Loss Statement as expenses.

Changes in the Company’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

2.9 Foreign Currency Conversion and Translation

2.9.1 Functional and Presentation Currency

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

2.9.2 Transactions and Balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Profit or Loss Statement except for exchange differences arising on monetary items that form part of the Group’s net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation. Exchange differences on items such as equity investments classified as fair value through other comprehensive income financial assets are included in the fair value reserve in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Foreign Currency Conversion and Translation (continued)

2.9.3 Consolidated Financial Statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange ruling at the end of the reporting period. The Profit or Loss Statement is translated at the exchange rates prevailing at the dates of the transactions. The exchange differences arising from the translation are recognised in the Statement of Comprehensive Income as foreign currency translation reserve.

On disposal of a foreign operation, the cumulative amount of exchange differences recognised in other comprehensive income relating to that particular foreign operation is recognised in the Profit or Loss Statement as gain or loss on disposal of the operation.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences is re-attributed to non-controlling interest and is not recognised in Profit or Loss Statement. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the Profit or Loss Statement.

2.10 Insurance Contracts

2.10.1 Product Classification

Insurance contracts are those contracts where the Group (the insurer) has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are those contracts that may transfer financial risk but do not transfer significant insurance 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 rates, 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.

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

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

- Likely to be a significant portion of the total contractual benefits;
- Whose amount or timing is contractually at the discretion of the issuer; and 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 company, fund or other entity that issues the contract.

For financial options and guarantees which are not closely related to the host insurance contract with DPF, bifurcation is required to measure these embedded derivatives separately at fair value through the Profit or Loss Statement. However, bifurcation is not required if the embedded derivative is itself an insurance contract with DPF, or if the host insurance contract and/or investment contract itself is measured at fair value through the Profit or Loss Statement.

For the purpose of SFRS(I) 4, the Group adopts maximum policy benefits as the proxy for insurance risk and cash surrender value or discounted maturity value as the proxy for realisable value of the insurance contract. The Group defines insurance risk to be significant when the ratio of the insurance risk over the deposit component is not less than 105% of the deposit component at inception of the insurance contract. Based on this definition, all policy contracts issued by insurance subsidiaries within the Group are considered insurance contracts as at the balance sheet date.

The insurance subsidiaries within the Group write insurance contracts in accordance with the local Insurance Regulations prevailing in the jurisdictions in which the insurance subsidiaries operate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Insurance Contracts (continued)

2.10.2 Types of Insurance Contracts

Insurance contract liabilities are classified into principal components as follows:

(a) Life Insurance contract liabilities; comprising
- Participating Fund contract liabilities;
- Non-Participating Fund contract liabilities; and
- Investment Linked Fund contract liabilities

(b) Reinsurance contracts.

2.10.3 Life Insurance Contract Liabilities

Insurance contracts are recognised and measured in accordance with the terms and conditions of the respective contracts and are based on guidelines laid down by the respective insurance regulations. Premiums, claims and benefit payments, acquisition and management expenses and valuation of future policy benefit payments or premium reserves as the case may be, are recognised in the Profit or Loss Statement.

The valuation of insurance contract liabilities is determined according to insurance regulations:

(a) Singapore Insurance Act 1966, Insurance (Valuation and Capital) Regulations 2004 for insurance funds regulated in Singapore ("MAS Regulations"); and

(b) Risk-Based Capital Framework for Insurers for insurance funds regulated in Malaysia.

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium valuation method. The liability is determined as the sum of the present value of future guaranteed and, where relevant, appropriate level of non-guaranteed benefits and expenses, less the present value of future gross considerations arising from the policy discounted at the appropriate discount rate. The liability is based on best estimate assumptions and with due regard to significant recent experience. An appropriate risk margin allowance for adverse deviation from expected experience is made in the valuation of non-participating life policies, the guaranteed benefit liabilities of participating life policies and liabilities of non-unit investment-linked policies.

The liability in respect of a participating insurance contract is based on the higher of the guaranteed benefit liabilities or the total benefit liabilities at the contract level derived as stated above. Refer to Table 2.10 for details.

In the case of life policies where part of, or all the premiums are accumulated in a fund, the accumulated amounts, as declared to policyholders are shown as liabilities if the accumulated amounts are higher than the amounts as calculated using the gross premium valuation method.

In the case of short-term life policies covering contingencies other than death or survival, the liability for such life insurance contracts comprises the provision for unearned premiums and unexpired risks, together with provision for claims outstanding, including an estimate of the incurred claims that have not yet been reported to the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Insurance Contracts (continued)

2.10.3 Life Insurance Contract Liabilities (continued)

Risk transfer
The Group issues a variety of short and long duration insurance contracts which transfer risks from the policyholders to the Group to protect policyholders from the consequences of insured events such as death, disability, illness, accident, including survival. These contracts may transfer both insurance and investment risk or insurance risk alone, from the policyholders to the Group.

For non-participating policy contracts other than medical insurance policy contracts, the payout to policyholders upon the occurrence of the insured event is pre-determined and the transfer of risk is absolute. For medical insurance policy contracts, the payout is dependent on the actual medical costs incurred upon the occurrence of the insured event.

Contracts which transfer insurance risk alone from policyholders to the Group are commonly known as investment linked policies. As part of the pricing for these contracts, the insurance subsidiaries within the Group include certain charges and fees to cover for expenses and insured risk. The net investment returns derived from the variety of investment funds as selected by the policyholders accrue directly to the policyholders.

The Group issues investment linked contracts as an insurance contract which insure human life events such as death or survival over a long duration; coupled with an embedded derivative linking death benefit payments on the contract to the value of a pool of investments within the investment linked fund set up by the insurance subsidiary. As an embedded derivative meets the definition of an insurance contract it need not be separately accounted for from the host insurance contract. The liability valuation for such contracts is adjusted for changes in the fair value of the underlying assets at frequencies in accordance with the terms and conditions of the insurance contracts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Insurance Contracts (continued)

2.10.3 Life Insurance Contract Liabilities (continued)

TABLE 2.10 below provides the key underlying assumptions used for valuation of life insurance contract liabilities.

	SINGAPORE	MALAYSIA
Valuation Method	Gross Premium Valuation For Participating Fund, the method that produces the higher reserves of: (i) Guaranteed and non-guaranteed cashflows discounted at the appropriate rate of return reflecting the strategic asset allocation; and (ii) Guaranteed cashflows discounted using the interest rate outlined below. (iii) Total assets less all liabilities except insurance contract liabilities of the Participating Fund.	Gross Premium Valuation For Participating Fund, the method that produces the higher reserves of: (i) Guaranteed and non-guaranteed cashflows discounted at the appropriate rate of return reflecting the strategic asset allocation i.e. Total Benefit Reserves; and (ii) Guaranteed cashflows discounted using Malaysia Government Securities zero coupon spot yields i.e. guaranteed benefit reserves (as outlined below). For Asset Share Participating Products, the Total Benefit Reserves will be further adjusted in accordance to the value of Policy Asset.
Discount Rate	For policies denominated in SGD / USD: (i) Singapore Government Securities / US Treasury yields for cash flows up to 20 years and 30 years respectively; (ii) Ultimate forward rate of 3.8% applicable for cash flows beyond 60 years; (iii) Extrapolated yields in between; and (iv) Adjustments for matching adjustment and illiquidity premium according to MAS Notice 133, if any.	Malaysia Government Securities yields determined based on the following: (i) For cashflows with duration less than 15 years, Malaysia Government Securities zero coupon spot yields of matching duration; and (ii) For cashflows with duration 15 years or more, Malaysia Government Securities zero coupon spot yields of 15 years to maturity.
Mortality, Disability, Dread disease, Expenses, Lapse and surrenders	Participating Fund: - Best estimates for Gross Premium Valuation method (i); and - Best estimates plus provision for adverse deviation (PAD) for Gross Premium Valuation method (ii). Non-Participating and Non-Unit reserves of Investment Linked Fund: Best estimates plus provision for adverse deviation (PAD).	Participating Fund: - Best estimates for Gross Premium Valuation method (i); and - Best estimates plus provision for risk of adverse deviation (PRAD) for Gross Premium Valuation method (ii). Non-Participating and Non-Unit reserves of Investment Linked Fund: Best estimates plus provision for risk of adverse deviation (PRAD).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Insurance Contracts (continued)

2.10.3 Life Insurance Contract Liabilities (continued)

Subsequent measurement of life insurance contract liabilities
Adjustments to liabilities at each reporting date are recorded in the Profit or Loss Statements. Profits originating from the release in margins for adverse deviations are recognised in the Profit or Loss Statements over the lives of the contracts, whereas losses are fully recognised in the Profit or Loss Statements during the first year.

Derecognition of life insurance contract liabilities
The liability is extinguished when the contract expires, is discharged or is cancelled.

Benefits and claims
Insurance contract benefits reflect the cost of all maturities, surrenders, withdrawals and claims arising during the period, as well as policyholder dividends accrued in anticipation of dividend declarations. Accident and health claims incurred include all losses occurring during the period, whether reported or not, related handling costs, a reduction for recoveries, and any adjustments to claims outstanding from previous years.

Claims handling costs include internal and external costs incurred in connection with the negotiation and settlement of claims, and are included in operating expenses.

Insurance contracts and investment contracts with DPF
A significant portion of insurance contracts issued by subsidiaries within the Group contain discretionary participating features. These contracts are classified as participating policies. In addition to guaranteed benefits payable upon insured events associated with human life such as death or disability, the contracts entitle the policyholder to receive benefits, which could vary according to investment performance of the fund. The Group does not recognise the guaranteed components separately from the discretionary participating features.

Profits to shareholders from the participating fund are allocated from the surplus or surplus capital, determined from the results of the annual actuarial valuation parameters which are set out in the Insurance Regulations of the respective jurisdiction in which the insurance subsidiaries operate. The results of the annual actuarial valuation also determines the liabilities relating to all the policyholders' benefits of the participating fund. The provisions in the Articles of Association of the insurance subsidiaries within the Group are applied in conjunction with the prescriptions in the respective Insurance regulations, such that the distribution for any year to policyholders of the participating fund and shareholders approximate 90% and 10% respectively of total distribution from the participating fund. Any surplus that is not allocated is recognised as unallocated surplus. The unallocated surplus forms part of the life insurance contract liabilities. The annual declaration of the quantum of policyholder bonus and correspondingly the profits to shareholders to be distributed out of the participating fund is approved by the Board of Directors of each insurance subsidiary under the advice of the Appointed Actuary of the respective insurance subsidiary, in accordance with the Insurance Regulations and the Articles of Association of the respective insurance subsidiaries.

Liability adequacy test
Each insurance subsidiary within the Group is required by the Insurance Regulations and accounting standards to carry out a liability adequacy test using current estimates of future cash flows relating to its insurance contracts; the process is referred to as the gross premium valuation or bonus reserve valuation, depending on the jurisdiction in which the insurance subsidiary operates.

The liability adequacy test is applied to both the guaranteed benefits and the discretionary participating features; the assumptions are based on best estimates, the basis adopted is prescribed by the Insurance Regulations of the respective jurisdiction in which the insurance subsidiary operates. The Group performs liability adequacy tests on its actuarial reserves to ensure that the carrying amount of provisions is sufficient to cover estimated future cash flows. When performing the liability adequacy test, the Group discounts all contractual cash flows and compares this amount against the carrying value of the liability. Any deficiency is charged to the Profit or Loss Statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Insurance Contracts (continued)

2.10.4 Reinsurance Contracts

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent amounts receivable in respect of ceded insurance liabilities. These amounts are estimated in a manner consistent with the reinsured insurance contract liabilities, outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract. Reinsurance assets arising from ceding of in-force book and gross onerous contracts are recognised in the same period when the gross liabilities are accrued.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the financial period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive part or all outstanding amounts under the terms of the contract. The impairment loss is recorded in the Profit or Loss Statement. Gains or losses on reinsurance are recognised in the Profit or Loss Statement immediately at the date of contract and are not amortised. Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

The Group also assumes reinsurance risk in the normal course of business for life insurance contracts where applicable. Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

2.11 Recognition of Income and Expense

2.11.1 Premiums and Commissions

Life Insurance Business

First year premiums of insurance policies are recognised from inception date and subsequent renewal premiums are recognised when due. Single premiums are recognised on the dates on which the policies are effective. Premiums from the investment-linked business, universal life and certain Takaful Non-participating products are recognised as revenue when payment is received. Commission is recognised as an expense when incurred.

2.11.2 Interest Income

Interest income is recognised using the effective interest method.

2.11.3 Dividend Income

Dividend income is recognised as investment income when the Group's right to receive the payment is established. Dividend income from the Company's subsidiaries is recognised when the dividend is declared payable.

2.11.4 Rental Income

Rental income from operating leases is recognised on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

2.11.5 Gain/Loss on Sale of Investments

Gains or losses on sale of investments are derived from the difference between net sales proceeds and the purchase or amortised cost. They are recognised on trade date.

2.11.6 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment test for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the Profit or Loss Statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Recognition of Income and Expense (continued)

2.11.6 Impairment of Non-Financial Assets (continued)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the Profit or Loss Statement. Unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11.7 Impairment of Financial Assets

The Group recognises loss allowances for expected credit losses ("ECL") on the following financial instruments that are not measured at FVTPL:

(i) Debt instruments measured at FVOCI and amortised cost;
(ii) Loans and receivables measured at amortised cost; and
(iii) Loan commitments.

The Group assesses on a forward looking basis the ECL associated with its loans and debt instruments carried at amortised cost and FVOCI and its loan commitments. For trade and insurance receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. The Group recognises a loss allowance for ECL at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group measures loss allowances at an amount equal to lifetime ECL, except for financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL represents the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Note 32(h) provides more details on how the expected loss allowance is measured.

Not credit-impaired financial assets
For financial assets that are not credit-impaired at the reporting date, the ECL is the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Modified financial assets
If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected modification will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected modification will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets measured at amortised cost and debt financial assets measured at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group considers factors such as probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For financial assets that are credit-impaired at the reporting date: the ECL is the difference between the gross carrying amount and the present value of estimated future cash flows.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Recognition of Income and Expense (continued)

2.11.7 Impairment of Financial Assets (continued)

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2.11.8 Fees and Other Income

Fees and other income comprise mainly management and advisory fee income. Management and advisory fee income includes income earned from the provision of administration services, investment management services, surrenders and other contract fees. This fee income is recognised as revenue over the period in which the services are rendered. If the fees are for services to be provided in future periods, then they are deferred and recognised over those periods.

2.11.9 Employee Benefits

Defined Contribution Plans under Statutory Regulations

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore and Malaysia companies in the Group make contributions respectively to the Central Provident Fund and Employees' Provident Fund, which are defined contribution pension schemes. These contributions are recognised as an expense in the period in which the service is rendered.

Employee Leave Entitlements

An employee's entitlement to annual leave and long-service leave is estimated and accrued according to the Group's Human Resource policy.

Share Options

Senior executives of the Group are granted share options in the OCBC Bank's Share Option Scheme as consideration for services rendered. Options granted are exercisable for up to 10 years. The options may be exercised after the first anniversary of the date of the grant, and generally vest in one-third increments over a 3-year period. The cost of these options is recognised as expense in the Profit or Loss Statement based on the fair value of the options at the date of the grant. The share options are cash-settled share-based payment transactions. The expense is recognised over the vesting period of the grant, with a corresponding increase in liabilities.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as a result of a failure to meet a non-vesting condition that is within the control of the Group or the senior executives, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in the Profit or Loss Statement upon cancellation.

Deferred Share Plan

In addition to the OCBC Bank's Share Option Scheme, certain employees within the Group are granted OCBC shares under the OCBC Deferred Share Plan ("DSP"). The deferred share awards are granted as part of variable performance bonus. Half of the share awards will vest two years from the grant date and the remaining half will vest at the end of three years from the grant date. The cost of the DSP is recognised in the Profit or Loss Statement on the straight-line basis over the vesting period of the DSP.

At each balance sheet date, the cumulative expense is adjusted for the estimated number of shares granted under the DSP that have vested and/or lapsed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Recognition of Income and Expense (continued)

2.11.10 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration – i.e. the customer has the right to:

- Bbtain substantially all of the economic benefits from using the asset; and
- Direct the use of the asset.

As Lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of lease liability, any lease payments made or before the commencement date, any indirect costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group generally uses its incremental borrowing rate as the discount rate.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the carrying amount of the right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently measured at amortised cost using the effect interest method. It is remeasured to reflect any lease modifications or reassessments.

The Group presents its right-of-use assets in 'property, plant and equipment' and lease liabilities in 'other creditors' in the balance sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As Lessor

The Group classifies all leases for which it is a lessor as operating leases, because each of these leases does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term and are included in 'rental income, net'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Taxes

2.12.1 Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.12.2 Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Exceptions include:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the year when the asset is realised or the liability is settled, based on tax rates (and applicable tax laws and jurisdictions) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Taxes (continued)

2.12.3 Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Policy Benefits

Policy benefits are recognised when the policyholder exercises the option to deposit the survival benefits with the life insurance subsidiary companies when the benefit falls due. Policy benefits are interest bearing at rates adjusted from time to time by the life insurance subsidiary companies. Interest payable on policy benefits is recognised in the Profit or Loss Statement as incurred.

2.15 Claims Admitted or Intimated

Full provision is made for the estimated cost of all life insurance claims notified but not settled at balance sheet date.

2.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments, or are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.17 Insurance Receivables

Insurance receivables are recognised when due. They are measured at initial recognition at the fair value received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest method. A loss allowance is measured at an amount equal to lifetime expected credit losses, with the impairment loss recognised in the Profit or Loss Statement. Insurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 2.18 has been met. The Group’s insurance receivables include outstanding premium, policy loan and reinsurance receivables. Policy loans are loans and advances made to policyholders, and are collateralised by the underlying policies.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial asset. The Group determines the classification of its financial assets at initial recognition. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets carried at fair value through profit or loss are recognised as expense in the Profit or Loss Statement.

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

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

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI only if it meets both of the following conditions and is not designated as measured at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity security that is not held for trading may, by irrevocable election, be designated as measured at FVOCI. This election is made on an investment-by-investment basis. The Group has designated certain equity securities held for strategic purposes as measured at FVOCI.

A financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI may, by irrevocable election, be designated as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group has designated certain debt securities which are held with the intent to collect contractual cash flows and sell as measured at FVTPL.

All other financial assets are classified as measured at FVTPL.

Business model assessment

The Group assesses the objective of the business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or whose performance is evaluated on a fair value basis, are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Financial Assets (continued)

Business model assessment (continued)

The business model assessment is based on reasonably expected scenarios without taking “worst case” or “stress case” scenarios into account. If the cash flows after initial recognition are realised in a way that is different from the Group’s original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers the following key aspects:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets; and
- Features that modify consideration of the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Subsequent measurement

2.18.1 Debt Instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Gains or losses are also recognised in profit or loss when the assets are derecognised.

(ii) Fair value through other comprehensive income (FVOCI)

Debt instruments that are held for collection of contractual cash flows and for sale, where the assets’ cash flows represent solely payments of principal and interest, are classified as FVOCI. Any gains or losses from changes in fair value are recognised in other comprehensive income and accumulated in fair value reserve. Impairment, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss when the financial asset is derecognised.

(iii) Fair value through profit or loss (FVTPL)

Debt instruments that do not meet the criteria for classification as amortised cost or FVOCI are measured at FVTPL. Any gains or losses from changes in fair value and interest are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Financial Assets (continued)

Subsequent measurement (continued)

2.18.2 Equity Instruments

The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Equity instruments are not subjected to impairment. Dividends, when representing a return from such investments are to be recognised in profit or loss when the Group’s right to receive payments is established.

Changes in fair value of equity instruments at FVTPL are recognised in profit or loss.

2.18.3 Derivatives and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group applies hedge accounting for hedges of net investments in foreign operations. At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For hedges of net investments in foreign operations, gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the Profit or Loss Statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the Profit or Loss Statement.

The Group uses forward currency contracts as hedges of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Financial Assets (continued)

Derecognition
A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or has been transferred such that substantially all of the risks and rewards of ownership of the financial asset are transferred.

On derecognition of a financial asset, except for equity securities measured at FVOCI, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Profit or Loss Statement.

On derecognition of equity securities measured at FVOCI, any cumulative gain/loss recognised in OCI is not recognised in the Profit or Loss Statement, but retained in OCI.

Regular way purchase or sale of a financial asset
All regular way purchases and sales of financial assets are recognised or derecognised on trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.19 Financial Liabilities

Initial recognition and measurement
Financial liabilities are recognised when, and only when the Group becomes a party to the contractual obligations of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

The Group's financial liabilities include other creditors, provision for agent's retirement benefits and derivative liabilities.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

2.19.1 Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term and include derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the Profit or Loss Statement.

2.19.2 Financial Liabilities at Amortised Cost

After initial recognition, other financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Financial Liabilities (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Profit or Loss Statement.

2.20 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.21 Determination of Fair Value of Financial Instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted or published bid prices on the balance sheet date. If quoted prices are not available over the counter, broker or dealer price quotations are used.

For units in unit trusts and shares in open-ended investment companies, fair value is determined by reference to published bid-values.

For financial instruments where there is no 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. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates on market's perspective and the discount rate is a market-related rate for a similar instrument. Certain financial instruments, including derivative financial instruments, are valued using pricing models that consider, among other factors, contractual, and market prices, correlation, 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 overnight deposits with financial institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the balance sheet date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation of an asset begins when it is available for use and calculated on a straight-line basis over the estimated useful life of an asset. No amortisation is provided on capital works in progress as the assets are not yet available for use. The useful live is as follows:

Computer software and software development costs	3 to 10 years
Distribution platform	6.5 years

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Profit or Loss Statement.

2.23 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and is not depreciated. No depreciation is provided for 999-year leasehold land. No depreciation is provided on capital works in progress as the assets are not yet available for use.

Depreciation of an asset begins when it is available for use and is calculated on a straight-line basis over the estimated useful life of an asset. The useful lives are as follows:

Buildings	50 years
Office furniture, fittings and equipment	5 to 10 years
Renovation	3 to 5 years
Computer equipment and software development costs	3 to 10 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate. This is to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the Profit or Loss Statement in the year the asset is derecognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Investment Properties

Investment properties are properties that are owned by the Group in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in the Profit or Loss Statement in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains or losses on the retirement or disposal of an investment property are recognised in the Profit or Loss Statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.23 up to the date of change in use.

2.25 Provision for Agents' Retirement Benefits

Provision for agents' retirement benefits is set aside for agents and is calculated in accordance with the terms and conditions in the respective agent's agreement ("the Agreement"). The terms and conditions of the Agreement stipulate that upon the agent maintaining his position for the qualifying year and achieving the required personal sales and minimum new business, the agent shall be allocated a deferred benefit/retirement benefit. The deferred benefit/retirement benefit accumulated at Balance Sheet date includes accrued interest. The accrued deferred benefit shall only become payable provided the Agreement has been in force for certain continuous contract years and the agent has attained the minimum retirement age stipulated in the Agreement. The carrying amount is based on amortised cost.

2.26 Related Parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:
- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of the employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In the Company's financial statements, loans to subsidiaries are interest-free and stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investment in subsidiaries in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest income in the Profit or Loss Statement over the expected repayment period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services. The management regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.28 Share Capital and Share Issuance Expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.29 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:
- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

2.30 Critical Accounting Estimates and Judgments

In the preparation of the Group's financial statements, management makes estimates, assumptions and judgments that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. Estimates, assumptions and judgments are continually evaluated and based on internal studies of actual historical experience and other factors. Best estimates and assumptions are constantly reviewed to ensure that they remain relevant and valid. 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 future periods.

(a) Liabilities of insurance business

The estimation of the ultimate liability arising from claims made under life insurance contracts is the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liabilities that the Group will ultimately be required to pay as claims.

For life insurance contracts, estimates are made for future deaths, morbidity, disabilities, lapses, voluntary terminations, investment returns, administration expenses and discount rates (Note 2.10). The Group relies on standard industry and national mortality and morbidity tables which represent historical experience, and makes appropriate adjustments for its respective risk exposures and portfolio experience in deriving the mortality and morbidity estimates. These estimates provide the basis for the valuation of the future benefits to be paid to policyholders and ensure adequate provisions which are monitored against current and future premiums. For those contracts that insure risk on longevity and disability, estimates are made based on recent past experience and emerging trends. Epidemics and changing patterns of lifestyle could result in significant changes to the expected future exposures. Each year, these estimates are assessed for adequacy and changes will be reflected as adjustments to insurance contract liabilities. The carrying value of life insurance contract liabilities, gross as at 31 December 2022 amounted to $84,936.2 million (31 December 2021: $86,958.4 million).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.30 Critical Accounting Estimates and Judgments (continued)

(b) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the deductibility certain expenses and taxability of certain income during the estimation of the provision for income taxes. Certain subsidiaries within the Group have significant open tax positions, which represent the positions that have not been finalised with the tax authorities. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made. The carrying amount of the income tax and deferred tax provisions as at 31 December 2022 amounted to $2,248.4 million (31 December 2021: $2,855.7 million).

(c) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 32(h).

(d) Insurance contract classification

Contracts are classified as insurance contracts where they transfer significant insurance risk from the policyholder to the Group. The Group exercises judgment about the level of insurance risk transferred. The level of insurance risk is assessed by considering whether upon the insured event, the Group is required to pay significant additional benefits. These additional benefits include claims liability and assessment costs, but exclude the loss of the ability to charge the policyholder for future services. The assessment covers the whole of the expected term of the contract where such additional benefits could be payable. Some contracts contain options for the policyholder to purchase insurance risk protection at a later date; these insurance risks are deemed not significant.

(e) Property classification

Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased separately under a finance lease), the Group would account for these portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

	Country of Incorporation	Principal Activities	Effective interest held by GEL	
			2022	2021
			%	%
3 SUBSIDIARIES AND ASSOCIATES				
(i) **SIGNIFICANT SUBSIDIARIES**				
Held by the Company				
P.T. Great Eastern Life Indonesia [(3.2)]	Indonesia	Life assurance	**99.5**	99.5
Straits Eastern Square Private Limited [(3.1)]	Singapore	Property investment	**100.0**	100.0
218 Orchard Private Limited [(3.1)]	Singapore	Property investment	**100.0**	100.0
Held through subsidiaries				
Great Eastern Life Assurance (Malaysia) Berhad [(3.2)]	Malaysia	Life assurance	**100.0**	100.0
Great Eastern Takaful Bhd [(3.2)]	Malaysia	Family Takaful business	**70.0**	70.0
Aminstitutional Income Bond Fund [(3.3)]	Malaysia	Wholesale fixed income fund	**66.6**	70.3
Affin Hwang Wholesale Income Fund [(3.2)]	Malaysia	Wholesale fixed income fund	**96.5**	93.4
Affin Hwang Wholesale Equity Fund 2 [(3.2)]	Malaysia	Wholesale equity fund	**99.8**	99.8

[(3.1)] Audited by PricewaterhouseCoopers LLP, Singapore.
[(3.2)] Audited by firms within the worldwide network of PricewaterhouseCoopers firms and entities.
[(3.3)] Audited by Ernst & Young PLT, Malaysia.

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021
4 INVESTMENT INCOME, NET					
Dividend income					
- Investments					
Financial assets measured at FVOCI		**62.2**	61.2	**34.8**	38.4
Financial assets mandatorily measured at FVTPL		**634.1**	578.6	**273.8**	236.4
		696.3	639.8	**308.6**	274.8
Interest income					
- Investments					
Financial assets measured at FVOCI		**189.6**	133.8	**138.6**	94.7
Financial assets mandatorily measured at FVTPL		**260.2**	205.2	**187.8**	133.6
Financial assets designated at FVTPL		**1,464.7**	1,478.3	**916.6**	928.5
- Financial assets at amortised cost		**297.5**	280.8	**107.2**	100.1
		2,212.0	2,098.1	**1,350.2**	1,256.9
		2,908.3	2,737.9	**1,658.8**	1,531.7
less: Investment related expenses		**(214.6)**	(210.5)	**(144.2)**	(139.4)
		2,693.7	2,527.4	**1,514.6**	1,392.3

During the year ended 31 December 2022, $24.8 million (2021: $15.7 million) of the dividend income relates to equity investments measured at FVOCI which were derecognised during the reporting year.

5 (LOSS)/GAIN ON SALE OF INVESTMENTS AND CHANGES IN FAIR VALUE

	Note	Group 2022	Group 2021	Company 2022	Company 2021
Changes in fair value of investment properties	25	**91.3**	84.3	**91.3**	86.8
Net (loss)/gain on sale of debt securities measured at FVOCI		**(65.6)**	39.7	**(61.3)**	39.0
Changes in fair value of investments					
- mandatorily measured at FVTPL		**(4,118.2)**	1,154.3	**(3,554.1)**	1,539.9
- designated at FVTPL		**(3,765.4)**	(2,416.4)	**(3,487.6)**	(1,660.3)
		(7,883.6)	(1,262.1)	**(7,041.7)**	(120.4)
		(7,857.9)	(1,138.1)	**(7,011.7)**	5.4

in Singapore Dollars (millions)	Note	Company 2022	Company 2021
6 PROVISIONS			
Provision for impairment of investment in subsidiaries			
Balance at the beginning of the year		**7.2**	7.2
Balance at the end of the year	22	**7.2**	7.2

in Singapore Dollars (millions)	Group 2022	Group 2021	Company 2022	Company 2021
7 PROVISION FOR AGENTS' RETIREMENT BENEFITS				
Balance at the beginning of the year	**291.3**	295.5	0.2	-
Currency translation reserve adjustment	**(17.6)**	(5.2)	-	-
Increase in provision for the year	**38.3**	19.7	**0.6**	0.2
Paid during the year	**(16.2)**	(18.7)	-	-
Balance at the end of the year	**295.8**	291.3	**0.8**	0.2

As at 31 December 2022, $139.7 million (2021: $133.8 million) of the Group and $nil million (2021: nil) of the Company provision for agents' retirement benefits are payable within one year.

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021
8 ADDITIONAL PROFIT OR LOSS DISCLOSURES					
Fees paid to auditors		**3.4**	1.9	**2.4**	1.4
Staff costs and related expenses [1]		**319.9**	321.0	**195.7**	197.6
Salaries, wages, bonuses and other costs		**284.0**	283.6	**174.9**	175.5
Central Provident Fund / Employee Provident Fund		**30.5**	32.7	**16.1**	18.1
Share-based payments		**5.4**	4.7	**4.7**	4.0
Depreciation and amortisation expenses		**82.3**	75.0	**62.6**	53.8
Depreciation	27	**42.8**	41.7	**35.4**	33.3
Amortisation	24	**39.5**	33.3	**27.2**	20.5
Interest expense		**208.7**	201.0	**51.8**	44.3
On policy benefits		**206.8**	198.8	**49.9**	42.2
On lease liability		**1.9**	2.2	**1.9**	2.1

[1] Material items within management and other expenses.

9 INCOME TAX

Major components of income tax (credit)/expense

The major components of income tax (credit)/expense for the year ended 31 December 2022 and 2021 are:

	Group 2022	Group 2021	Company 2022	Company 2021
(a) Income tax attributable to policyholders' returns				
Current income tax:				
- Current income taxation	**163.6**	165.1	**123.1**	111.3
- Overprovision in respect of previous years	**(20.7)**	(1.0)	**(14.4)**	(1.9)
	142.9	164.1	**108.7**	109.4
Deferred income tax:				
- Origination and reversal of temporary differences	**(391.7)**	1,129.9	**(330.8)**	1,230.5
	(391.7)	1,129.9	**(330.8)**	1,230.5
	(248.8)	1,294.0	**(222.1)**	1,339.9
(b) Income tax attributable to shareholders' profits				
Current income tax:				
- Current income taxation	**203.9**	202.7	**60.0**	95.1
- Overprovision in respect of previous years	**(47.7)**	(18.1)	**(23.8)**	(18.1)
	156.2	184.6	**36.2**	77.0
Deferred income tax:				
- Origination and reversal of temporary differences	**19.4**	4.8	**1.2**	1.7
	19.4	4.8	**1.2**	1.7
	175.6	189.4	**37.4**	78.7
Total tax (credit)/expense for the year recognised in the Profit or Loss Statement	**(73.2)**	1,483.4	**(184.7)**	1,418.6

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021

9 INCOME TAX (continued)

Relationship between income tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 is as follows:

	Group 2022	Group 2021	Company 2022	Company 2021
Profit before tax attributable to shareholders' profits	**1,002.0**	1,125.3	**733.2**	774.2
Tax at the domestic rates applicable to profits in the countries where the Group and Company	**245.4**	250.9	**125.6**	132.4
Adjustments:				
Foreign tax paid not recoverable	**4.5**	5.0	**3.2**	4.9
Permanent differences	**124.6**	67.8	**(9.8)**	(4.4)
Tax exempt income	**(151.2)**	(116.2)	**(57.8)**	(36.1)
Overprovision in respect of previous years	**(47.7)**	(18.1)	**(23.8)**	(18.1)
Income tax expense recognised in the Profit or Loss Statement	**175.6**	189.4	**37.4**	78.7

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

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

	Note	Group 2022	Group 2021	Company 2022	Company 2021
Presented after appropriate offsetting as follows:					
Deferred tax assets		**(11.9)**	-	**-**	-
Deferred tax liabilities		**2,032.3**	2,563.6	**1,834.7**	2,317.0
Net deferred tax liabilities		**2,020.4**	2,563.6	**1,834.7**	2,317.0
Deferred Tax					
Balance at 1 January		**2,563.6**	1,457.9	**2,317.0**	1,103.6
Currency translation reserve adjustment		**(8.3)**	(4.0)	**-**	-
Deferred tax charge recognised in the Profit or Loss Statement:					
Other temporary differences		**22.9**	14.0	**1.9**	2.7
Fair value changes		**(51.2)**	(88.3)	**1.1**	1.1
(Reversal)/provision against future policyholders' returns	15	**(344.0)**	1,209.0	**(332.6)**	1,228.4
Deferred tax on fair value changes on investments at FVOCI		**(162.6)**	(25.0)	**(152.7)**	(18.8)
Balance at the end of the year		**2,020.4**	2,563.6	**1,834.7**	2,317.0

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021
9 INCOME TAX (continued)					
Deferred taxes at 31 December related to the following:					
		Balance Sheets			
Deferred tax liabilities:					
Differences in depreciation for tax purposes		**16.1**	15.7	**10.7**	9.7
Accrued investment income		**0.5**	0.7	**0.5**	0.7
Net unrealised gains on investments		**1.4**	163.4	**-**	110.9
Net accretion on fixed income investments		**43.8**	46.5	**-**	-
Provision against future policyholders' returns		**1,898.1**	2,244.0	**1,864.0**	2,196.6
Differences in insurance items[1]		**119.9**	101.7	**-**	-
Deferred tax liabilities		**2,079.8**	2,572.0	**1,875.2**	2,317.9
Deferred tax assets:					
Net unrealised loss on investments		**53.6**	3.8	**40.1**	0.5
Net amortisation on fixed income		**1.9**	1.9	**-**	-
Other accruals and provisions		**3.5**	2.4	**-**	-
Leases		**0.4**	0.3	**0.4**	0.4
Deferred tax assets		**59.4**	8.4	**40.5**	0.9
Net deferred tax liabilities		**2,020.4**	2,563.6	**1,834.7**	2,317.0

[1] Treatment in the unallocated surplus

	Note	Group 2022	Group 2021	Company 2022	Company 2021
		Profit or Loss Statements			
Deferred tax liabilities:					
Differences in depreciation for tax purposes		**0.4**	3.3	**1.0**	2.6
Accrued investment income		**(0.2)**	(0.1)	**(0.2)**	(0.1)
Net unrealised gain/(loss) on investments		**7.0**	(82.4)	**41.8**	1.9
Net accretion on fixed income investments		**(2.7)**	(0.9)	**-**	-
(Reversal)/provision against future policyholders' returns	15	**(344.0)**	1,209.0	**(332.6)**	1,228.4
Differences in insurance items		**18.2**	13.6	**-**	-
Deferred tax assets:					
Net unrealised loss on investments		**(49.8)**	(3.8)	**(39.6)**	(0.5)
Net amortisation on fixed income		**-**	(1.6)	**-**	-
Other accruals and provisions		**(1.1)**	(2.4)	**-**	-
Leases		**(0.1)**	-	**-**	(0.1)
Deferred tax (credit)/expense		**(372.3)**	1,134.7	**(329.6)**	1,232.2

9 INCOME TAX (continued)

Unrecognised tax losses
At the balance sheet date, the Group has tax losses of approximately $28.7 million (2021: $27.7 million) expiring in 2023 - 2025 (31 December 2021: 2022 - 2025) that are available for offset against future taxable profits of the Companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Companies operate.

With the adoption of SFRS(I) 17 *Insurance Contracts*, Singapore insurers will use the insurance returns filed with MAS for regulatory purposes (“MAS Statutory Returns”) instead of their financial statements prepared under SFRS (I) as the basis for preparing tax computations with effect from Year of Assessment ("YA") 2024 (financial year 2023). With the change in taxation basis effective 1 January 2023, a one-time estimated adjustment of $114.0 million of deferred tax assets will be reclassified to current income tax in the Balance Sheet.

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted and basic earnings per share are the same as there are no dilutive potential ordinary shares.

The following reflects the profit for the year attributable to ordinary shareholders and the weighted average number of shares outstanding during the year, used in the computation of basic and diluted earnings per share for the years ended 31 December:

		Group	
		2022	2021
Profit attributable to ordinary shareholders for computation of basic and diluted earnings per share	(in millions of Singapore Dollars)	**825.0**	934.1
Weighted average number of ordinary shares on issue applicable to basic and diluted earnings per share	(in millions)	**97.2**	97.2
Basic and diluted earnings per share	(in Singapore Dollars)	**$8.49**	$9.61

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

11 SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares	**Amount $'mil**	Number of shares	Amount $'mil
Ordinary shares: Issued and fully paid				
Balance at the beginning and end of the year	**97,175,880**	**97.2**	97,175,880	97.2

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

In accordance with the Companies Act 1967, the shares of the Company have no par value.

12 RESERVES

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The currency translation reserve is also used to record the effect of hedging of net investment in foreign operations.

The fair value reserve comprises the cumulative net change in the fair value of financial assets measured at FVOCI and the related loss allowance recognised in the Profit or Loss Statement until the assets are derecognised, net of tax.

in Singapore Dollars (millions)	Group		Company	
	2022	2021	**2022**	2021
13 INSURANCE PAYABLES				
Claims admitted or intimated	**501.9**	470.3	**214.3**	182.8
Policy benefits	**5,793.7**	5,487.0	**2,084.8**	1,789.6
Reinsurance liabilities	**735.1**	555.3	**74.5**	116.8
	7,030.7	6,512.6	**2,373.6**	2,089.2

The carrying amounts disclosed above approximate fair value at the balance sheet date.

Policy benefits bear interest at 2.5% per annum (2021: 2.5% per annum) for the Company and at 4.4% per annum (2021: 4.5% per annum) for the Group's insurance subsidiaries in Malaysia.

14 OTHER CREDITORS

Other creditors comprise the following:

Accrued expenses and other creditors	**1,407.6**	1,528.8	**935.4**	1,052.0
Investment creditors	**402.6**	214.5	**364.3**	203.8
Amount due to ultimate holding company[1]	**1.6**	0.8	**1.2**	0.6
Third-party interests in consolidated investment funds[2]	**43.9**	18.3	**-**	-
Lease liabilities	**62.2**	73.6	**64.2**	74.2
Premiums in suspense	**46.2**	35.6	**25.5**	15.9
Provision for reinstatement costs	**2.8**	2.7	**2.7**	2.6
	1,966.9	1,874.3	**1,393.3**	1,349.1

(1) Amount due to ultimate holding company is non-trade related, unsecured, interest-free, repayable upon demand and is to be settled in cash.

(2) Third-party interests in consolidated investment funds consist of third-party unit holders' interests in consolidated investment funds which are reflected as a liability since they can be put back to the Group for cash.

15 INSURANCE CONTRACT LIABILITIES

in Singapore Dollars (millions)	Note	Group			Company		
31 December 2022		**Gross**	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**Net**
Life insurance contract liabilities		**84,936.2**	**(579.8)**	**84,356.4**	**62,854.6**	**(237.1)**	**62,617.5**
Unallocated surplus		**936.0**	**-**	**936.0**	**(754.4)**	**-**	**(754.4)**
Merger reserve (1)		**(307.2)**	**-**	**(307.2)**	**(307.2)**	**-**	**(307.2)**
		85,565.0	**(579.8)**	**84,985.2**	**61,793.0**	**(237.1)**	**61,555.9**
31 December 2021		**Gross**	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**Net**
Life insurance contract liabilities		86,958.4	(472.5)	86,485.9	64,239.4	(294.0)	63,945.4
Unallocated surplus		1,067.1	-	1,067.1	(1,067.3)	-	(1,067.3)
Merger reserve (1)		(307.2)	-	(307.2)	(307.2)	-	(307.2)
		87,718.3	(472.5)	87,245.8	62,864.9	(294.0)	62,570.9
Movement in life insurance contract liabilities		**Gross**	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**Net**
Balance at 1 January 2022		**87,718.3**	**(472.5)**	**87,245.8**	**62,864.9**	**(294.0)**	**62,570.9**
Currency translation reserve adjustment		**(1,439.4)**	**11.2**	**(1,428.2)**	**-**	**-**	**-**
Change in life insurance contract liabilities							
- Due to assumptions change		**(1,499.0)**	**(20.8)**	**(1,519.8)**	**(1,148.0)**	**(18.6)**	**(1,166.6)**
- Due to change in discount rate		**(3,625.5)**	**0.5**	**(3,625.0)**	**(3,591.7)**	**0.5**	**(3,591.2)**
- Due to movement during the year		**4,120.6**	**(98.2)**	**4,022.4**	**3,022.3**	**75.0**	**3,097.3**
Reversal of provision for deferred tax on future policyholders' returns	9	**344.0**	**-**	**344.0**	**332.6**	**-**	**332.6**
Unallocated surplus		**(53.1)**	**-**	**(53.1)**	**312.9**	**-**	**312.9**
Others		**(0.9)**	**-**	**(0.9)**	**-**	**-**	**-**
Balance at 31 December 2022		**85,565.0**	**(579.8)**	**84,985.2**	**61,793.0**	**(237.1)**	**61,555.9**

(1) The above merger reserve arose from the transfer of the Life Business from Great Eastern General Insurance Limited ("GEG") to the Company. The business combination was accounted for under the pooling of interest method. As the fair value reserves was carried over as at the date of transfer, a corresponding merger reserve was recognised in the life insurance contract liabilities.

15 INSURANCE CONTRACT LIABILITIES (continued)

in Singapore Dollars (millions)	Note	Group			Company		
Movement in life insurance contract liabilities		**Gross**	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**Net**
Balance at 1 January 2021		85,687.8	(2,209.0)	83,478.8	60,486.2	(1,946.3)	58,539.9
Currency translation reserve adjustment		(418.1)	2.3	(415.8)	-	-	-
Change in life insurance contract liabilities							
- Due to assumptions change		(524.5)	71.1	(453.4)	(340.1)	71.4	(268.7)
- Due to change in discount rate		(769.0)	51.8	(717.2)	(640.3)	51.8	(588.5)
- Due to movement during the period		6,948.7	1,611.3	8,560.0	5,848.1	1,529.1	7,377.2
Provision for deferred tax on future policyholders' returns	9	(1,209.0)	-	(1,209.0)	(1,228.4)	-	(1,228.4)
Unallocated surplus		(1,984.8)	-	(1,984.8)	(1,252.6)	-	(1,252.6)
Others		(12.8)	-	(12.8)	(8.0)	-	(8.0)
Balance at 31 December 2021		87,718.3	(472.5)	87,245.8	62,864.9	(294.0)	62,570.9

Life insurance contract liabilities at 31 December comprised the following:

31 December 2022	**Gross**	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**Net**
Contracts with Discretionary Participating Features ("DPF")	**58,951.3**	**8.5**	**58,959.8**	**44,437.4**	**14.9**	**44,452.3**
Contracts without Discretionary Participating Features (DPF")	**17,295.5**	**(575.1)**	**16,720.4**	**14,160.2**	**(251.4)**	**13,908.8**
Investment-linked contracts	**8,689.4**	**(13.2)**	**8,676.2**	**4,257.0**	**(0.6)**	**4,256.4**
	84,936.2	**(579.8)**	**84,356.4**	**62,854.6**	**(237.1)**	**62,617.5**

31 December 2021	**Gross**	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**Net**
Contracts with Discretionary Participating Features ("DPF")	63,333.9	10.3	63,344.2	47,643.5	17.1	47,660.6
Contracts without Discretionary Participating Features (DPF")	13,931.3	(466.3)	13,465.0	11,365.2	(311.0)	11,054.2
Investment-linked contracts	9,693.2	(16.5)	9,676.7	5,230.7	(0.1)	5,230.6
	86,958.4	(472.5)	86,485.9	64,239.4	(294.0)	63,945.4

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021
16 OTHER DEBTORS					
Other debtors comprise the following:					
Financial Assets:					
Accrued interest and dividend receivable		**607.9**	588.9	**390.4**	372.6
Investment debtors		**127.7**	155.4	**108.1**	127.5
Other receivables		**17.2**	25.2	**14.0**	19.1
Amount due from holding company [1]		**29.5**	14.6	**29.5**	14.6
Deposits collected		**3.1**	3.8	**1.9**	2.5
	19	**785.4**	787.9	**543.9**	536.3
Non-Financial Assets:					
Prepayments and others		**34.1**	26.5	**31.0**	23.0
		819.5	814.4	**574.9**	559.3

[1] Amount due from holding company is non-trade related, unsecured, interest-free, repayable upon demand and is to be settled in cash.

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021
17 INSURANCE RECEIVABLES					
Insurance receivables comprise the following:					
Due from policyholders:					
Outstanding premiums		**898.1**	611.9	**105.1**	104.2
Policy loans		**2,277.5**	2,355.8	**855.8**	856.8
Due from reinsurers:					
Amounts due from reinsurers		**277.8**	263.9	**27.5**	16.6
	19	**3,453.4**	3,231.6	**988.4**	977.6

in Singapore Dollars (millions)	Note	Company 2022	Company 2021
18 AMOUNTS DUE FROM/(TO) SUBSIDIARIES AND RELATED COMPANIES			
Amounts due from subsidiaries		**6.8**	11.2
Loans to subsidiaries		**0.1**	0.1
		6.9	11.3
Amounts due from related companies		**73.3**	80.6
		73.3	80.6
	19	**80.2**	91.9
Amounts due to related companies		**(0.2)**	(4.5)
		(0.2)	(4.5)

The amounts due from/(to) subsidiaries and related companies are non-trade related, unsecured, interest-free, repayable on demand and are to be settled in cash.

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021
19 LOANS AND FINANCIAL ASSETS AT AMORTISED COST					
Loans comprise the following:					
Secured loans		**292.5**	395.8	**291.8**	297.9
Unsecured loans		**194.8**	206.8	**45.1**	44.5
		487.3	602.6	**336.9**	342.4
less: Provision for impairment of secured loans	32	**0.7**	0.8	**0.7**	0.4
less: Provision for impairment of unsecured loans	32	**6.3**	9.8	**-**	-
		480.3	592.0	**336.2**	342.0

If loans were carried at fair value, the carrying amounts would be as follows:

	Note	Group 2022	Group 2021	Company 2022	Company 2021
Loans		**485.1**	603.9	**336.5**	342.7
Loans and financial assets at amortised cost:					
Cash and cash equivalents		**8,936.6**	8,467.5	**7,325.9**	6,750.3
Other debtors	16	**785.4**	787.9	**543.9**	536.3
Insurance receivables	17	**3,453.4**	3,231.6	**988.4**	977.6
Loans	19	**480.3**	592.0	**336.2**	342.0
Debt securities	21	**1,802.5**	242.3	**1,475.1**	-
Amounts due from subsidiaries and related companies	18	**-**	-	**80.2**	91.9
Total loans and financial assets at amortised cost		**15,458.2**	13,321.3	**10,749.7**	8,698.1

19.1 Loans analysed by interest rate sensitivity and geography

	Group 2022	Group 2021	Company 2022	Company 2021
Fixed				
Singapore	**4.9**	61.0	**4.9**	61.0
Malaysia	**144.1**	250.0	**-**	-
	149.0	311.0	**4.9**	61.0
Floating				
Singapore	**331.3**	281.0	**331.3**	281.0
	331.3	281.0	**331.3**	281.0
Total	**480.3**	592.0	**336.2**	342.0

The analysis by interest rate sensitivity is based on where the transactions are booked and where the credit risk resides.

20 DERIVATIVE FINANCIAL INSTRUMENTS

in Singapore Dollars (millions)	Group Notional Principal 2022	Derivative Financial Assets 2022	Derivative Financial Liabilities 2022	Notional Principal 2021	Derivative Financial Assets 2021	Derivative Financial Liabilities 2021
Foreign exchange:						
Forwards	**27,354.3**	**501.1**	**(145.9)**	28,968.3	177.4	(48.0)
Currency swaps	**3,226.4**	**174.3**	**(6.9)**	4,131.8	80.0	(42.0)
Options	**69.0**	**12.0**	**-**	882.9	0.8	(0.3)
Interest rates:						
Swaps	**875.1**	**9.0**	**(64.4)**	1,514.3	44.9	(12.8)
Exchange traded futures	**840.5**	**2.2**	**(17.2)**	692.0	3.7	(2.1)
Equity:						
Swaps	**215.1**	**0.2**	**(33.2)**	308.2	7.1	(2.7)
Futures	**584.0**	**3.2**	**(0.1)**	184.7	0.4	(0.5)
Options	**769.5**	**32.9**	**(4.8)**	448.5	43.7	(0.2)
Bonds:						
Forwards	**210.6**	**0.3**	**(4.8)**	265.4	1.7	(1.4)
Credit:						
Swaps	**588.8**	**1.9**	**(3.7)**	33.7	-	(0.3)
	34,733.3	**737.1**	**(281.0)**	37,429.8	359.7	(110.3)

in Singapore Dollars (millions)	Company Notional Principal 2022	Derivative Financial Assets 2022	Derivative Financial Liabilities 2022	Notional Principal 2021	Derivative Financial Assets 2021	Derivative Financial Liabilities 2021
Foreign exchange:						
Forwards	**27,348.9**	**501.1**	**(145.9)**	28,968.1	177.5	(48.0)
Currency swaps	**3,119.4**	**174.2**	**(5.5)**	3,955.7	79.3	(35.7)
Options	**69.0**	**12.0**	**-**	882.9	0.8	(0.3)
Interest rates:						
Swaps	**875.1**	**9.0**	**(64.4)**	1,514.3	44.9	(12.8)
Exchange traded futures	**840.5**	**2.2**	**(17.2)**	692.0	3.7	(2.1)
Equity:						
Swaps	**215.1**	**0.2**	**(33.2)**	308.2	7.1	(2.7)
Futures	**584.0**	**3.2**	**(0.1)**	184.7	0.4	(0.5)
Options	**769.5**	**32.9**	**(4.8)**	448.5	43.7	(0.2)
Credit:						
Swaps	**588.8**	**1.9**	**(3.7)**	33.7	-	(0.3)
	34,410.3	**736.7**	**(274.8)**	36,988.1	357.4	(102.6)

The tables above show the fair value of derivative financial instruments, recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and the basis upon which changes in the value of derivatives are measured.

The fair value of derivatives shown above represents the current risk exposure but not the maximum risk exposure that would arise in the future as a result of the changes in value.

in Singapore Dollars (millions)		Group 2022	Group 2021	Company 2022	Company 2021
21 INVESTMENTS					
21.1 Financial assets at FVOCI					
Equity securities designated at FVOCI					
(i)	Quoted equity securities	**1,273.3**	1,584.7	**905.5**	1,211.7
	- Singapore Exchange	**192.5**	419.5	**131.7**	343.2
	- Hongkong Stock Exchange	**316.6**	229.5	**229.9**	149.3
	- Korea Stock Exchange	**84.4**	88.2	**84.4**	88.2
	- Taiwan Stock Exchange	**80.9**	184.2	**80.9**	184.2
	- Tokyo Stock Exchange	**125.4**	106.4	**125.4**	106.4
	- Bursa Malaysia	**212.3**	209.8	**-**	-
	- New York Stock Exchange	**115.7**	134.7	**115.7**	134.7
	- Others	**145.5**	212.4	**137.5**	205.7
(ii)	Unquoted equity securities	**22.7**	27.0	**2.6**	2.6
		1,296.0	1,611.7	**908.1**	1,214.3
Debt securities at FVOCI					
(iii)	Quoted debt securities[1]	**4,321.1**	3,465.0	**3,786.5**	2,982.1
(iv)	Unquoted debt securities	**1,734.4**	1,450.0	**977.4**	800.5
		6,055.5	4,915.0	**4,763.9**	3,782.6
Total securities measured at FVOCI		**7,351.5**	6,526.7	**5,672.0**	4,996.9

During the financial year ended 31 December 2022, the Group and the Company sold listed equity securities as the underlying investments are no longer aligned with the Group's and the Company's long-term investment strategy. The investments for the Group and the Company had fair value of $676.1 million (2021: $330.1 million) and $570.1 million (2021: $367.9 million) respectively at the date of disposal. The cumulative gain on disposal of $8.3 million (2021: $19.4 million) and $18.2 million (2021: $22.2 million) for the Group and the Company were reclassified from fair value reserve to retained earnings.

		Group 2022	Group 2021	Company 2022	Company 2021
21.2 Financial assets at FVTPL					
Mandatorily measured at FVTPL					
Equity securities					
(i)	Quoted equity securities	**11,388.0**	13,420.3	**3,650.8**	5,249.3
(ii)	Unquoted equity securities	**21.8**	24.5	**-**	0.1
		11,409.8	13,444.8	**3,650.8**	5,249.4
Debt securities					
(iii)	Quoted debt securities	**5,502.0**	3,339.2	**5,413.2**	3,109.7
(iv)	Unquoted debt securities	**2,746.8**	2,162.9	**1,097.7**	668.4
		8,248.8	5,502.1	**6,510.9**	3,778.1
Other investments					
(v)	Collective investment schemes[2]	**13,747.0**	15,973.3	**12,869.7**	14,563.1
Total financial assets mandatorily measured at FVTPL		**33,405.6**	34,920.2	**23,031.4**	23,590.6

(1) Included in quoted debt securities are quoted government securities amounting to $33.8 million (2021: $26.4 million) which are lodged with the regulator as statutory deposits.

(2) Collective investment schemes include but are not limited to hedge funds, private equity funds,unit trusts,real estate investment funds, exchange traded funds and open-ended investment company funds .

in Singapore Dollars (millions)	Note	Group 2022	Group 2021	Company 2022	Company 2021
21 INVESTMENTS (continued)					
21.2 Financial assets at FVTPL (continued)					
Designated at FVTPL					
Debt securities					
(i) Quoted debt securities		**29,483.3**	31,585.8	**25,627.9**	28,057.7
(ii) Unquoted debt securities		**12,999.2**	14,990.1	**3,583.4**	4,955.1
Total financial assets designated at FVTPL(1)		**42,482.5**	46,575.9	**29,211.3**	33,012.8
Total financial assets at FVTPL		**75,888.1**	81,496.1	**52,242.7**	56,603.4
21.3 Financial assets at amortised cost					
Debt securities					
(i) Quoted debt securities		**1,097.7**	242.3	**770.3**	-
(ii) Unquoted debt securities		**704.8**	-	**704.8**	-
Total financial assets at amortised cost(2)	19	**1,802.5**	242.3	**1,475.1**	-
TOTAL INVESTMENTS		**85,042.1**	88,265.1	**59,389.8**	61,600.3

(1) These securities are designated at fair value through the Profit or Loss Statement on initial recognition.

(2) If these financial assets are measured using market value, the carrying amount would be as follows:

in Singapore Dollars (millions)	Group 2022	Group 2021	Company 2022	Company 2021
Quoted debt securities	**1,401.1**	266.3	**1,150.4**	-
Unquoted debt securities	**314.1**	-	**314.1**	-
	1,715.2	266.3	**1,464.5**	-

in Singapore Dollars (millions)	Note	Company 2022	Company 2021
22 INVESTMENT IN SUBSIDIARIES			
Investment in shares, at cost		**391.4**	391.4
Less: Provision for impairment of investment in subsidiaries		**(7.2)**	(7.2)
		384.2	384.2

Significant restrictions:

The ability of insurance subsidiaries to transfer funds to the Group in the form of cash dividends is subject to local insurance laws and regulations and solvency requirements in certain jurisdictions in which the subsidiaries operate. These requirements do not constitute a material limitation on the ability of the subsidiaries to transfer funds to the Group.

23 INTERESTS IN STRUCTURED ENTITIES

A structured entity is defined as 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, or when the relevant activities are directed by means of contractual arrangements. The Group and the Company have interests in unconsolidated structured entities as described below.

The Group and the Company hold shares or units in investment vehicles, which consist of:

- Debt securities which comprise: Mortgage-Backed-Securities (MBS), Asset Backed Securities (ABS), and Structured Deposits (SD).
- Collective Investment Schemes which comprise: hedge funds, private equity funds, unit trusts, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETF) and Open Ended Investment Companies (OEIC).

23 INTERESTS IN STRUCTURED ENTITIES (continued)

The Group's and the Company's holdings in investment vehicles are subject to the terms and conditions of the respective investment vehicle's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those investment vehicles.

The investment vehicles in the investment portfolio are managed by portfolio managers who are compensated by the respective investment vehicles for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee, and is reflected in the valuation of the investment vehicles.

23.1 Interests in unconsolidated structured entities

As part of their investment activities, the Group and the Company invest in unconsolidated structured entities. As at 31 December 2022, the total interest in unconsolidated structured entities was $14,608.6 million (2021: $16,727.8 million) for the Group and $13,196.6 million (2021: $14,839.6 million) for the Company.

The Group and the Company do not sponsor any of the unconsolidated structured entities.

A summary of the Group's and the Company's interests in unconsolidated structured entities is as follows:

	Group		Company	
in Singapore Dollars (millions)	**2022**	2021	**2022**	2021
Debt securities				
Analysed as:				
MBS	**201.7**	161.5	**172.1**	105.9
ABS	**197.4**	221.3	**154.8**	170.6
SD	**462.5**	374.9	**-**	-
Collective investment schemes				
Analysed as:				
Hedge funds	**1,462.3**	1,546.8	**1,462.3**	1,546.8
Private equity funds	**2,817.9**	2,656.1	**2,791.3**	2,642.9
Unit trusts	**2,909.1**	3,893.9	**2,300.5**	2,769.4
REITs	**777.1**	930.8	**553.8**	681.7
ETF	**514.5**	509.6	**495.7**	489.4
OEIC	**5,266.1**	6,432.9	**5,266.1**	6,432.9
Total	**14,608.6**	16,727.8	**13,196.6**	14,839.6

The Group's and the Company's maximum exposure to the loss on the interests presented above is the carrying amount of the investments.

The Group and the Company have not provided any financial or other support to the unconsolidated structured entities as at the reporting date, and there are no intentions to provide support in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

24 INTANGIBLE ASSETS

		Group				
in Singapore Dollars (millions)	Note	**Software**	**Capital works in progress**	**Club Membership**	**Distribution Platform**	**Total**
Cost						
At 1 January 2021		-	-	0.5	2.6	3.1
Reclassification from property, plant and equipment		345.4	75.3	-	-	420.7
Reclassification		43.5	(43.5)	-	-	-
Additions		8.4	49.1	-	-	57.5
Disposals/assets written off		(0.1)	(0.2)	-	-	(0.3)
Currency translation reserve adjustment		(1.2)	(0.5)	-	-	(1.7)
At 31 December 2021/ 1 January 2022		**396.0**	**80.2**	**0.5**	**2.6**	**479.3**
Reclassification		**56.8**	**(56.8)**	**-**	**-**	**-**
Additions		**8.3**	**42.8**	**-**	**-**	**51.1**
Disposals/assets written off		**(11.4)**	**(0.3)**	**-**	**-**	**(11.7)**
Currency translation reserve adjustment		**(7.8)**	**(1.9)**	**-**	**(0.1)**	**(9.8)**
At 31 December 2022		**441.9**	**64.0**	**0.5**	**2.5**	**508.9**
Accumulated amortisation						
At 1 January 2021		-	-	-	(0.4)	(0.4)
Amortisation charge for the year	8	(32.8)	-	(0.1)	(0.4)	(33.3)
Reclassification from property, plant and equipment		(298.2)	-	-	-	(298.2)
Currency translation reserve adjustment		1.2	-	-	-	1.2
At 31 December 2021/ 1 January 2022		**(329.8)**	**-**	**(0.1)**	**(0.8)**	**(330.7)**
Amortisation charge for the year	8	**(39.1)**	**-**	**-**	**(0.4)**	**(39.5)**
Disposals/assets written off		**11.3**	**-**	**-**	**-**	**11.3**
Currency translation reserve adjustment		**6.7**	**-**	**-**	**-**	**6.7**
At 31 December 2022		**(350.9)**	**-**	**(0.1)**	**(1.2)**	**(352.2)**
Net book value						
At 31 December 2021		66.2	80.2	0.4	1.8	148.6
At 31 December 2022		**91.0**	**64.0**	**0.4**	**1.3**	**156.7**

24 INTANGIBLE ASSETS (continued)

		Company			
in Singapore Dollars (millions)	Note	Software	Capital works in progress	Club Membership	Total
Cost					
At 1 January 2021		-	-	0.5	0.5
Reclassification from property, plant and equipment		213.4	57.7	-	271.1
Reclassification		44.4	(44.4)	-	-
Additions		6.1	34.6	-	40.7
Disposals/assets written off		-	(0.1)	-	(0.1)
At 31 December 2021/ 1 January 2022		**263.9**	**47.8**	**0.5**	**312.2**
Reclassification		**47.2**	**(47.2)**	**-**	**-**
Additions		**4.8**	**31.9**	**-**	**36.7**
Disposals/assets written off		**(11.4)**	**(0.2)**	**-**	**(11.6)**
At 31 December 2022		**304.5**	**32.3**	**0.5**	**337.3**
Accumulated amortisation					
At 1 January 2021		-	-	-	-
Reclassification from property, plant and equipment		(202.1)	-	-	(202.1)
Amortisation charge for the year	8	(20.4)	-	(0.1)	(20.5)
At 31 December 2021/ 1 January 2022		**(222.5)**	**-**	**(0.1)**	**(222.6)**
Amortisation charge for the year	8	**(27.2)**	**-**	**-**	**(27.2)**
Disposals/assets written off		**11.3**	**-**	**-**	**11.3**
At 31 December 2022		**(238.4)**	**-**	**(0.1)**	**(238.5)**
Net book value					
At 31 December 2021		41.4	47.8	0.4	89.6
At 31 December 2022		**66.1**	**32.3**	**0.4**	**98.8**

in Singapore Dollars (millions)		Group		Company	
	Note	**2022**	2021	**2022**	2021
25 INVESTMENT PROPERTIES					
Balance sheet:					
At the beginning of the year		**1,883.9**	1,767.2	**1,106.9**	1,020.1
Additions (subsequent expenditure)		**1.0**	0.2	**-**	-
Net gain from fair value adjustments	5	**91.3**	84.3	**91.3**	86.8
Reclassified to asset held for sale	26	**(72.6)**	-	**-**	-
Reclassification from property, plant and equipment	27	**-**	38.8	**-**	-
Currency translation reserve adjustment		**(22.4)**	(6.6)	**-**	-
At the end of the year		**1,881.2**	1,883.9	**1,198.2**	1,106.9
Profit or Loss Statement:					
Rental income from investment properties:					
- Minimum lease payments		**47.3**	46.9	**20.1**	16.4
Direct operating expenses (including repairs and maintenance) arising from:					
- Rental generating properties		**(17.1)**	(16.7)	**(6.3)**	(6.4)
- Non-rental generating properties		**-**	(0.1)	**-**	-
		(17.1)	(16.8)	**(6.3)**	(6.4)

Investment properties collectively form an asset class which is an integral part of the overall investment strategy for the asset-liability management of the life insurance business.

Investment properties are stated at fair value, which has been determined based on objective valuation undertaken by independent valuers as at the balance sheet date. Valuations are performed by accredited independent valuers with recent experience in the location and category of the properties being valued.

26 ASSET HELD FOR SALE

The directors of the Group's subsidiary approved the sale of a property, and this sale is expected to be completed by 2023. The property has been reclassified from investment property to asset held for sale during the year and measured at fair value. The fair value of the property amounting to $72.6 million was determined using the income approach. This is a level 3 measurement as per the fair value hierarchy set out in Note 33.3.

NOTES TO THE FINANCIAL STATEMENTS

27 PROPERTY, PLANT AND EQUIPMENT

		Group								
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
in Singapore Dollars (millions)	Note	Leasehold Land[1]	Office Space	Other Right-Of-Use Assets	Freehold Land[1]	Capital Works In Progress	Buildings[1]	Computer Equipment and Software Development Costs	Other Assets[2]	Total
Cost										
At 1 January 2021		38.0	101.7	0.9	60.6	31.6	608.7	544.2	108.9	1,494.6
Additions		-	0.3	-	-	23.5	-	13.7	1.1	38.6
Disposals/assets written off		-	(1.5)	-	-	(0.5)	-	(0.7)	(7.3)	(10.0)
Reclassification		-	-	-	-	(0.2)	-	-	0.2	-
Reclassification to investment properties	25	-	-	-	-	(38.8)	-	-	-	(38.8)
Reclassification to intangible assets		-	-	-	-	-	-	(420.7)	-	(420.7)
Currency translation reserve adjustment		(0.1)	-	-	(0.1)	(0.5)	(2.5)	(2.2)	(0.7)	(6.1)
At 31 December 2021/1 January 2022		**37.9**	**100.5**	**0.9**	**60.5**	**15.1**	**606.2**	**134.3**	**102.2**	**1,057.6**
Additions		**-**	**0.2**	**-**	**-**	**1.3**	**-**	**7.2**	**2.6**	**11.3**
Disposals/assets written off		**-**	**(0.1)**	**-**	**-**	**-**	**-**	**(2.0)**	**(8.3)**	**(10.4)**
Reclassification		**-**	**-**	**-**	**-**	**(11.6)**	**-**	**-**	**11.6**	**-**
Currency translation reserve adjustment		**(0.3)**	**(0.1)**	**-**	**(0.2)**	**-**	**(8.4)**	**(5.3)**	**(2.4)**	**(16.7)**
At 31 December 2022		**37.6**	**100.5**	**0.9**	**60.3**	**4.8**	**597.8**	**134.2**	**105.7**	**1,041.8**

NOTES TO THE FINANCIAL STATEMENTS

27 PROPERTY, PLANT AND EQUIPMENT (continued)

		Group									
		Right-Of-Use Assets			Property, Plant and Equipment Owned						
in Singapore Dollars (millions)	Note	Leasehold Land[1]	Office Space	Other Right-Of-Use Assets	Freehold Land[1]	Capital Works In Progress	Buildings[1]	Computer Equipment and Software Development Costs	Other Assets[2]	Total
Accumulated Depreciation and Impairment Loss										
At 1 January 2021		(2.1)	(14.4)	(0.4)	(1.4)	-	(291.0)	(401.6)	(69.6)	(780.5)
Depreciation charge for the year	8	-	(12.0)	(0.2)	-	-	(12.1)	(10.2)	(7.2)	(41.7)
Disposals/assets written off		-	(0.2)	-	-	-	-	0.3	5.8	5.9
Reclassification to intangible assets	24	-	-	-	-	-	-	298.2	-	298.2
Currency translation reserve adjustment		-	-	-	-	-	1.1	1.8	0.6	3.5
At 31 December 2021/1 January 2022		**(2.1)**	**(26.6)**	**(0.6)**	**(1.4)**	**-**	**(302.0)**	**(111.5)**	**(70.4)**	**(514.6)**
Depreciation charge for the year	8	**-**	**(12.0)**	**(0.1)**	**-**	**-**	**(12.0)**	**(9.9)**	**(8.8)**	**(42.8)**
Disposals/assets written off		**-**	**-**	**-**	**-**	**-**	**-**	**2.0**	**8.3**	**10.3**
Currency translation reserve adjustment		**-**	**0.1**	**-**	**-**	**-**	**3.9**	**5.1**	**2.3**	**11.4**
At 31 December 2022		**(2.1)**	**(38.5)**	**(0.7)**	**(1.4)**	**-**	**(310.1)**	**(114.3)**	**(68.6)**	**(535.7)**
Net Book Value										
At 31 December 2021		35.8	73.9	0.3	59.1	15.1	304.2	22.8	31.8	543.0
At 31 December 2022		**35.5**	**62.0**	**0.2**	**58.9**	**4.8**	**287.7**	**19.9**	**37.1**	**506.1**

(1) If the freehold land, leasehold land and buildings were measured using market value, the carrying amount would be as follows:

	Group	
in Singapore Dollars (millions)	**2022**	2021
Freehold land, Leasehold land and Buildings	**846.6**	844.6

(2) Other assets include motor vehicles, office furniture, fittings and equipment.

27 PROPERTY, PLANT AND EQUIPMENT (continued)

27.1 Leases

This note provides information for leases where the Group is a lessee.

The Group has entered into operating lease agreements for computer equipment and office rental. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 3 years.There are several lease contracts that include extension and termination options.

The Group also has certain leases of office rental with lease terms of 12 months or less and leases of computer equipment with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

The following are the amounts recognised in the Profit or Loss Statement:

		Group	
in Singapore Dollars (millions)	Note	**2022**	2021
Depreciation expense of right-of-use assets		**12.1**	12.2
Interest expense on lease liabilities	8	**1.9**	2.2
Expense relating to short-term leases		**0.6**	0.4
Expense relating to leases of low-value assets		**0.2**	0.3
Total amount recognised in the Profit or Loss Statement		**14.8**	**15.1**

The total cash outflow for leases in 2022 was $13.9 million (2021: $13.9 million).

NOTES TO THE FINANCIAL STATEMENTS

27 PROPERTY, PLANT AND EQUIPMENT (continued)

		Company								
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
in Singapore Dollars (millions)	Note	Leasehold Land[1]	Office Space	Other Right-Of-Use Assets	Freehold Land[1]	Capital Works In Progress	Buildings[1]	Computer Equipment and Software Development Costs	Other Assets[2]	Total
Cost										
At 1 January 2021		32.1	102.9	0.1	56.6	3.6	461.6	308.2	63.3	1,028.4
Additions		-	0.8	-	-	11.0	-	7.0	0.5	19.3
Disposals/assets written off		-	(1.8)	-	-	-	-	(0.6)	(7.1)	(9.5)
Reclassification		-	-	-	-	(0.2)	-	-	0.2	-
Reclassification to intangible assets	24	-	-	-	-	-	-	(271.1)	-	(271.1)
At 31 December 2021/1 January 2022		**32.1**	**101.9**	**0.1**	**56.6**	**14.4**	**461.6**	**43.5**	**56.9**	**767.1**
Additions		**-**	**2.4**	**-**	**-**	**1.5**	**-**	**5.0**	**1.5**	**10.4**
Disposals/assets written off		**-**	**(2.6)**	**-**	**-**	**-**	**-**	**(1.7)**	**(8.2)**	**(12.5)**
Reclassification		**-**	**-**	**-**	**-**	**(11.6)**	**-**	**-**	**11.6**	**-**
At 31 December 2022		**32.1**	**101.7**	**0.1**	**56.6**	**4.3**	**461.6**	**46.8**	**61.8**	**765.0**

NOTES TO THE FINANCIAL STATEMENTS

27 PROPERTY, PLANT AND EQUIPMENT (continued)

		Company								
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
in Singapore Dollars (millions)	Note	Leasehold Land[1]	Office Space	Other Right-Of-Use Assets	Freehold Land[1]	Capital Works In Progress	Buildings[1]	Computer Equipment and Software Development Costs	Other Assets[2]	Total
Accumulated Depreciation and Impairment Loss										
At 1 January 2021		-	(16.2)	(0.1)	-	-	(233.1)	(224.1)	(31.1)	(504.6)
Depreciation charge for the year	8	-	(12.3)	-	-	-	(9.2)	(6.2)	(5.6)	(33.3)
Disposals/assets written off		-	0.4	-	-	-	-	0.5	5.8	6.7
Reclassification to intangible assets	24	-	-	-	-	-	-	202.1	-	202.1
At 31 December 2021/1 January 2022		**-**	**(28.1)**	**(0.1)**	**-**	**-**	**(242.3)**	**(27.7)**	**(30.9)**	**(329.1)**
Depreciation charge for the year	8	**-**	**(12.9)**	**-**	**-**	**-**	**(9.2)**	**(6.1)**	**(7.2)**	**(35.4)**
Disposals/assets written off		**-**	**2.6**	**-**	**-**	**-**	**-**	**1.7**	**8.1**	**12.4**
At 31 December 2022		**-**	**(38.4)**	**(0.1)**	**-**	**-**	**(251.5)**	**(32.1)**	**(30.0)**	**(352.1)**
Net Book Value										
At 31 December 2021/1 January 2022		32.1	73.8	-	56.6	14.4	219.3	15.8	26.0	438.0
At 31 December 2022		**32.1**	**63.3**	**-**	**56.6**	**4.3**	**210.1**	**14.7**	**31.8**	**412.9**

(1) If the freehold land, leasehold land and buildings were measured using market value, the carrying amount would be as follows:

	Company	
in Singapore Dollars (millions)	**2022**	2021
Freehold land, Leasehold land and Buildings	**681.2**	669.3

(2) Other assets include motor vehicles, office furniture, fittings and equipment.

NOTES TO THE FINANCIAL STATEMENTS

27 PROPERTY, PLANT AND EQUIPMENT (continued)

27.1 Leases

This note provides information for leases where the Company is a lessee.

The Company has entered into operating lease agreements for computer equipment and office rental. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 2 years. There are several lease contracts that include extension and termination options.

The Company also has certain leases of office rental with lease terms of 12 months or less and leases of computer equipment with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

The following are the amounts recognised in the Profit or Loss Statement:

		Company	
in Singapore Dollars (millions)	Note	**2022**	2021
Depreciation expense of right-of-use assets		**12.9**	12.3
Interest expense on lease liabilities	8	**1.9**	2.1
Expense relating to short-term leases		**-**	0.1
Expense relating to leases of low-value assets		**0.1**	0.3
Total amount recognised in the Profit or Loss Statement		**14.9**	**14.8**

The total cash outflow for leases in 2022 was $13.4 million (2021: $13.3 million).

NOTES TO THE FINANCIAL STATEMENTS

28 EXECUTIVES' SHARE OPTION SCHEME

28.1 OCBC Share Option Scheme

In April 2005, the senior executives and executive Directors of the Group and the Company ("Optionholders") were nominated to participate in the OCBC Bank Share Option Scheme (2001) ("OCBC Option Scheme"). OCBC Bank has ceased granting share options under the 2001 Scheme effective from financial year 2018 remuneration. Share options granted in prior years continue to be outstanding until the options lapse or are exercised by the recipients. The share options have a validity period of 10 years from date of grant.

For the financial year ended 31 December 2022, there were no options granted under the OCBC Share Option Scheme (2021: nil) to the Optionholders to acquire ordinary shares in OCBC Bank pursuant to 2001 Scheme, and no options were granted to a director of the Company (2021:nil).

Information with respect to the number of options granted under the OCBC Option Scheme to the Optionholders is as follows :

	Group			
	2022		2021	
	Number of options	**Average Price**	Number of options	Average Price
Number of shares comprised in options:				
At beginning of year	**2,332,353**	**$10.103**	3,076,551	$9.950
Lapsed during the year	**(14,856)**	**$12.113**	(38,775)	$13.340
Exercised during the year	**(610,609)**	**$9.383**	(705,423)	$9.258
Outstanding at end of year	**1,706,888**	**$10.344**	2,332,353	$10.103
Exercisable at end of year	**1,706,888**	**$10.344**	2,332,353	$10.103
Average share price underlying the options exercised during the financial year		**$12.245**		$11.841

	Company			
	2022		2021	
	Number of options	**Average Price**	Number of options	Average Price
Number of shares comprised in options:				
At beginning of year	**1,669,645**	**$10.185**	2,297,871	$9.998
Lapsed during the year	**(5,232)**	**$13.340**	(38,775)	$13.340
Exercised during the year	**(474,149)**	**$9.490**	(589,451)	$9.248
Outstanding at end of year	**1,190,264**	**$10.488**	1,669,645	$10.185
Exercisable at end of year	**1,190,264**	**$10.488**	1,669,645	$10.185
Average share price underlying the options exercised during the financial year		**$12.245**		$11.841

NOTES TO THE FINANCIAL STATEMENTS

28 EXECUTIVES' SHARE OPTION SCHEME (continued)

28.1 OCBC Share Option Scheme (continued)

Details of the options outstanding as at 31 December 2022 are as follows:

				Group		Company	
Grant year	Grant date	Exercise period	Acquisition Price	Outstanding	Exercisable	Outstanding	Exercisable
2013	14.03.2013	15.03.2014 - 13.03.2023	$10.018	**370,227**	**370,227**	**189,395**	**189,395**
2014	14.03.2014	15.03.2015 - 13.03.2024	$9.169	**347,307**	**347,307**	**218,071**	**218,071**
2015	16.03.2015	16.03.2016 - 15.03.2025	$10.378	**135,817**	**135,817**	**93,803**	**93,803**
2016	16.03.2016	16.03.2017 - 15.03.2026	$8.814	**118,596**	**118,596**	**75,620**	**75,620**
2017	23.03.2017	23.03.2018 - 22.03.2017	$9.598	**399,962**	**399,962**	**342,857**	**342,857**
2018	22.03.2018	22.03.2019 - 21.03.2028	$13.340	**334,979**	**334,979**	**270,518**	**270,518**
				1,706,888	**1,706,888**	**1,190,264**	**1,190,264**

The carrying amount of the liability recognised on the balance sheet related to the above options at 31 December 2022 is $1.6 million (31 December 2021: $0.8 million) for the Group and $1.2 million (31 December 2021: $0.6 million) for the Company.

As at 31 December 2022, the weighted average remaining contractual life of outstanding options for the Group and the Company was 2.7 years (2021: 3.1 years) and 3.0 years (2021: 3.3 years) respectively.

There were no outstanding options held by directors of the Company as at 31 December 2022 (2021: nil).

28 EXECUTIVES' SHARE OPTION SCHEME (continued)

28.2 OCBC Deferred Share Plan ("DSP")

The DSP aims to increase the performance-orientation and retention factor in compensation packages of executives, and foster an ownership culture within the organisation. It also aligns the interests of executives with the sustained business performance of OCBC Bank. OCBC Group Executive Director selected by the OCBC Group Remuneration Committee, are eligible to participate in the DSP.

Half (50%) of the share awards will vest after two years with the remaining 50% vesting at the end of three years in accordance with the guidelines established under the DSP. Prior to the vesting date, the executives will not be accorded voting rights for the shares.

OCBC Bank adopted the OCBC Deferred Share Plan 2021 (DSP 2021) on 29 April 2021 to replace the DSP, which was terminated on the same day. The termination of the DSP does not affect the awards which have been granted, whether such awards have been released (whether fully or partially) or not. By implementing the DSP 2021, which permits new ordinary shares to be issued, OCBC Bank has greater flexibility in its methods for delivery of ordinary shares, as this can be effected through an issue of new ordinary shares, in addition to the transfer of existing ordinary shares (including treasury shares).

During the financial year, 20,984 (2021: 11,158) ordinary shares were granted to eligible executives under the DSP, of which none (2021: nil) were granted to a director of the Company.

Total awards of 385,014 (2021: 312,270) ordinary shares, which none (2021: nil) ordinary shares to directors of the Company, were granted to eligible executives of the Group and the Company under the DSP for the financial year ended 31 December 2022. The fair value of the shares at grant date was $4.4 million (2021: $3.8 million).

28.3 OCBC Employee Share Purchase Plan ("ESP")

The ESP was implemented for all employees of the participating companies in OCBC Group, including executive Directors.

The ESP is a saving-based share ownership plan to help employees own ordinary shares in OCBC Bank through their monthly contributions via deductions from payroll and/or from Central Provident Fund. The employees have the option to convert the contributions to ordinary shares after one year or to withdraw the contributions at any time. As a further incentive to employees to enrol in the ESP Plan, OCBC Bank pays interest on the amounts saved at a preferential interest rate. The duration of the offering period is 24 months.

In July 2022, the Bank launched its sixteenth offering of ESP for Group employees, which commenced on 1 September 2022 and expire on 31 August 2024. Under the offering, OCBC Bank granted rights to acquire 822,213 (2021: 914,600) and 615,945 (2021: 699,470) ordinary shares in the Bank. The fair value of rights, determined using the binomial valuation model was $0.7 million (2021: $1.2 million) for the Group and $0.6 million (2021: $0.9 million) for the Company. Significant inputs to the valuation model are set out below.

	2022	2021
Acquisition price ($)	**12.07**	11.58
Share price ($)	**12.24**	12.42
Expected volatility based on last 250 days historical price volatility as of acceptance date (%)	**16.51**	17.11
Risk-free rate based on 2-year swap rate (%)	**2.45**	0.35
Expected dividend yield (%)	**4.05**	4.00

28 EXECUTIVES' SHARE OPTION SCHEME (continued)

28.3 OCBC Employee Share Purchase Plan ("ESP") (continued)

A summary of the movement in the number of acquisition rights of the ESP Plan issued to the Group's and the Company's employees is as follows:

	Group			
	2022		2021	
	Number of Subscription Rights	**Weighted Average Subscription Price**	Number of Subscription Rights	Weighted Average Subscription Price
At 1 January	**1,876,928**	**$10.166**	1,807,450	$9.765
Subscriptions on commencement of plan	**822,213**	**$12.070**	914,600	$11.580
Lapsed/Forfeited	**(293,609)**	**$10.777**	(239,640)	$11.051
Exercised	**(943,653)**	**$9.039**	(605,482)	$10.307
At 31 December	**1,461,879**	**$11.842**	1,876,928	$10.166
Average share price underlying acquisition rights exercised during the year		**$11.986**		$12.041

	Company			
	2022		2021	
	Number of Subscription Rights	**Weighted Average Subscription Price**	Number of Subscription Rights	Weighted Average Subscription Price
At 1 January	**1,389,701**	**$10.190**	1,315,024	$9.751
Subscriptions on commencement of plan	**615,942**	**$12.070**	699,470	$11.580
Lapsed/Forfeited	**(244,612)**	**$10.753**	(199,553)	$11.034
Exercised	**(673,390)**	**$9.035**	(425,240)	$10.369
At 31 December	**1,087,641**	**$11.843**	1,389,701	$10.190
Average share price underlying acquisition rights exercised during the year		**$11.986**		$12.041

As at 31 December 2022, the weighted average remaining contractual life of outstanding acquisition rights was 1.2 years (2021: 1.0 years). No director of the Group or the Company has acquisition rights under the ESP Plan (2021: nil).

in Singapore Dollars (millions)	Group		Company	
	2022	2021	**2022**	2021
29 OTHER MATTERS				
29.1 Capital commitments				
Commitments for capital expenditure not provided for in the financial statements:				
- investment properties	**15.3**	-	**15.3**	-
- property, plant and equipment	**74.5**	81.8	**49.1**	79.7
	89.8	81.8	**64.4**	79.7

29.2 Minimum lease receivable

Future minimum lease receivable under non-cancellable operating leases are as follows as of 31 December:

	Group 2022	Group 2021	Company 2022	Company 2021
Within one year	**43.4**	43.9	**22.8**	21.4
After one year but not more than five years	**28.5**	30.8	**13.6**	14.6
	71.9	74.7	**36.4**	36.0

30 RELATED PARTY TRANSACTIONS

The Group and the Company enter into transactions with their related parties in the normal course of business.

30.1 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties took place at terms agreed between the parties during the financial year:

in Singapore Dollars (millions)	Group		Company	
	2022	2021	**2022**	2021
Fees and commission and other income received from:				
- related parties of the ultimate holding company	**24.3**	20.9	**-**	-
Fees and commission expense paid to:				
- ultimate holding company	**232.5**	242.1	**232.5**	242.1
- related parties of the ultimate holding company	**362.5**	423.1	**321.4**	376.0
Interest income received from:				
- ultimate holding company	**0.6**	-	**0.4**	-
- related parties of the ultimate holding company	**8.3**	8.6	**-**	-
Interest expense paid to:				
- ultimate holding company	**0.2**	-	**-**	-
Rental income received from related parties of the ultimate holding company	**0.3**	0.3	**-**	-
Other expenses paid to:				
- ultimate holding company	**11.1**	9.7	**10.4**	8.9
- related parties of the ultimate holding company	**7.6**	15.1	**3.4**	3.5
- associate	**0.5**	6.9	**-**	-
Group service fee charged to related parties of the				
- ultimate holding company	**75.9**	76.9	**82.0**	100.7

NOTES TO THE FINANCIAL STATEMENTS

30 RELATED PARTY TRANSACTIONS (continued)

30.2 Balance sheet balances with related parties

Balance sheet balances with related parties as at 31 December are as follows:

in Singapore Dollars (millions)	Group		Company	
	2022	2021	**2022**	2021
Cash and cash equivalents held with:				
- ultimate holding company	**725.5**	551.6	**703.9**	523.0
- related parties of the ultimate holding company	**300.3**	585.5	**0.1**	0.1
Investments in debt securities of:				
- related parties of the ultimate holding company	**113.2**	97.3	**-**	-
Derivative financial assets held with:				
- ultimate holding company	**362.8**	149.5	**362.8**	149.5
Derivative financial liabilities held with:				
- ultimate holding company	**(80.3)**	(34.0)	**(80.3)**	(34.0)

Outstanding balances at balance sheet date other than loan payable to ultimate holding company are unsecured and interest free. Settlement will take place in cash.

There was no provision for doubtful debts at the balance sheet date and no bad debt expense for the year for both the Group and the Company (2021: Nil).

30.3 Compensation of key management personnel

	Group 2022	Group 2021	Company 2022	Company 2021
Short-term employee benefits	**20.2**	19.9	**14.4**	13.8
Central Provident Fund/Employee Provident Fund	**1.1**	1.1	**0.2**	0.2
Share-based payments	**4.4**	3.6	**3.5**	3.0
	25.7	24.6	**18.1**	17.0
Comprises amounts paid to:				
Directors of the Company	**1.0**	0.9	**1.0**	0.9
Other key management personnel	**24.7**	23.7	**17.1**	16.1
	25.7	24.6	**18.1**	17.0

NOTES TO THE FINANCIAL STATEMENTS

31 SEGMENTAL INFORMATION

Business Segments

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products for the different markets. The Group's principal operations are organised into Life Insurance and Shareholders segments. The results of these segments are reported separately in internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

a. Life Insurance Segment

The Life Insurance segment provides different types of products, comprising life insurance, long-term health and accident insurance, annuity business written and includes the unit-linked business. All revenues in the Life Insurance segment are from external customers.

b. Shareholders Segment

The Shareholders segment comprises activities not related to the insurance business segments, and includes investment returns as well as general corporate income and expense items attributable to Shareholders.

Geographical Segments

The Group's risks and rewards are affected by operating conditions in different countries and geographical areas. Therefore, for management purposes, the Group is also organised on a geographical basis into Singapore, Malaysia and Other Asia, based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the respective location of its customers.

Segment Accounting Policies, Allocation Basis and Transfer Pricing

The accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 2.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax and deferred tax assets and liabilities, interest-bearing loans and related expenses. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

31 SEGMENTAL INFORMATION (continued)

(1) By Business Segments

	Group							
in Singapore Dollars (millions)	**Shareholders**		**Life Insurance**		**Adjustments and Eliminations[(1)]**		**Consolidated**	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Net premiums	**-**	-	**17,477.6**	17,986.3	**-**	-	**17,477.6**	17,986.3
Commissions received from reinsurers	**-**	-	**20.5**	16.6	**-**	-	**20.5**	16.6
Investment income, net	**53.7**	44.9	**2,640.0**	2,482.5	**-**	-	**2,693.7**	2,527.4
Rental income, net	**-**	-	**55.7**	55.0	**(28.3)**	(27.7)	**27.4**	27.3
Fees and other income	**0.6**	-	**-**	-	**-**	-	**0.6**	-
Gain/(loss) on sale of investments and changes in fair value	**20.6**	(69.6)	**(7,878.5)**	(1,068.5)	**-**	-	**(7,857.9)**	(1,138.1)
Change in third-party interests in consolidated investment funds	**(0.2)**	(0.2)	**-**	-	**-**	-	**(0.2)**	(0.2)
(Loss)/gain on exchange differences	**(11.0)**	(1.2)	**(42.4)**	37.4	**-**	-	**(53.4)**	36.2
Total income	**63.7**	(26.1)	**12,272.9**	19,509.3	**(28.3)**	(27.7)	**12,308.3**	19,455.5
less: ***Expenses***								
Gross claims, maturities, surrenders and annuities	**-**	-	**10,932.8**	11,214.5	**-**	-	**10,932.8**	11,214.5
Claims, maturities, surrenders and annuities recovered from reinsurers	**-**	-	**(534.8)**	(442.9)	**-**	-	**(534.8)**	(442.9)
Commissions and distribution expenses	**33.4**	45.0	**1,291.5**	1,400.3	**(3.6)**	(3.6)	**1,321.3**	1,441.7
Increase in provision for impairment of assets	**1.5**	0.5	**25.5**	2.4	**-**	-	**27.0**	2.9
Management and other expenses	**23.9**	21.8	**520.5**	531.8	**(24.7)**	(24.1)	**519.7**	529.5
Interest expense	**-**	0.2	**-**	-	**-**	-	**-**	0.2
Increase in provision for agents' retirement benefits	**-**	-	**38.3**	19.7	**-**	-	**38.3**	19.7
Depreciation and amortisation expenses	**4.1**	4.1	**78.2**	70.9	**-**	-	**82.3**	75.0
Gross change in insurance contract liabilities	**-**	-	**(713.0)**	2,461.4	**-**	-	**(713.0)**	2,461.4
Change in insurance contract liabilities ceded to reinsurers	**-**	-	**(118.5)**	1,734.2	**-**	-	**(118.5)**	1,734.2
Total expenses	**62.9**	71.6	**11,520.5**	16,992.3	**(28.3)**	(27.7)	**11,555.1**	17,036.2
Profit/(loss) before income tax	**0.8**	(97.7)	**752.4**	2,517.0	**-**	-	**753.2**	2,419.3
Income tax credit/(expense) attributable to policyholders' returns	**-**	-	**248.8**	(1,294.0)	**-**	-	**248.8**	(1,294.0)
Profit/(loss) before tax attributable to shareholders' profits	**0.8**	(97.7)	**1,001.2**	1,223.0	**-**	-	**1,002.0**	1,125.3
Income tax (expense)/credit	**(40.7)**	2.6	**113.9**	(1,486.0)	**-**	-	**73.2**	(1,483.4)
less: Income tax (credit)/expense attributable to policyholders' returns	**-**	**-**	**(248.8)**	1,294.0	**-**	**-**	**(248.8)**	**1,294.0**
Income tax (expense)/credit attributable to shareholders' profits	**(40.7)**	2.6	**(134.9)**	(192.0)		-	**(175.6)**	(189.4)
(Loss)/profit after income tax	**(39.9)**	(95.1)	**866.3**	1,031.0	**-**	-	**826.4**	935.9

(1) Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

31 SEGMENTAL INFORMATION (continued)

(1) By Business Segments (continued)

	Group							
in Singapore Dollars (millions)	Shareholders		Life Insurance		Adjustments and Eliminations		Consolidated	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Other material items:								
Interest income	**39.6**	30.7	**2,172.4**	2,067.4	**-**	-	**2,212.0**	2,098.1
Staff costs and related expenses (including executive directors and key management personnel compensation)	**1.3**	1.0	**318.6**	320.0	**-**	-	**319.9**	321.0
Interest expense on policy benefits	**-**	-	**206.8**	198.8	**-**	-	**206.8**	198.8
Non-cash items:								
Depreciation and amortisation expenses	**4.1**	4.1	**78.2**	70.9	**-**	-	**82.3**	75.0
Increase in provision for impairment of assets	**1.5**	0.5	**25.5**	2.4	**-**	-	**27.0**	2.9
Changes in fair value of investments:								
- through Profit or Loss Statement	**29.0**	(69.6)	**(7,912.6)**	(1,192.5)	**-**	-	**(7,883.6)**	(1,262.1)
- through equity	**(15.7)**	(11.4)	**(982.2)**	(79.6)	**-**	-	**(997.9)**	(91.0)

	Group							
in Singapore Dollars (millions)	Shareholders		Life Insurance		Adjustments and Eliminations		Consolidated	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Assets and liabilities:								
Segment assets	**1,799.2**	1,689.4	**104,800.2**	107,279.9	**(3,922.1)**	(4,191.0)	**102,677.3**	104,778.3
Total assets	**1,799.2**	1,689.4	**104,800.2**	107,279.9	**(3,922.1)**	(4,191.0)	**102,677.3**	104,778.3
Segment liabilities	**43.4**	12.9	**91,090.8**	92,192.6	**4,005.2**	4,301.3	**95,139.4**	96,506.8
Income tax and deferred tax liabilities	**209.7**	200.9	**2,050.6**	2,654.8	**-**	-	**2,260.3**	2,855.7
Total liabilities	**253.1**	213.8	**93,141.4**	94,847.4	**4,005.2**	4,301.3	**97,399.7**	99,362.5
Other segment information:								
Additions to non-current assets								
- intangible assets	**1.9**	1.2	**49.2**	56.3	**-**	-	**51.1**	57.5
- property, plant and equipment	**0.1**	1.0	**11.2**	37.6	**-**	-	**11.3**	38.6
- investment properties	-	-	**1.0**	0.2	**-**	-	**1.0**	0.2

NOTES TO THE FINANCIAL STATEMENTS

31 SEGMENTAL INFORMATION (continued)

(2) By Geographical Segments

	Group									
in Singapore Dollars (millions)	Singapore		Malaysia		Other Asia		Adjustments and Eliminations		Consolidated	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Total revenue from external customers	**8,369.0**	15,948.1	**3,603.8**	3,268.9	**359.3**	261.1	**(23.8)**	(22.6)	**12,308.3**	19,455.5
Dividend from subsidiaries	**295.7**	166.4	**-**	-	**-**	-	**(295.7)**	(166.4)	**-**	-
Total revenue	**8,664.7**	16,114.5	**3,603.8**	3,268.9	**359.3**	261.1	**(319.5)**	(189.0)	**12,308.3**	19,455.5
Profit/(loss) after income tax	**699.1**	686.4	**405.8**	407.1	**5.9**	4.1	**(284.4)**	(161.7)	**826.4**	935.9
As at 31 December:										
Non-current assets	**2,094.8**	2,018.4	**451.5**	553.8	**9.6**	3.2	**-**	-	**2,555.9**	2,575.5

Non-current assets information presented above consist of intangible assets, investment properties, property, plant and equipment and deferred tax assets as presented in the consolidated balance sheet.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES

Governance framework

Managing risk is an integral part of the Group's core business. As stated in the Enterprise Risk Management ("ERM") Framework, the Group shall:
- Operate within parameters and limits that are calibrated to the risk appetite approved by the Board; and
- Pursue appropriate risk-adjusted returns.

Group Risk Management department spearheads the development and implementation of the ERM Framework for the Group.

The Board is responsible for overseeing the Group's risk management initiatives. The Board may delegate this responsibility to the Risk Management Committee ("RMC") and Senior Management for the execution of these initiatives. At the Group level, detailed risk management and oversight activities are undertaken by the following Group Management committees, all of which are chaired by the Group Chief Executive Officer and comprise key Senior Management Executives:
- Group Management Committee ("GMC")
- Group Investment Committee ("Group IC")
- Group Asset-Liability Committee ("Group ALC")
- Group Technology Strategy Committee ("Group TSC")
- Group Product Management and Approval Committee ("Group PMAC")

GMC is responsible for providing leadership, direction and functional oversight on all matters including sustainability performance of the Group. In addition to complying with regulatory requirements, the GMC is also responsible for ensuring compliance and alignment with Group Governance and Oversight Framework, i.e. Group standards and guidelines. The GMC is supported by the Group IC, Group ALC, Group PMAC, Group TSC, Local Senior Management Team ("SMT"), Local ALC, Local Product Development Committee ("PDC") and Local TSC.

Group IC is responsible for overseeing all investment management activities of the Group and ensuring that the interests and rights of policyholders are not compromised.

Group ALC is responsible for balance sheet management. Specifically, Group ALC reviews and formulates frameworks, policies, processes and methodologies relating to balance sheet management. Group ALC is also responsible for ensuring compliance and alignment with Group Governance and Oversight Framework, i.e. Group standards and guidelines. Group ALC is supported by the Local ALC.

Group TSC is responsible for assisting GMC in providing the overall strategic direction and approval of all IT related issues and initiatives, including the digitalisation and transformation programs to support the Group's strategic growth into the future. Group TSC is supported by local TSC.

Group PMAC is responsible for reviewing, approving and managing new and existing products, ensuring the business operates within the risk appetite in delivering the annual business targets. Local PDC is responsible for reviewing and endorsing new products at the local operating subsidiaries.

Regulatory framework

Insurers are required to comply with the Insurance Act and Regulations, as applicable, including guidelines on investment limits. The responsibility for the formulation, establishment and approval of the policy for the investment of the funds rests with the respective Board of Directors ("Board"). The Board exercises oversight on investments to safeguard the interests of policyholders and shareholders.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The objectives of GEH's capital management policy are to create shareholder value, deliver sustainable returns to shareholders, maintain a strong capital position with sufficient buffer to meet policyholders' obligations and regulatory requirements and make strategic investments for business growth.

The Group and the Company had no significant changes in the policies and processes relating to their capital structures during the year.

Regulatory Capital

The Group and its insurance subsidiaries are required to comply with the capital requirements prescribed by the Insurance Regulations of the jurisdictions in which they operate. The Capital Adequacy Ratios of the Group and its insurance subsidiaries in Singapore, Malaysia and Indonesia remained well above the regulatory minimum ratios under the Risk-based Capital Frameworks established by the Monetary Authority of Singapore, Bank Negara Malaysia and Otoritas Jasa Keuangan, Indonesia respectively.

The Group's approach to capital management aims to maintain an adequate level of capital to meet regulatory requirements, including any additional amounts required by the regulators of the Group and its insurance subsidiaries. This involves managing asset, liability decisions and the associated risks in a coordinated way by assessing and monitoring the available and required capital (by each regulated entity) on a regular basis and, where appropriate, taking appropriate actions to adjust the asset liability position of the Group and/or its subsidiaries in light of changes in economic conditions and risk characteristics.

The primary sources of capital of the Group are shareholders' equity. The Group defines available capital as the amount of assets in excess of liabilities measured in accordance with the Insurance Regulations of the respective jurisdictions in which the insurance subsidiaries operate.

Dividend

The Company is a 100% owned subsidiary. The dividend policy is to declare 100% of the current year's profits to its holding company, subject to meeting an internal buffer above the regulatory capital adequacy ratio of 120%. The internal buffer is defined in the Company's Risk and Capital Management framework.

The following sections provide details regarding the Group's and Company's exposure to insurance and key financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these insurance and key financial risks or the manner in which it manages and measures the risks.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk

The principal activity of the Group and the Company is the provision of insurance products and related financial advisory services. The products cover risks such as mortality, morbidity (health, disability, critical illness, personal accident), investment saving protection and wealth accumulation guarantees.

The Group's and the Company's underwriting strategies are designed to ensure that risks are well diversified across the types of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes into account current health conditions and family medical history, regular review of actual claims experience, as well as detailed claims handling procedures. Underwriting limits are also established to enforce appropriate risk selection criteria. For example, the Group has the right to reject renewal of insurance policy, impose deductibles and reject payment of fraudulent claims.

Risks inherent in the Group's and the Company's activities include but are not limited to the following:

Insurance Risks of Life Insurance Contracts

Insurance risks arise when the Group underwrites insurance contracts. While insurance risks may not vary significantly across the geographical locations in which the Group currently operates, the types of risks insured, assumptions used in pricing the insurance products and subsequent setting aside of provisions may give rise to potential shortfalls in provision for future claims and expenses when actual claims experience are worse than projections. Assumptions that may cause insurance risks to be underestimated include assumptions on policy lapses, mortality, morbidity and expenses.

The Group utilise reinsurance to manage the mortality and morbidity risks. The Group's reinsurance management strategy and policy are reviewed annually by RMC and Group ALC. Reinsurance is structured according to the type of risk insured. Catastrophe reinsurance is procured to limit catastrophic losses.

In general, reinsurance business will only be given to reinsurers with a minimum credit rating of S&P A- or equivalent. The Group limit their risk to any one reinsurer by ceding different products to different reinsurers or to a panel of reinsurers.

The Group and Local ALCs review the actual experience of mortality, morbidity, lapses and surrenders, and expenses at least annually, and ensures that the policies, guidelines and limits established for managing the risks remain adequate and appropriate.

A substantial portion of the Group's and the Company's life insurance funds is participating in nature. In the event of volatile investment climate and/or unusual claims experience, the insurer has the option of revising the bonus payable to policyholders.

For non-participating funds, the risk is that the guaranteed policy benefits must be met even when investment portfolios perform below expectations, or claims experience is higher than expected.

For investment-linked funds, the risk exposures for the Group and the Company are limited only to the underwriting aspect as all investment risks are borne by the policyholders. Nevertheless, the fees earned by the Group for managing the investment-linked funds would fluctuate with the changes in underlying fund values.

Stress testing is performed at least once a year to assess the solvency of the life insurance fund under various stress scenarios. The stress scenarios include regulatory prescribed scenarios, as well as scenarios depicting drastic changes in key parameters such as new business volume, market volatilities, expense patterns, mortality/morbidity patterns and lapse rates.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

TABLE 32(A): The table below sets out the distribution of the various life insurance risk as at the balance sheet date:

Group

	Gross			Reinsurance			
in Singapore Dollars (millions)	**With DPF [1]**	**Without DPF**	**Total**	**With DPF [1]**	**Without DPF**	**Total**	**Net total**
2022							
(i) by Class of business:							
Whole life	**40,798.7**	**9,748.7**	**50,547.4**	**9.1**	**(22.9)**	**(13.8)**	**50,533.6**
Endowment	**18,003.1**	**13,125.3**	**31,128.4**	**0.4**	**(29.0)**	**(28.6)**	**31,099.8**
Term	**0.6**	**677.6**	**678.2**	**(0.2)**	**(161.7)**	**(161.9)**	**516.3**
Accident and health	**1.8**	**735.9**	**737.7**	**-**	**(293.1)**	**(293.1)**	**444.6**
Annuity	**23.0**	**366.3**	**389.3**	**-**	**-**	**-**	**389.3**
Others	**124.1**	**1,331.1**	**1,455.2**	**(0.8)**	**(81.6)**	**(82.4)**	**1,372.8**
Total	**58,951.3**	**25,984.9**	**84,936.2**	**8.5**	**(588.3)**	**(579.8)**	**84,356.4**
(ii) by Country:							
Singapore	**44,104.3**	**18,416.5**	**62,520.8**	**15.1**	**(252.0)**	**(236.9)**	**62,283.9**
Malaysia	**14,513.9**	**6,767.6**	**21,281.5**	**(6.4)**	**(332.4)**	**(338.8)**	**20,942.7**
Others	**333.1**	**800.8**	**1,133.9**	**(0.2)**	**(3.9)**	**(4.1)**	**1,129.8**
Total	**58,951.3**	**25,984.9**	**84,936.2**	**8.5**	**(588.3)**	**(579.8)**	**84,356.4**
2021							
(i) by Class of business:							
Whole life	41,214.5	11,083.9	52,298.4	11.0	(26.8)	(15.8)	52,282.6
Endowment	21,963.2	9,548.8	31,512.0	0.5	(125.8)	(125.3)	31,386.7
Term	0.4	732.3	732.7	(0.1)	(164.6)	(164.7)	568.0
Accident and health	1.9	547.5	549.4	-	(132.8)	(132.8)	416.6
Annuity	26.1	443.5	469.6	-	-	-	469.6
Others	127.8	1,268.5	1,396.3	(1.1)	(32.8)	(33.9)	1,362.4
Total	63,333.9	23,624.5	86,958.4	10.3	(482.8)	(472.5)	86,485.9
(ii) by Country:							
Singapore	47,299.7	16,581.1	63,880.8	17.1	(311.0)	(293.9)	63,586.9
Malaysia	15,676.2	6,365.4	22,041.6	(6.7)	(168.5)	(175.2)	21,866.4
Others	358.0	678.0	1,036.0	(0.1)	(3.3)	(3.4)	1,032.6
Total	63,333.9	23,624.5	86,958.4	10.3	(482.8)	(472.5)	86,485.9

[1] DPF is defined as Contracts with Discretionary Participating Features.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

TABLE 32(A): The table below sets out the distribution of the various life insurance risk as at the balance sheet date:(continued):

Company

in Singapore Dollars (millions)	Gross With DPF [1]	Gross Without DPF	Gross Total	Reinsurance With DPF [1]	Reinsurance Without DPF	Reinsurance Total	Net total
2022							
(i) by Class of business:							
Whole life	**29,018.8**	**5,960.5**	**34,979.3**	**14.5**	**(11.0)**	**3.5**	**34,982.8**
Endowment	**15,331.1**	**10,204.2**	**25,535.3**	**0.6**	**-**	**0.6**	**25,535.9**
Term	**0.6**	**476.5**	**477.1**	**(0.2)**	**(141.6)**	**(141.8)**	**335.3**
Accident and health	**0.5**	**454.9**	**455.4**	**-**	**(17.9)**	**(17.9)**	**437.5**
Annuity	**23.0**	**305.3**	**328.3**	**-**	**-**	**-**	**328.3**
Others	**63.4**	**1,015.8**	**1,079.2**	**-**	**(81.5)**	**(81.5)**	**997.7**
Total	**44,437.4**	**18,417.2**	**62,854.6**	**14.9**	**(252.0)**	**(237.1)**	**62,617.5**
(ii) by Country:							
Singapore	**44,104.3**	**18,416.5**	**62,520.8**	**15.1**	**(252.0)**	**(236.9)**	**62,283.9**
Others	**333.1**	**0.7**	**333.8**	**(0.2)**	**-**	**(0.2)**	**333.6**
Total	**44,437.4**	**18,417.2**	**62,854.6**	**14.9**	**(252.0)**	**(237.1)**	**62,617.5**
2021							
(i) by Class of business:							
Whole life	28,639.4	7,311.9	35,951.3	16.4	(14.5)	1.9	35,953.2
Endowment	18,930.6	7,012.8	25,943.4	0.7	(97.5)	(96.8)	25,846.6
Term	0.5	530.9	531.4	(0.1)	(147.9)	(148.0)	383.4
Accident and health	0.4	414.7	415.1	-	(19.1)	(19.1)	396.0
Annuity	26.1	383.0	409.1	-	-	-	409.1
Others	45.7	943.4	989.1	-	(32.0)	(32.0)	957.1
Total	47,642.7	16,596.7	64,239.4	17.0	(311.0)	(294.0)	63,945.4
(ii) by Country:							
Singapore	47,284.7	16,595.9	63,880.6	17.1	(311.0)	(293.9)	63,586.7
Others	358.0	0.8	358.8	(0.1)	-	(0.1)	358.7
Total	47,642.7	16,596.7	64,239.4	17.0	(311.0)	(294.0)	63,945.4

[1] DPF is defined as Contracts with Discretionary Participating Features.

The sensitivity analysis below shows the impact of changes in key parameters on the value of policy liabilities, and hence on the Profit or Loss Statement and shareholders' equity.

Sensitivity analysis produced are based on parameters set out as follows:

		Change in assumptions
(a)	Scenario 1 – Mortality and Major Illness	+ 25% for all future years
(b)	Scenario 2 – Mortality and Major Illness	- 25% for all future years
(c)	Scenario 3 – Health and Disability	+ 25% for all future years
(d)	Scenario 4 – Health and Disability	- 25% for all future years
(e)	Scenario 5 – Lapse and Surrender rates	+ 25% for all future years
(f)	Scenario 6 – Lapse and Surrender rates	- 25% for all future years
(g)	Scenario 7 – Expenses	+ 30% for all future years

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Insurance Risk (continued)

TABLE 32(B1): Profit / (loss) after tax and shareholders' equity sensitivity for the Singapore segment:

Impact on 1-year's profit / (loss) after tax and shareholders' equity

Group and Company

	Life Insurance Contracts - Singapore segment only					
	31 December 2022			31 December 2021		
in Singapore Dollars (millions)	**Gross impact**	**Reinsurance ceded**	**Net impact**	Gross impact	Reinsurance ceded	Net impact
Scenario 1 – Mortality and Major Illness	**(729.6)**	**353.7**	**(375.9)**	(754.0)	362.1	(391.9)
Scenario 2 – Mortality and Major Illness	**492.1**	**(228.4)**	**263.7**	525.9	(245.6)	280.3
Scenario 3 – Health and Disability	**(277.9)**	**144.8**	**(133.1)**	(257.6)	141.3	(116.3)
Scenario 4 – Health and Disability	**176.4**	**(61.9)**	**114.5**	149.8	(45.0)	104.8
Scenario 5 – Lapse and Surrender rates	**99.3**	**(34.2)**	**65.1**	91.8	(17.3)	74.5
Scenario 6 – Lapse and Surrender rates	**(142.7)**	**45.6**	**(97.1)**	(130.3)	30.3	(100.0)
Scenario 7 – Expenses	**(56.2)**	**5.2**	**(51.0)**	(47.7)	3.2	(44.5)

TABLE 32(B2): Profit / (loss) after tax and shareholders' equity sensitivity for the Malaysia segment:
Impact on 1-year's profit / (loss) after tax and shareholders' equity

Group

	Life Insurance Contracts - Malaysia segment only					
	31 December 2022			31 December 2021		
in Singapore Dollars (millions)	**Gross impact**	**Reinsurance ceded**	**Net impact**	Gross impact	Reinsurance ceded	Net impact
Scenario 1 – Mortality and Major Illness	**(126.8)**	**-**	**(126.8)**	(133.3)	-	(133.3)
Scenario 2 – Mortality and Major Illness	**109.3**	**-**	**109.3**	120.2	-	120.2
Scenario 3 – Health and Disability	**(15.8)**	**-**	**(15.8)**	(23.0)	-	(23.0)
Scenario 4 – Health and Disability	**12.6**	**-**	**12.6**	20.0	-	20.0
Scenario 5 – Lapse and Surrender rates	**(27.6)**	**-**	**(27.6)**	(23.6)	-	(23.6)
Scenario 6 – Lapse and Surrender rates	**71.7**	**-**	**71.7**	57.9	-	57.9
Scenario 7 – Expenses	**(40.4)**	**-**	**(40.4)**	(35.4)	-	(35.4)

The tables above demonstrate the sensitivity of the Group's profit or loss after tax to possible changes in individual actuarial valuation assumptions, with all other variables held constant.

The method used, including the significant assumptions made, for performing the above sensitivity analysis did not change from the previous year.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk

Market risk arises when market values of assets and liabilities are adversely affected by changes in financial markets. Changes in interest rates, foreign exchange rates, equity prices and prices of alternative investment assets can impact present and future earnings of the insurance operations, as well as shareholders' equity.

The Group and the Company are exposed to market risk through its investment portfolios, as well as in the mismatches between assets and liabilities of the Insurance Funds.

Group ALC, Group IC and Local ALCs actively manage market risks through the setting of investment policies and asset allocations, approving portfolio construction, risk measurement methodologies, as well as hedging and alternative risk transfer strategies. Investment limits are monitored at various levels to ensure that all investment activities are conducted within the Group's risk appetite and in line with the Group's management principles and philosophies. Compliance with established limits forms an integral part of the risk governance and financial reporting framework. The approach adopted by the Group in managing the various types of risk, including interest rate risk, foreign exchange risk, equity price risk, credit risk, alternative investment risk and liquidity risk, is briefly described below:

(a) ***Interest rate risk (including asset liability mismatch).*** The Group and the Company are exposed to interest rate risk through (i) investments in fixed income instruments and (ii) policy liabilities in the Insurance Funds. Since the Shareholders' Fund has exposure to investments in fixed income instruments but no exposure to insurance policy liabilities, it will incur economic losses when interest rates rise. Given the long duration of policy liabilities and the uncertainties in the cash flows of Insurance Funds, it is not possible to hold assets with duration that perfectly matches the duration of the policy liabilities. This results in interest rate risk and asset liability mismatch risk, and these risks are managed and monitored by Group ALC and Local ALCs. The Insurance Funds will incur economic losses when interest rates drop as the duration of policy liabilities is generally longer than the duration of fixed income assets.

Under Singapore regulations governed by the Monetary Authority of Singapore ("MAS"), the discount rate used for discounting liability cash flows may include a positive adjustment in the form of matching adjustment, or illiquidity premium, subject to certain conditions being met. As a result, the Singapore Non-Participating Funds could have losses when the magnitude of the adjustment decreases leading to higher discounted liabilities.

Under Malaysia regulations governed by the Bank Negara Malaysia ("BNM"), liability cash flows with durations less than 15 years are discounted using the spot yield of Malaysia Government Securities ("MGS") with matching durations, while liability cash flows with durations of 15 years or more are discounted using the 15 year MGS spot yield. As a result, the Malaysia Non-Participating Fund could have losses when the MGS spot yield decreases.

Managing interest rate benchmark reform

i) Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBOR) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group and the Company have moderate exposure to IBORs on its financial instruments that will be reformed as part of this market-wide initiative. Most reforms affecting the Group and the Company had been completed by the end of 2021. However, the transition deadlines for USD LIBOR and SIBOR have been extended to end June 2023 and end December 2024 respectively, hence some instruments referencing these rates may not be transited until those dates.

The Group and the Company anticipate that IBOR reform will have moderate operational, risk management and accounting impacts across all of its business lines. The main risk to which the Group is exposed as a result of IBOR reform is operational. For example, the bilateral renegotiation with private debt issuers, updating of contractual terms, updating of systems that use IBOR curves and revision of operational controls related to the reform. Financial risk is predominantly limited to interest rate risk.

The Group and the Company have a cross-functional IBOR Working Group to manage its transition to alternative rates. The objectives of the IBOR Working Group include evaluating the extent to which fixed income holdings, derivatives and liabilities reference IBOR cash flows, whether such contracts need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(a) *Interest rate risk (including asset liability mismatch) (continued)*

Managing interest rate benchmark reform (continued)

ii) Non-derivative financial assets

The Group and the Company's IBOR exposures on bonds/FRNs holdings include SGD Swap Offer Rate ("SOR"), SIBOR, and USD LIBOR. The Group and the Company also have corporate loans holdings indexed to SOR.

The alternative reference rate for SOR and SIBOR is the Singapore Overnight Rate Average ("SORA"); and for USD LIBOR is the Secured Overnight Financing Rate (SOFR). The changes to the contractual terms of financial assets indexed to SOR, SIBOR, and USD LIBOR to incorporate new benchmark rates are still in progress as at 31 December 2022.

The Group and the Company monitor the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

Exposures impacted by the IBOR reform

The following table shows the total amount of non-derivative financial assets that have yet to transition to an alternative benchmark rate as at 31 December 2022.

	Group and Company		
	Gross carrying amount		
in Singapore Dollars (millions)	**SOR**	**USD**	**Grand total**
Debt securities	**692.4**	**969.7**	**1,662.1**
Corporate loan	**116.4**	**-**	**116.4**
	808.8	**969.7**	**1,778.5**

iii) Non-derivative financial liabilities

The Group does not have any floating-rate liabilities which would be impacted by the IBOR reform.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(a) ***Interest rate risk (including asset liability mismatch) (continued)***

Managing interest rate benchmark reform (continued)

iv) Derivatives and hedge accounting

The Group and the Company hold derivatives for risk management and efficient portfolio management purposes, and are not designated in hedging relationships. The instruments used principally include interest rate, cross-currency, and total return swaps, which have floating legs that are indexed to various IBORs. Typically, derivative transactions that reference interest rate benchmarks incorporate standard terms such as the 2006 ISDA Definitions published by ISDA. ISDA has reviewed such definitions in light of IBOR reform and issued an IBOR fallback protocol on 23 October 2020 and a supplement to amend the 2006 ISDA Definitions effective 25 January 2021. This sets out how the amendments to new alternative benchmark rates (e.g. SORA, SOFR) in the 2006 ISDA Definitions will be accomplished. The effect of the supplement is to create fallback provisions in derivatives that describe what floating rates will apply on the permanent discontinuation of certain key IBORs or on ISDA declaring a non-representative determination of an IBOR. The Group and the Company have adhered to the protocol to implement the fallbacks to derivative contracts that were entered into before the effective date of the supplement, where the existing derivative counterparties have also adhered to the protocol. All new derivative contracts entered into on or after the effective date of the supplement that reference the 2006 ISDA Definitions will also include the fallback.

The following table shows the total amounts of unreformed derivative instruments as at 31 December 2022. For cross-currency swaps, the Group and the Company used the notional amount of the receive leg of the swap. The Group and the Company expect both legs of cross-currency swaps to be reformed simultaneously.

	Group and Company		
	Notional amount		
in Singapore Dollars (millions)	SOR	USD LIBOR	Grand total
Derivatives	280.0	20.6	300.6

(b) ***Foreign exchange risk.*** The foreign exchange risk inherent in the foreign currency fixed income portfolio is typically hedged using currency forwards and swaps wherever practical and cost-effective. Foreign exchange instruments are also used for efficient portfolio management.

The SGD and RM positions predominately arose from the entities within the Group with the same respective functional currencies.

Limits are set on the total amount of foreign currency (net of liabilities) to cap the Group's foreign exchange risk.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(b) ***Foreign exchange risk (continued)***

TABLE 32(C1): The tables below show the foreign exchange position of the Group's financial and insurance-related assets and liabilities by major currencies:

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2022					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	194.5	240.3	151.9	709.3	1,296.0
Debt securities	1,721.1	1,066.9	3,125.1	142.4	6,055.5
Financial assets at FVTPL					
Equity securities	859.3	6,607.7	658.3	3,284.5	11,409.8
Debt securities	20,750.4	14,822.9	11,640.8	3,517.2	50,731.3
Other investments	6,178.1	282.8	5,834.2	1,451.9	13,747.0
Financial assets at amortised cost					
Debt securities	804.1	-	995.0	3.4	1,802.5
Derivative financial assets	653.5	0.3	51.4	31.9	737.1
Loans	222.1	144.1	-	114.1	480.3
Insurance receivables	960.3	2,461.8	7.5	23.8	3,453.4
Reinsurers' share of insurance contract liabilities	226.6	339.0	13.7	0.5	579.8
Other debtors	362.5	225.5	159.2	38.2	785.4
Cash and cash equivalents	6,248.7	1,503.5	849.4	335.0	8,936.6
	39,181.2	27,694.8	23,486.5	9,652.2	100,014.7
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	1,192.1	549.4	88.9	25.3	1,855.7
Insurance payables	2,373.6	4,651.3	1.2	4.6	7,030.7
Derivative financial liabilities	84.1	4.8	92.8	99.3	281.0
Provision for agents' retirement benefits	0.7	295.1	-	-	295.8
Insurance contract liabilities	59,886.9	21,281.7	3,145.6	622.0	84,936.2
	63,537.4	26,782.3	3,328.5	751.2	94,399.4

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(b) ***Foreign exchange risk (continued)***

TABLE 32(C1): The tables below show the foreign exchange position of the Group's financial and insurance-related assets and liabilities by major currencies (continued):

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2021					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	422.2	240.8	163.7	785.0	1,611.7
Debt securities	883.5	923.1	2,916.2	192.2	4,915.0
Financial assets at FVTPL					
Equity securities	1,076.6	7,122.6	994.4	4,251.2	13,444.8
Debt securities	18,170.3	15,020.0	13,887.9	4,999.8	52,078.0
Other investments	7,071.4	318.4	6,563.9	2,019.6	15,973.3
Financial assets at amortised cost					
Debt securities	-	-	242.3	-	242.3
Derivative financial assets	322.9	1.7	16.5	18.6	359.7
Loans	322.6	250.0	-	19.4	592.0
Insurance receivables	956.1	2,247.2	1.4	26.9	3,231.6
Reinsurers' share of insurance contract liabilities	293.9	175.1	0.3	3.2	472.5
Other debtors	309.2	241.3	198.8	38.6	787.9
Cash and cash equivalents	5,918.5	1,614.3	639.4	295.3	8,467.5
	35,747.2	28,154.5	25,624.8	12,649.8	102,176.3
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	1,196.8	483.8	56.7	25.1	1,762.4
Insurance payables	2,089.3	4,416.6	1.3	5.4	6,512.6
Derivative financial liabilities	11.2	1.4	51.1	46.6	110.3
Provision for agents' retirement benefits	0.2	291.1	-	-	291.3
Insurance contract liabilities	61,021.3	22,041.6	3,252.8	642.7	86,958.4
	64,318.8	27,234.5	3,361.9	719.8	95,635.0

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(b) ***Foreign exchange risk (continued)***

TABLE 32(C2): The tables below show the foreign exchange position of the Company's financial and insurance-related assets and liabilities by major currencies:

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2022					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	133.6	-	151.9	622.6	908.1
Debt securities	1,721.2	-	2,951.1	91.6	4,763.9
Financial assets at FVTPL					
Equity securities	520.4	42.6	601.6	2,486.2	3,650.8
Debt securities	20,750.6	11.7	11,601.4	3,358.5	35,722.2
Other investments	6,114.8	-	5,802.3	952.6	12,869.7
Financial assets at amortised cost					
Debt securities	804.2	-	670.9	-	1,475.1
Derivative financial assets	653.5	-	51.4	31.8	736.7
Loans	222.1	-	-	114.1	336.2
Amounts due from subsidiaries and related companies	70.0	10.1	-	0.1	80.2
Insurance receivables	960.4	-	7.0	21.0	988.4
Reinsurers' share of insurance contract liabilities	226.6	-	10.3	0.2	237.1
Other debtors	361.2	0.2	147.8	34.7	543.9
Cash and cash equivalents	6,225.3	1.1	834.3	265.2	7,325.9
	38,763.9	65.7	22,830.0	7,978.6	69,638.2
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	1,205.0	-	87.2	8.7	1,300.9
Insurance payables	2,373.6	-	-	-	2,373.6
Amounts due to subsidiaries and related companies	0.2	-	-	-	0.2
Derivative financial liabilities	84.1	-	92.7	98.0	274.8
Provision for agents' retirement benefits	0.8	-	-	-	0.8
Insurance contract liabilities	59,887.1	-	2,633.1	334.4	62,854.6
	63,550.8	-	2,813.0	441.1	66,804.9

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(b) ***Foreign exchange risk (continued)***

TABLE 32(C2): The tables below show the foreign exchange position of the Company's financial and insurance-related assets and liabilities by major currencies (continued):

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2021					
FINANCIAL AND INSURANCE-RELATED ASSETS					
Financial assets at FVOCI					
Equity securities	345.8	-	163.7	704.8	1,214.3
Debt securities	883.5	-	2,748.2	150.9	3,782.6
Financial assets at FVTPL					
Equity securities	691.9	34.5	906.0	3,617.0	5,249.4
Debt securities	18,170.4	18.9	13,776.0	4,825.6	36,790.9
Other investments	6,995.5	-	6,540.8	1,026.8	14,563.1
Derivative financial assets	322.9	-	15.9	18.6	357.4
Loans	322.7	-	-	19.3	342.0
Amounts due from subsidiaries and related companies	76.6	15.2	-	0.1	91.9
Insurance receivables	956.2	-	1.0	20.4	977.6
Reinsurers' share of insurance contract liabilities	182.0	-	111.9	0.1	294.0
Other debtors	311.8	0.3	188.5	35.7	536.3
Cash and cash equivalents	5,889.2	0.2	628.6	232.3	6,750.3
	35,148.5	69.1	25,080.6	10,651.6	70,949.8
FINANCIAL AND INSURANCE-RELATED LIABILITIES					
Other creditors	1,191.7	-	54.2	10.5	1,256.4
Insurance payables	2,089.2	-	-	-	2,089.2
Derivative financial liabilities	11.2	-	50.9	40.5	102.6
Provision for agents' retirement benefits	0.2	-	-	-	0.2
Insurance contract liabilities	61,021.2	-	2,859.0	359.2	64,239.4
	64,313.5	-	2,964.1	410.2	67,687.8

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(c) ***Equity price risk.*** Exposure to equity price risk exists in investment assets through direct equity, equity derivatives and fund investments, where the Group and the Company, through investments, bears all or most of the equity volatility and investment risks. Equity price risk also exists in investment-linked products where the revenues of the insurance operations are linked to the performances of underlying equity funds since this has an impact on the level of fees earned. Limits are set for single security holdings as a percentage of total equity holdings.

(d) ***Credit spread risk.*** Exposure to credit spread risk exists in the Group's and the Company's bond investments. Credit spread is the difference between the quoted yields of a credit and a government bond of the same maturity. Credit spreads widen when the default risk of credit bonds increases. Hence, widening credit spreads will result in mark-to-market losses in the Group's bond portfolio.

(e) ***Alternative investment risk.*** The Group and the Company are exposed to alternative investment risk through investments in real estate that it owns in Singapore and Malaysia, and through real estate funds, private equities, infrastructure and hedge funds. A monitoring process is established to manage foreign exchange, country and manager concentration risks. This process and the acquisition or divestment of alternative investments are reviewed and approved by RMC and Group IC.

(f) ***Commodity risk.*** The Group and the Company do not have any exposure to commodity risk.

(g) ***Liquidity risk.*** Liquidity risk arises when the Group and the Company are unable to meet their cash flow demands, or if the assets backing the liabilities cannot be sold quickly enough without incurring significant losses. For an insurance company, the greatest liquidity needs typically arise from its insurance liabilities. Demands for funds can usually be met through ongoing normal operations via premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by surrender of insurance policies due to negative publicity, deterioration of the economy, adverse news on 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 asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are regularly monitored, and a reasonable amount of liquid assets are maintained at all times. The projected cash flows from the in-force insurance policy contracts 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 these have been quite stable over the past several years.

Unexpected liquidity demands are mitigated through product design, risk diversification, investment strategies and systematic monitoring. Surrender penalty in insurance contracts also protects the Group from losses due to unexpected surrender trends and reduces the sensitivity of surrenders to changes in interest rates.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(g) *Liquidity risk (continued)*

Maturity Profile

TABLE 32(D1): The following tables show the expected recovery or settlement of financial and insurance-related assets and maturity profile of the Group's financial and insurance-related liabilities which are presented based on contractual undiscounted cash flows, except for insurance contract liabilities which are presented based on discounted cash outflows resulting from recognised liabilities:

in Singapore Dollars (millions)	Carrying Amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2022						
FINANCIAL AND INSURANCE-RELATED ASSETS						
Financial assets at FVOCI						
Equity securities	1,296.0	-	-	-	1,296.0	1,296.0
Debt securities	6,055.5	486.8	2,750.1	5,927.5	-	9,164.4
Financial assets at FVTPL						
Equity securities	11,409.8	-	-	-	11,409.8	11,409.8
Debt securities	50,731.3	7,237.4	19,794.5	41,605.2	1,163.0	69,800.1
Other investments	13,747.0	-	-	-	13,747.0	13,747.0
Financial assets at amortised cost						
Debt securities	1,802.5	788.5	845.5	640.7	-	2,274.7
Derivative financial assets	737.1	616.3	80.1	40.7	-	737.1
Loans	480.3	113.7	394.9	14.2	-	522.8
Insurance receivables	3,453.4	652.0	523.9	-	2,277.5	3,453.4
Reinsurers' share of insurance contract liabilities	579.8	133.9	282.7	163.2	-	579.8
Other debtors	785.4	768.2	16.7	0.5	-	785.4
Cash and cash equivalents	8,936.6	8,936.6	-	-	-	8,936.6
	100,014.7	19,733.4	24,688.4	48,392.0	29,893.3	122,707.1
FINANCIAL AND INSURANCE-RELATED LIABILITIES						
Other creditors	1,855.7	1,851.4	4.3	-	-	1,855.7
Insurance payables	7,030.7	7,018.6	12.1	-	-	7,030.7
Derivative financial liabilities	281.0	210.1	12.3	58.6	-	281.0
Provision for agents' retirement benefits	295.8	139.7	56.7	99.4	-	295.8
Insurance contract liabilities	84,936.2	16,212.6	20,204.5	48,519.1	-	84,936.2
	94,399.4	25,432.4	20,289.9	48,677.1	-	94,399.4

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(g) *Liquidity risk (continued)*

Maturity Profile (continued)

TABLE 32(D1): The following tables show the expected recovery or settlement of financial and insurance-related assets and maturity profile of the Group's financial and insurance-related liabilities which are presented based on contractual undiscounted cash flows, except for insurance contract liabilities which are presented based on discounted cash outflows resulting from recognised liabilities (continued):

in Singapore Dollars (millions)	Carrying amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2021						
FINANCIAL AND INSURANCE-RELATED ASSETS						
Financial assets at FVOCI						
Equity securities	1,611.7	-	-	-	1,611.7	1,611.7
Debt securities	4,915.0	305.5	1,228.4	5,447.4	-	6,981.3
Financial assets at FVTPL						
Equity securities	13,444.8	-	-	-	13,444.8	13,444.8
Debt securities	52,078.0	3,936.5	17,408.7	44,429.6	2,816.3	68,591.1
Other investments	15,973.3	-	-	-	15,973.3	15,973.3
Financial assets at amortised cost						
Debt securities	242.3	11.7	46.8	441.5	-	500.0
Derivative financial assets	359.7	215.2	144.5	-	-	359.7
Loans	592.0	211.9	333.0	125.2	-	670.1
Insurance receivables	3,231.6	517.7	341.0	0.5	2,372.4	3,231.6
Reinsurers' share of insurance contract liabilities	472.5	469.0	-	-	3.5	472.5
Other debtors	787.9	773.0	14.9	-	-	787.9
Cash and cash equivalents	8,467.5	8,467.5	-	-	-	8,467.5
	102,176.3	14,908.0	19,517.3	50,444.2	36,222.0	121,091.5
FINANCIAL AND INSURANCE-RELATED LIABILITIES						
Other creditors	1,762.4	1,760.5	1.9	-	-	1,762.4
Insurance payables	6,512.6	6,505.4	7.2	-	-	6,512.6
Derivative financial liabilities	110.3	73.4	36.9	-	-	110.3
Provision for agents' retirement benefits	291.3	133.8	58.7	98.8	-	291.3
Insurance contract liabilities	86,958.4	15,516.4	19,878.4	51,563.6	-	86,958.4
	95,635.0	23,989.5	19,983.1	51,662.4	-	95,635.0

NOTES TO THE FINANCIAL STATEMENTS

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(g) ***Liquidity risk (continued)***

Maturity Profile (continued)

TABLE 32(D2): The following tables show the expected recovery or settlement of financial and insurance-related assets and maturity profile of the Company's financial and insurance-related liabilities which are presented based on contractual undiscounted cash flows, except for insurance contract liabilities which are presented based on discounted cash outflows resulting from recognised liabilities:

in Singapore Dollars (millions)	Carrying Amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2022						
FINANCIAL AND INSURANCE-RELATED ASSETS						
Financial assets at FVOCI						
Equity securities	908.1	-	-	-	908.1	908.1
Debt securities	4,763.9	366.4	2,049.6	4,826.6	-	7,242.6
Financial assets at FVTPL						
Equity securities	3,650.8	-	-	-	3,650.8	3,650.8
Debt securities	35,722.2	5,893.7	12,615.8	29,915.3	397.7	48,822.5
Other investments	12,869.7	-	-	-	12,869.7	12,869.7
Financial assets at Amortised Cost						
Debt securities	1,475.1	768.8	775.0	10.4	-	1,554.2
Derivative financial assets	736.7	616.0	80.0	40.7	-	736.7
Loans	336.2	95.9	240.3	-	-	336.2
Amounts due from subsidiaries and related companies	80.2	34.1	-	-	46.1	80.2
Insurance receivables	988.4	109.1	23.5	-	855.8	988.4
Reinsurers' share of insurance contract liabilities	237.1	96.3	7.0	133.8	-	237.1
Other debtors	543.9	543.9	-	-	-	543.9
Cash and cash equivalents	7,325.9	7,325.9	-	-	-	7,325.9
	69,638.2	15,850.1	15,791.2	34,926.8	18,728.2	85,296.3
FINANCIAL AND INSURANCE-RELATED LIABILITIES						
Other creditors	1,300.9	1,300.9	-	-	-	1,300.9
Amount due to subsidiaries and related companies	0.2	0.2	-	-	-	0.2
Insurance payables	2,373.6	2,373.6	-	-	-	2,373.6
Provision for agents' retirement benefits	0.8	0.8	-	-	-	0.8
Derivative financial liabilities	274.8	205.3	11.0	58.5	-	274.8
Insurance contract liabilities	62,854.6	9,825.4	16,828.9	36,200.3	-	62,854.6
	66,804.9	13,706.2	16,839.9	36,258.8	-	66,804.9

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(g) ***Liquidity risk (continued)***

Maturity Profile (continued)

TABLE 32(D2): The following tables show the expected recovery or settlement of financial and insurance-related assets and maturity profile of the Company's financial and insurance-related liabilities which are presented based on contractual undiscounted cash flows, except for insurance contract liabilities which are presented based on discounted cash outflows resulting from recognised liabilities (continued):

in Singapore Dollars (millions)	Carrying amount	< 1 Year	1 - 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2021						
FINANCIAL AND INSURANCE-RELATED ASSETS						
Financial assets at FVOCI						
Equity securities	1,214.3	-	-	-	1,214.3	1,214.3
Debt securities	3,782.6	194.9	632.4	4,605.0	-	5,432.3
Financial assets at FVTPL						
Equity securities	5,249.4	-	-	-	5,249.4	5,249.4
Debt securities	36,790.9	1,921.7	11,451.9	32,813.2	2,148.4	48,335.2
Other investments	14,563.1	-	-	-	14,563.1	14,563.1
Derivative financial assets	357.4	212.9	144.5	-	-	357.4
Loans	342.0	116.3	207.5	32.6	-	356.4
Amounts due from subsidiaries and related companies	91.9	42.6	-	-	49.3	91.9
Insurance receivables	977.6	104.0	0.2	-	873.4	977.6
Reinsurers' share of insurance contract liabilities	294.0	194.3	40.9	58.8	-	294.0
Other debtors	536.3	536.3	-	-	-	536.3
Cash and cash equivalents	6,750.3	6,750.3	-	-	-	6,750.3
	70,949.8	10,073.3	12,477.4	37,509.6	24,097.9	84,158.2
FINANCIAL AND INSURANCE-RELATED LIABILITIES						
Other creditors	1,256.4	1,256.4	-	-	-	1,256.4
Amounts due to subsidiaries and related companies	4.5	4.5	-	-	-	4.5
Insurance payables	2,089.2	2,089.2	-	-	-	2,089.2
Provision for agents' retirement benefits	0.2	-	-	0.2	-	0.2
Derivative financial liabilities	102.6	71.9	30.7	-	-	102.6
Insurance contract liabilities	64,239.4	9,316.8	16,426.6	38,496.0	-	64,239.4
	67,692.3	12,738.8	16,457.3	38,496.2	-	67,692.3

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(g) ***Liquidity risk (continued)***

TABLE 32(D3): The following tables show the current/non-current classification of the Group's assets and liabilities:

in Singapore Dollars (millions)	**Current***	**Non-Current**	**Unit-linked**	**Total**
As at 31 December 2022				
ASSETS				
Cash and cash equivalents	**8,387.7**	**-**	**548.9**	**8,936.6**
Other debtors	**756.5**	**17.2**	**45.8**	**819.5**
Insurance receivables	**2,027.9**	**1,425.5**	**-**	**3,453.4**
Reinsurers' share of insurance contract liabilities	**125.3**	**441.3**	**13.2**	**579.8**
Loans	**103.2**	**377.1**	**-**	**480.3**
Derivative financial assets	**606.8**	**120.8**	**9.5**	**737.1**
Investments	**14,601.9**	**62,337.9**	**8,102.3**	**85,042.1**
Deferred tax assets	**-**	**11.9**	**-**	**11.9**
Intangible assets	**39.5**	**117.2**	**-**	**156.7**
Investment properties	**-**	**1,881.2**	**-**	**1,881.2**
Asset held for sale	**72.6**	**-**	**-**	**72.6**
Property, plant and equipment	**43.0**	**463.1**	**-**	**506.1**
	26,764.4	**67,193.2**	**8,719.7**	**102,677.3**
LIABILITIES				
Insurance payables	**7,018.6**	**12.1**	**-**	**7,030.7**
Other creditors	**1,852.7**	**63.2**	**51.0**	**1,966.9**
Derivative financial liabilities	**200.9**	**70.7**	**9.4**	**281.0**
Income tax payable	**228.0**	**-**	**-**	**228.0**
Provision for agents' retirement benefits	**19.9**	**275.9**	**-**	**295.8**
Deferred tax liabilities	**(29.2)**	**2,061.0**	**0.5**	**2,032.3**
Insurance contract liabilities	**7,710.6**	**69,165.1**	**8,689.3**	**85,565.0**
	17,001.5	**71,648.0**	**8,750.2**	**97,399.7**

in Singapore Dollars (millions)	Current*	Non-Current	Unit-linked	Total
As at 31 December 2021				
ASSETS				
Cash and cash equivalents	7,956.0	-	511.5	8,467.5
Other debtors	763.6	0.9	49.9	814.4
Insurance receivables	1,722.7	1,493.3	15.6	3,231.6
Reinsurers' share of insurance contract liabilities	463.6	-	8.9	472.5
Loans	194.2	397.8	-	592.0
Derivative financial assets	206.2	144.5	9.0	359.7
Investments	11,273.9	67,910.6	9,080.6	88,265.1
Intangible assets	33.2	115.4	-	148.6
Property, plant and equipment	41.7	501.3	-	543.0
Investment properties	-	1,883.9	-	1,883.9
	22,655.1	72,447.7	9,675.5	104,778.3
LIABILITIES				
Insurance payables	6,485.1	7.2	20.3	6,512.6
Other creditors	1,715.9	89.7	68.7	1,874.3
Derivative financial liabilities	69.5	35.7	5.1	110.3
Income tax payable	292.1	-	-	292.1
Provision for agents' retirement benefits	22.6	264.0	4.7	291.3
Deferred tax	59.1	2,497.8	6.7	2,563.6
Insurance contract liabilities	6,005.2	72,019.9	9,693.2	87,718.3
	14,649.5	74,914.3	9,798.7	99,362.5

* expected recovery or settlement within 12 months from the balance sheet date.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(g) *Liquidity risk (continued)*

TABLE 32(D4): The following tables show the current/non-current classification of the Company's assets and liabilities.

in Singapore Dollars (millions)	Current*	Non-Current	Unit-linked	Total
As at 31 December 2022				
ASSETS				
Cash and cash equivalents	7,249.90	-	76.0	7,325.9
Other debtors	546.6	-	28.3	574.9
Insurance receivables	451.3	537.1	-	988.4
Reinsurers' share of insurance contract liabilities	95.7	140.8	0.6	237.1
Amount due from subsidiaries and related companies	34.1	46.1	-	80.2
Loans	95.9	240.3	-	336.2
Derivative financial assets	606.5	120.7	9.5	736.7
Investments	6,779.10	48,242.2	4,368.50	59,389.8
Investment in subsidiaries	-	384.2	-	384.2
Intangible assets	27.2	71.6	-	98.8
Investment properties	-	1,198.2	-	1,198.2
Property, plant and equipment	43.0	369.9	-	412.9
	15,929.3	51,351.1	4,482.9	71,763.3
LIABILITIES				
Insurance payables	2,373.6	-	-	2,373.6
Other creditors	1,285.2	59.8	48.3	1,393.3
Amount due to subsidiaries and related companies	0.2	-	-	0.2
Derivative financial liabilities	196.1	69.5	9.2	274.8
Income tax payable	186.6	-	-	186.6
Deferred tax liabilities	(98.0)	1,932.7	-	1,834.7
Provision for agents' retirement benefits	-	0.8	-	0.8
Insurance contract liabilities	5,568.3	51,967.7	4,257.0	61,793.0
	9,512.0	54,030.5	4,314.5	67,857.0

* expected recovery or settlement within 12 months from the balance sheet date.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(g) ***Liquidity risk (continued)***

TABLE 32(D4): The following tables show the current/non-current classification of the Company's assets and liabilities (continued).

in Singapore Dollars (millions)	Current*	Non-Current	Unit-linked	Total
As at 31 December 2021				
ASSETS				
Cash and cash equivalents	6,621.4	-	128.9	6,750.3
Other debtors	532.1	-	27.2	559.3
Insurance receivables	460.2	517.4	-	977.6
Reinsurers' share of insurance contract liabilities	194.3	99.7	-	294.0
Amount due from subsidiaries and related companies	42.6	49.3	-	91.9
Loans	114.6	227.4	-	342.0
Derivative financial assets	203.9	144.5	9.0	357.4
Investments	2,041.0	54,323.8	5,235.5	61,600.3
Investment in subsidiaries	-	384.2	-	384.2
Intangible asset	20.5	69.1	-	89.6
Property, plant and equipment	33.3	404.7	-	438.0
Investment properties	-	1,106.9	-	1,106.9
	10,263.9	57,327.0	5,400.6	72,991.5
LIABILITIES				
Insurance payables	2,089.2	-	-	2,089.2
Other creditors	1,231.8	72.1	45.2	1,349.1
Amount due from subsidiaries and related companies	4.5	-	-	4.5
Derivative financial liabilities	68.0	30.7	3.9	102.6
Income tax payable	222.9	-	-	222.9
Deferred tax	13.1	2,303.9	-	2,317.0
Provision for agents' retirement benefits	-	0.2	-	0.2
Insurance contract liabilities	4,086.1	53,548.1	5,230.7	62,864.9
	7,715.6	55,955.0	5,279.8	68,950.4

* expected recovery or settlement within 12 months from the balance sheet date.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk*** . Credit risk is the risk of loss arising from an obligor failing to discharge an obligation. The Group and the Company are mainly exposed to credit risk through (i) investments in cash and bonds, (ii) corporate lending activities and (iii) exposure to counterparty's credit risk in derivative transactions and reinsurance contracts. For all three types of exposures, financial loss may materialise as a result of a downgrading of credit rating or default by the borrower or counterparty.

Group-wide credit risk is managed by Group ALC. The Group and the Company establish internal limits by issuer and counterparty according to their investment credit rating which are actively monitored to manage the credit and concentration risk, and are reviewed on a regular basis. The creditworthiness of reinsurers is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available information. The task of evaluating and monitoring credit risk is undertaken by Local ALCs.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is mitigated through counterparty limits that are reviewed and approved on an annual basis.

Credit risk arising from customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated.

The Group and the Company issue unit-linked investment policies in which the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Group has no material credit risk or market risk on unit-linked financial assets.

The loans in the Group's and the Company's portfolio are generally secured by collateral, with a maximum loan-to-value ratio of 70%. The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines on the collateral eligibility have been established, and all collaterals are revalued on a regular basis. Management monitors the market values of collaterals, requests additional collaterals when needed and performs an impairment valuation when applicable. The fair values of collaterals, held by the Group as lender, for which it is entitled to sell or pledge in the event of default is as tabulated below:

		Group	
in Singapore Dollars (millions)	**Type of Collateral**	**Carrying Amount**	**Fair Value**
As at 31 December 2022			
Secured loans	**Properties**	**291.6**	**545.4**
	Others	**0.2**	**0.2**
Policy loans	**Cash value of policies**	**2,277.5**	**5,279.7**
Derivatives	**Cash**	**186.1**	**186.1**
		2,755.4	**6,011.4**
As at 31 December 2021			
Secured loans	Properties	394.5	812.2
	Others	0.5	0.5
Policy loans	Cash value of policies	2,355.8	5,115.2
Derivatives	Cash	97.8	97.8
		2,848.6	6,025.7

		Company	
in Singapore Dollars (millions)	**Type of Collateral**	**Carrying Amount**	**Fair Value**
As at 31 December 2022			
Secured loans	**Properties**	**291.1**	**545.4**
Policy loans	**Cash value of policies**	**855.8**	**2,111.3**
Derivatives	**Cash**	**186.1**	**186.1**
		1,333.0	**2,842.8**
As at 31 December 2021			
Secured loans	Properties	297.5	545.4
Policy loans	Cash value of policies	856.8	1,795.0
Derivatives	Cash	97.8	97.8
		1,252.1	2,438.2

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk (continued)***

There were no securities lending arrangements as at 31 December 2022 (31 December 2021: nil).

As at the balance sheet date, no investments (2021: nil) were placed as collateral for currency hedging purposes.

Transactions are conducted under standard terms and conditions for securities borrowing and lending activities.

The following table sets out information about the credit quality of loans and debt securities measured at amortised cost and debt securities measured at FVOCI. The maximum exposure is shown on a gross basis, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives.

For explanation of the terms: '12-month ECL', 'lifetime ECL' and 'credit-impaired', refer to Note 2.11.7.

Group	**31 December 2022**			
in Singapore Dollars (millions)	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Loans and other receivables at amortised cost				
Investment Grade* (BBB to AAA)	**373.7**	**112.1**	**-**	**485.8**
Not Rated	**1.5**	**-**	**32.1**	**33.6**
	375.2	**112.1**	**32.1**	**519.4**
Loss allowance	**(0.5)**	**(6.5)**	**(32.1)**	**(39.1)**
Carrying amount	**374.7**	**105.6**	**-**	**480.3**
Debt securities at amortised cost				
Investment Grade* (BBB to AAA)	**1,802.5**	**-**	**-**	**1,802.5**
	1,802.5	**-**	**-**	**1,802.5**
Loss allowance	**(1.2)**	**-**	**-**	**(1.2)**
Carrying amount	**1,801.3**	**-**	**-**	**1,801.3**
Debt securities at FVOCI				
Investment Grade* (BBB to AAA)	**6,022.3**	**29.3**	**-**	**6,051.6**
Non Investment Grade* (C to BB)	**-**	**3.9**	**-**	**3.9**
	6,022.3	**33.2**	**-**	**6,055.5**

Group	31 December 2021			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Loans at amortised cost				
Investment Grade* (BBB to AAA)	479.3	122.1	-	601.4
Not Rated	1.2	-	-	1.2
	480.5	122.1	-	602.6
Loss allowance	(0.8)	(9.8)	-	(10.6)
Carrying amount	479.7	112.3	-	592.0
Debt securities at amortised cost				
Investment Grade* (BBB to AAA)	243.9	-	-	243.9
	243.9	-	-	243.9
Loss allowance	(1.6)	-	-	(1.6)
Carrying amount	242.3	-	-	242.3
Debt securities at FVOCI				
Investment Grade* (BBB to AAA)	4,866.0	44.8	-	4,910.8
Non Investment Grade* (C to BB)	-	4.2	-	4.2
	4,866.0	49.0	-	4,915.0

* Based on internal ratings grades which are equivalent to grades of external rating agencies.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk (continued)***

Company	**31 December 2022**			
in Singapore Dollars (millions)	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Loans and other receivables at amortised cost				
Investment Grade* (BBB to AAA)	**336.9**	**-**	**-**	**336.9**
Not Rated	**-**	**-**	**31.1**	**31.1**
	336.9	**-**	**31.1**	**368.0**
Loss allowance	**(0.7)**	**-**	**(31.1)**	**(31.8)**
Carrying amount	**336.2**	**-**	**-**	**336.2**
Debt securities at amortised cost				
Investment Grade* (BBB to AAA)	**1,475.1**	**-**	**-**	**1,475.1**
	1,475.1	**-**	**-**	**1,475.1**
Loss allowance	**(0.4)**	**-**	**-**	**(0.4)**
Carrying amount	**1,474.7**	**-**	**-**	**1,474.7**
Debt securities at FVOCI				
Investment Grade* (BBB to AAA)	**4,760.0**	**-**	**-**	**4,760.0**
Non Investment Grade* (C to BB)	**-**	**3.9**	**-**	**3.9**
	4,760.0	**3.9**	**-**	**4,763.9**

Company	31 December 2021			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Loans at amortised cost				
Investment Grade* (BBB to AAA)	342.4	-	-	342.4
	342.4	-	-	342.4
Loss allowance	(0.4)	-	-	(0.4)
Carrying amount	342.0	-	-	342.0
Debt securities at FVOCI				
Investment Grade* (BBB to AAA)	3,778.4	-	-	3,778.4
Non Investment Grade* (C to BB)	-	4.2	-	4.2
	3,778.4	4.2	-	3,782.6

* Based on internal ratings grades which are equivalent to grades of external rating agencies.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk (continued)***

The following table sets out the credit analysis for financial assets that are not subjected to ECL:

Group

in Singapore Dollars (millions)	Investment Grade* (BBB to AAA)	Non Investment Grade* (C to BB)	Not Rated	Unit-linked	Not subject to credit risk	Total carrying amount
As at 31 December 2022						
Financial assets at FVOCI						
Equity securities	**-**	**-**	**-**	**-**	**1,296.0**	**1,296.0**
Financial assets at FVTPL						
Equity securities	**-**	**-**	**-**	**3,366.6**	**8,043.2**	**11,409.8**
Debt securities	**42,741.4**	**2,118.3**	**4,245.9**	**1,625.7**	**-**	**50,731.3**
Other investments	**-**	**-**	**-**	**3,110.6**	**10,636.4**	**13,747.0**
Derivative financial assets	**716.3**	**-**	**11.3**	**9.5**	**-**	**737.1**
Insurance receivables	**984.4**	**20.0**	**2,449.0**	**-**	**-**	**3,453.4**
Reinsurers' share of insurance contract liabilities	**-**	**-**	**566.6**	**13.2**	**-**	**579.8**
Other debtors	**3.6**	**1.1**	**734.9**	**45.8**	**-**	**785.4**
Cash and cash equivalents	**8,363.1**	**-**	**24.5**	**549.0**	**-**	**8,936.6**
	52,808.8	**2,139.4**	**8,032.2**	**8,720.4**	**19,975.6**	**91,676.4**
As at 31 December 2021						
Financial assets at FVOCI						
Equity securities	-	-	-	-	1,611.7	1,611.7
Financial assets at FVTPL						
Equity securities	-	-	-	3,663.7	9,781.1	13,444.8
Debt securities	43,120.0	2,274.7	5,107.5	1,575.8	-	52,078.0
Other investments	-	-	-	3,841.1	12,132.2	15,973.3
Derivative financial assets	349.6	-	1.1	9.0	-	359.7
Insurance receivables	611.2	-	2,604.8	15.6	-	3,231.6
Reinsurers' share of insurance contract liabilities	-	-	463.6	8.9	-	472.5
Other debtors	3.9	0.6	735.9	47.5	-	787.9
Cash and cash equivalents	7,915.8	-	40.2	511.5	-	8,467.5
	52,000.5	2,275.3	8,953.1	9,673.1	23,525.0	96,427.0

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk (continued)***

Company

in Singapore Dollars (millions)	Investment Grade* (BBB to AAA)	Non Investment Grade* (C to BB)	Not Rated	Unit-linked	Not subject to credit risk	Total carrying amount
As at 31 December 2022						
Financial assets at FVOCI						
Equity securities	**-**	**-**	**-**	**-**	**908.1**	**908.1**
Financial assets at FVTPL						
Equity securities	**-**	**-**	**-**	**804.8**	**2,846.0**	**3,650.8**
Debt securities	**30,921.0**	**15.5**	**4,231.8**	**553.9**	**-**	**35,722.2**
Other investments	**-**	**-**	**-**	**3,009.8**	**9,859.9**	**12,869.7**
Derivative financial assets	**715.9**	**-**	**11.3**	**9.5**	**-**	**736.7**
Insurance receivables	**33.9**	**20.0**	**934.5**	**-**	**-**	**988.4**
Reinsurers' share of insurance contract liabilities	**-**	**-**	**236.5**	**0.6**	**-**	**237.1**
Other debtors	**1.9**	**-**	**513.6**	**28.4**	**-**	**543.9**
Cash and cash equivalents	**7,249.9**	**-**	**-**	**76.0**	**-**	**7,325.9**
	38,922.6	**35.5**	**5,927.7**	**4,483.0**	**13,614.0**	**62,982.8**
As at 31 December 2021						
Financial assets at FVOCI						
Equity securities	-	-	-	-	1,214.3	1,214.3
Financial assets at FVTPL						
Equity securities	-	-	-	1,100.5	4,148.9	5,249.4
Debt securities	31,110.2	-	5,060.6	620.1	-	36,790.9
Other investments	-	-	-	3,514.9	11,048.2	14,563.1
Derivative financial assets	347.3	-	1.1	9.0	-	357.4
Insurance receivables	5.0	-	972.6	-	-	977.6
Reinsurers' share of insurance contract liabilities	-	-	294.0	-	-	294.0
Other debtors	4.4	-	504.6	27.3	-	536.3
Cash and cash equivalents	6,621.4	-	-	128.9	-	6,750.3
	38,088.3	-	6,832.9	5,400.7	16,411.4	66,733.3

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk (continued)***

Amounts arising from Expected Credit Losses ("ECL")

ECL provisioning is the setting of allowance for credit-impaired and non-credit impaired exposure in accordance to SFRS(I) 9 through forward-looking ECL model.

Measurement of ECL - Explanation of inputs, assumptions and estimation techniques
The key inputs into the measurement of ECL are of the following variables:
- probability of default ('PD');
- loss given default ('LGD'); and
- exposure at default ('EAD').

These parameters are derived from statistical models internally developed by the Group.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ('12M PD'), or over the remaining lifetime ('Lifetime PD') of the obligation. PD estimates are derived from PD models that incorporate both quantitative and qualitative inputs, which are in turn derived from internal and external compiled data.

LGD is the magnitude of the likely loss incurred during a default. LGD is expressed as a percentage of loss per unit of exposure at the time of default and represents an estimate of the economic loss in the event of the default of the counterparty. Factors in determining LGDs include claim seniority, availability and quality of collateral, legal enforceability processes in the jurisdiction and industry of borrower and prevailing market conditions. They are estimates at a certain date and are derived using statistical models. These statistical models are developed using internally compiled data and incorporate both quantitative and qualitative factors. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

EAD represents the expected exposure in the event of a default. The Group derives the EAD based on the current exposure to the counterparty and potential future exposure.

The ECL is determined by the PD, LGD and EAD for each individual exposure. The ECLs are first determined from the product of these three components, which are then adjusted to take into account forward-looking information. The ECLs are finally discounted to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Significant increase in credit risk
To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default assessed at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:
- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

A movement of an obligor's credit rating along the rating scale represents a change in the credit risk as measured by the change in PD.

The criteria for assessing whether credit risk has increased significantly will be determined by changes in 12M PDs and other qualitative factors. The credit risk of an obligor is deemed to have increased significantly since initial recognition if, based on the Group's quantitative model, the 12M PD is determined to have more than doubled since origination, except when the obligor remains within the investment grade ratings.

Using expert credit judgment and, where possible, relevant historical experience, the Group may determine that an obligor has undergone a significant increase in credit risk based on qualitative factors that are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The Group uses the watch-list as an additional trigger for the identification of significant increase in credit risk.

The Group considers an obligor to have relatively lower credit risk if it is of investment grade quality, taking into account both internal and external credit ratings.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk (continued)***

Credit risk grades
The Group assigns each obligor to a credit risk grade that reflects the PD of the obligor. Credit risk grades are established based on qualitative and quantitative factors that are indicative of default risk. These factors vary depending on the nature of the exposure and the type of counterparty.

Credit risk grades are defined and calibrated such that the default risk increases as credit risk deteriorates. Each exposure is assigned with a credit risk grade at initial recognition, based on available information on the borrower. Obligors are subject to ongoing monitoring and review, and may be assigned with new credit risk grades that better reflects their creditworthiness. The monitoring typically involves the use of information obtained during periodic review, including published financial statements, external rating (where available), as well as qualitative information on an obligor’s industry, competitive positioning, management, financial policy and financial flexibility.

Definition of default
The Group considers a financial asset to be in default by assessing the following criteria:

<u>Quantitative criteria</u>
For insurance receivables, the obligor is said to be in default if it fails to make contractual payments within 6 months after it falls due (i.e. after expiration of the maximum granted credit terms). For bonds and loans, the obligor is said to be in default if it fails to meet its contractual obligation and there are non-payments on another debt obligation of the same issuer to the Group.

<u>Qualitative criteria</u>
The counterparty is in bankruptcy or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty; distressed exchange, merger or amalgamation without assumption or breach of material loan covenants not rectified within a given timeframe, restructuring with expected principal haircut or a breach in material loan covenant that is not rectified within given timeframe.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected loss calculations.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk (continued)***

Incorporating of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and in its ECL measurement. The Group has performed historical analysis and identified key economic variables impacting credit risk and ECLs for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are obtained from publicly available economic databases published on a quarterly basis and provide the best estimate view of the economy over the next four to five years, and based on such information to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach is used. The impact of these economic variables on PDs, EADs and LGDs has been determined via regression analyses.

In addition to the base economic scenario, the Group uses multiple scenarios to ensure non-linear risks are captured. The number of scenarios and the respective scenario attributes are reviewed at each reporting date. At 31 December 2022, the Group concluded that two particular scenarios are capable of capturing non-linear risks inherent in all portfolios. The scenario weightings are determined by expert credit judgment, taking into account the range of possible outcomes presented by the chosen scenarios. The assessment of significant increase in credit risk is performed using the 12M PD under each scenario multiplied by the associated scenario weights. This determines whether the financial instrument is in Stage 1, 2 or 3, and hence whether 12M or lifetime ECL should be applied. Following this assessment, the Group measures ECL as either a probability-weighted 12M ECL (Stage 1), or a probability-weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of uncertainty and the actual outcomes may be significantly different from projected outcomes. The Group considers these forecasts being representative of the best estimates of the possible outcomes and has analysed the non-linear risks and asymmetries within the various portfolios of the Group to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Group for the year ended 31 December 2022.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk (continued)***

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

Group in Singapore Dollars (millions)	31 December 2022 12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and receivables at amortised cost				
Balance at the beginning of the year	0.8	9.8	-	10.6
Net remeasurement of loss allowance	-	-	32.1	32.1
New financial assets purchased	0.6	3.8	-	4.4
Financial assets that have been derecognised	(0.7)	(4.1)	-	(4.8)
Changes in models/risk parameters	(0.1)	(2.4)	-	(2.5)
Foreign exchange and other movements	(0.1)	(0.6)	-	(0.7)
Balance at the end of the year	0.5	6.5	32.1	39.1
Debt securities at amortised cost				
Balance at the beginning of the year	1.6	-	-	1.6
Net remeasurement of loss allowance	0.1	-	-	0.1
New financial assets purchased	0.7	-	-	0.7
Financial assets that have been derecognised	(1.1)	-	-	(1.1)
Changes in models/risk parameters	0.1	-	-	0.1
Foreign exchange and other movements	(0.2)	-	-	(0.2)
Balance at the end of the year	1.2	-	-	1.2
Debt securities at FVOCI				
Balance at the beginning of the year	5.6	3.1	1.9	10.6
New financial assets purchased	3.6	2.1	-	5.7
Financial assets that have been derecognised	(2.9)	(2.3)	-	(5.2)
Changes in models/risk parameters	(0.8)	(0.7)	-	(1.5)
Foreign exchange and other movements	-	(0.1)	-	(0.1)
Balance at the end of the year	5.5	2.1	1.9	9.5
(Decrease)/increase in provision for impairment of financial assets for the year	(0.5)	(3.6)	32.1	27.0

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk (continued)***

Loss allowance (continued)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument (continued).

Group	31 December 2021			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans at amortised cost				
Balance at the beginning of the year	1.4	3.5	40.1	45.0
Net remeasurement of loss allowance	0.3	0.9	(4.1)	(2.9)
New financial assets purchased	0.1	-	-	0.1
Financial assets that have been derecognised	(0.3)	-	-	(0.3)
Write-offs	-	-	(36.0)	(36.0)
Changes in models/risk parameters	(0.7)	5.4	-	4.7
Balance at the end of the year	0.8	9.8	-	10.6
Debt securities at amortised cost				
Balance at the beginning of the year	1.3	-	-	1.3
Net remeasurement of loss allowance	(0.5)	-	-	(0.5)
New financial assets purchased	0.3	-	-	0.3
Changes in models/risk parameters	0.5	-	-	0.5
Balance at the end of the year	1.6	-	-	1.6
Debt securities at FVOCI				
Balance at the beginning of the year	7.1	0.6	1.9	9.6
Transfer to lifetime ECL not credit-impaired	(0.2)	0.2	-	-
Additional loss allowance due to transfer	-	1.0	-	1.0
Net remeasurement of loss allowance	(0.2)	(0.1)	-	(0.3)
New financial assets purchased	2.6	-	-	2.6
Financial assets that have been derecognised	(1.6)	(0.1)	-	(1.7)
Changes in models/risk parameters	(2.1)	1.5	-	(0.6)
Balance at the end of the year	5.6	3.1	1.9	10.6
(Decrease)/increase in provision for impairment of financial assets for the year	(1.8)	8.8	(4.1)	2.9

The carrying amount of outstanding premiums as at 31 December 2022 is $898.1 million (31 December 2021: $611.9 million). The ECL relating to outstanding premiums as at 31 December 2022 was $8.5 million (31 December 2021: $7.4 million). The changes in credit loss recognised in the Profit or Loss Statement during the period was $1.1 million (31 December 2021: $10.0 million).

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk (continued)***

Loss allowance (continued)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument (continued).

Company	31 December 2022			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and receivables at amortised cost				
Balance at the beginning of the year	**0.4**	**-**	**-**	**0.4**
New financial assets purchased	**0.3**	**-**	**31.1**	**31.4**
Financial assets that have been derecognised	**(0.2)**	**-**	**-**	**(0.2)**
Changes in models/risk parameters	**0.2**	**-**	**-**	**0.2**
Balance at the end of the year	**0.7**	**-**	**31.1**	**31.8**
Debt securities at amortised cost				
Balance at the beginning of the year	**-**	**-**	**-**	**-**
New financial assets purchased	**0.4**	**-**	**-**	**0.4**
Balance at the end of the year	**0.4**	**-**	**-**	**0.4**
Debt securities at FVOCI				
Balance at the beginning of the year	**1.6**	**0.3**	**1.8**	**3.7**
Net remeasurement of loss allowance	**-**	**(0.1)**	**-**	**(0.1)**
New financial assets purchased	**1.6**	**-**	**-**	**1.6**
Financial assets that have been derecognised	**(1.0)**	**-**	**-**	**(1.0)**
Changes in models/risk parameters	**0.8**	**-**	**-**	**0.8**
Balance at the end of the year	**3.0**	**0.2**	**1.8**	**5.0**
Increase/(decrease) in provision for impairment of financial assets for the year	**2.1**	**(0.1)**	**31.1**	**33.1**

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(h) ***Credit risk (continued)***

Loss allowance (continued)
The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument (continued).

Company	31 December 2021			
in Singapore Dollars (millions)	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans at amortised cost				
Balance at the beginning of the year	1.0	-	39.8	40.8
Net remeasurement of loss allowance	0.1	-	(3.8)	(3.7)
New financial assets purchased	0.1	-	-	0.1
Financial assets that have been derecognised	(0.4)	-	-	(0.4)
Write-offs	-	-	(36.0)	(36.0)
Changes in models/risk parameters	(0.4)	-	-	(0.4)
Balance at the end of the year	0.4	-	-	0.4
Debt securities at FVOCI				
Balance at the beginning of the year	3.3	-	1.8	5.1
Net remeasurement of loss allowance	0.1	0.1	-	0.2
New financial assets purchased	1.5	-	-	1.5
Financial assets that have been derecognised	(0.6)	-	-	(0.6)
Changes in models/risk parameters	(2.7)	0.2	-	(2.5)
Balance at the end of the year	1.6	0.3	1.8	3.7
(Decrease)/increase in provision for impairment of financial assets for the year	(2.3)	0.3	(3.8)	(5.8)

The carrying amount of outstanding premiums as at 31 December 2022 is $105.1 million (31 December 2021: $104.2 million). The ECL relating to outstanding premiums as at 31 December 2022 was $2.1 million (31 December 2021: $0.6 million). The changes in credit loss recognised in the Profit or Loss Statement during the year was a loss of $1.5 million (31 December 2021: gain of $0.1 million).

The changes in risk parameters may consist of management overlays, including but not limited to, the application of judgment to :
i) key economic variables including GDP growth projections,
ii) scenario weightings,
iii) obligor's credit rating to reflect a deterioration to credit risk,
iv) take into consideration government relief programmes, or
v) events arisen after post-model-run that require adjustment.

Loss allowances are reviewed quarterly, taking into consideration the adequacy of key variables.

NOTES TO THE FINANCIAL STATEMENTS

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(i) ***Concentration risk.*** An important element of managing both market and credit risks is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place to manage concentration risk. These limits are reviewed on a regular basis by the respective management committees. The Group's exposures are within the concentration limits set by the respective local regulators.

The Group actively manages its investment mix to ensure that there is no significant concentration in market and credit risk.

(j) ***Sensitivity analysis on financial risks.*** The sensitivity analysis below shows the impact on the Group's and the Company's net profit after tax by applying possible shocks to each key variable, with all other variables constant. Co-movement of key variables can significantly affect the fair values and/or amortised cost of financial assets. To demonstrate the impact due to changes in each key variable, the variables are changed individually.

The impact on net profit after tax represents the effect caused by changes in fair value of financial assets whose fair values are recorded in the Profit or Loss Statement, and changes in valuation of insurance contract liabilities. The equity sensitivity represents the impact on net profit after tax and the effect on changes in fair value of financial assets measured at FVOCI.

Market risk sensitivity analysis:

	Group			
	Impact on Profit After Tax		**Impact on Equity**	
in Singapore Dollars (millions)	**31 December 2022**	31 December 2021	**31 December 2022**	31 December 2021
Change in variables:				
(a) Interest rate				
+ 100 basis points	**204.0**	93.2	**(91.3)**	(256.7)
- 100 basis points	**(329.1)**	(324.4)	**3.9**	85.6
(b) Foreign currency				
5% increase in market value of USD denominated assets	**7.5**	3.0	**7.5**	3.0
5% decrease in market value of USD denominated assets	**(7.5)**	(3.0)	**(7.5)**	(3.0)
(c) Equity				
20% increase in market indices:				
- STI	**4.9**	8.2	**36.3**	77.2
- KLCI	**2.3**	-	**37.5**	33.1
20% decrease in market indices:				
- STI	**(4.9)**	(8.2)	**(36.3)**	(77.2)
- KLCI	**(2.3)**	-	**(37.5)**	(33.1)
(d) Credit				
Spread + 100 basis points	**(64.5)**	(154.3)	**(280.4)**	(439.4)
Spread - 100 basis points	**71.2**	197.5	**315.6**	532.5
(e) Alternative investments[1]				
10% increase in market value of all alternative investments	**64.5**	64.3	**66.1**	66.1
10% decrease in market value of all alternative investments	**(64.5)**	(64.3)	**(66.1)**	(66.1)

[1] Alternative investments comprise investments in real estate, private equity, infrastructure and hedge funds. The method for deriving sensitivity information and significant variables did not change from the previous year.

NOTES TO THE FINANCIAL STATEMENTS

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market and Credit Risk (continued)

(j) ***Sensitivity analysis on financial risks (continued)***

Market risk sensitivity analysis (continued):

	Company			
	Impact on Profit After Tax		Impact on Equity	
in Singapore Dollars (millions)	**31 December 2022**	31 December 2021	**31 December 2022**	31 December 2021
Change in variables:				
(a) Interest Rate				
+ 100 basis points	**188.3**	75.2	**(55.2)**	(218.4)
- 100 basis points	**(292.7)**	(285.5)	**(15.8)**	64.1
(b) Foreign Currency				
5% increase in market value of USD denominated assets	**7.5**	3.0	**7.5**	3.0
5% decrease in market value of USD denominated assets	**(7.5)**	(3.0)	**(7.5)**	(3.0)
(c) Equity				
20% increase in market indices:				
- STI	**4.9**	8.2	**27.0**	65.6
- KLCI	**-**	-	**-**	-
20% decrease in market indices:				
- STI	**(4.9)**	(8.2)	**(27.0)**	(65.6)
- KLCI	**-**	-	**-**	-
(d) Credit				
Spread + 100 basis points	**(28.6)**	(118.4)	**(206.3)**	(359.8)
Spread - 100 basis points	**31.4**	157.7	**235.4**	446.9
(e) Alternative Investments[1]				
10% increase in market value of all alternative investments	**63.8**	63.6	**63.8**	63.6
10% decrease in market value of all alternative investments	**(63.8)**	(63.6)	**(63.8)**	(63.6)

(1) Alternative Investments comprise investments in real estate, private equity, infrastructure and hedge funds.

The method for deriving sensitivity information and significant variables did not change from the previous year.

Operational and Compliance Risk

Operational risk is an event or action that may potentially impact partly or completely the achievement of the organisation's objectives resulting from inadequate or failed internal processes and systems, human factors, or external events.

Compliance risk is any event or action that may potentially impact partly or completely the achievement of the organisation's objectives, as a result of its failure to comply with the following applicable laws, regulations and standards:

- local laws, regulations and rules governing licensed activities undertaken by the Group;
- foreign laws, regulations and rules that have extraterritorial jurisdiction over the Group's licensed activities;
- codes of practice promoted by industry associations of which the Group is member of; and
- any other applicable regulations which do not specifically govern the licensed activities undertaken by the Group but can expose the organisation to legal, regulatory or reputational loss.

The day-to-day management of operational and compliance risk is through the maintenance of comprehensive internal control frameworks, supported by an infrastructure of systems and procedures to monitor processes and transactions. GMC reviews operational and compliance issues on a Group basis at its monthly meetings while local level issues are managed and monitored by the Local SMTs. The Internal Audit team reviews the systems of internal controls to assess their ongoing relevance and effectiveness, and reports at least quarterly to the Audit Committee.

32 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

Technology, Information and Cyber Risks

Technology risk is defined as risk related to any potential adverse outcome, damage, loss, disruption, violation, system/ hardware failure, capacity deficiency arising from the use of technologies such as electronic hardware/ devices, software, online networks and telecommunications systems.

Information risk is defined as risk related to confidentiality, integrity and availability of information (in physical or digital form).

Cyber risk is defined as risk related to acts perpetrated by malicious threat actors including internal sabotage, espionage, malicious attacks, hacking incidents, fraudulent conduct using information and communication technologies.

The Group adopts a risk-based approach in managing technology, risks relating to IT disruption, cyber threats, data loss and third parties. Key risk indicators related to technology, information and cyber risks are reported to the Board on a regular basis. Independent assessment is performed by Internal Audit on the adequacy and effectiveness of the technology risk controls.

Sustainability Risk

Sustainability risk is defined as any environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and enterprise value. The Group has integrated ESG considerations into the investment and underwriting activities.

At present, the Group manages social and governance-related risk through existing frameworks and policies. In order to build resilience as the world transits to a low-carbon economy, the Group has formalised the Group Environmental Risk Management Policy which sets forth guiding principles and minimum standards in managing environmental risk within the Group. Environmental risk arises from the potential adverse impact of changes in the environment on economic activities and human well-being. Environmental issues that are of concern include climate change, loss of biodiversity, pollution and changes in land use. Environmental risk can manifest in three dimensions of risk as follows:

• Physical risk – impact of weather events and long-term or widespread environmental changes. It arises from acute (event-driven) and chronic (long term shift) climate-related events that damage property, reduce productivity and disrupt trade.

• Transition risk – arises from the process of adjustment to an environmentally sustainable economy, including change in public policies, disruptive technological developments, and shifts in consumer and investor preferences.

• Liability risk – arises from legal risk and claims on damages and losses incurred from inaction or lack of action that results in the effects of physical and transition risks.

The Group’s risk assessment considers the financial and non-financial impacts from physical and transition risks arising from climate change. With this, the Group has put in place processes, methodology, and both qualitative and quantitative tools to identify and assess environmental risk for investment and underwriting portfolios.

For underwriting portfolio, risk transfer tool such as reinsurance is used to assist in managing environmental risk. For investment portfolio, the objective is to build resilient investment portfolios whilst striking a balance between ESG considerations, impact and financial returns.

The Group has made its first disclosures on climate-related risks aligned to the Task Force on Climate-related Financial Disclosures ("TCFD") in May 2021 as part of GEH Sustainability Report 2021. The report provides some insights into the Group’s governance approach, strategy and risk management, as well as key metrics and targets for climate-related financial risks.

33 FAIR VALUE OF ASSETS AND LIABILITIES

33.1 Fair Value Hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, quotes from brokers and market makers, cash flow discounting and other valuation techniques commonly used by market participants, and

Level 3 - Unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement (with Level 3 being the lowest).

Transfers between levels of the fair value heirarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

33.2 Assets and Liabilities Measured at Fair Value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			
	2022			
	Fair value measurements at the end of the reporting period using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2022				
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	-	501.1	-	501.1
Currency swaps	-	174.3	-	174.3
Options	-	12.0	-	12.0
Interest rates				
Swaps	-	9.0	-	9.0
Exchange traded futures	2.2	-	-	2.2
Equity				
Swaps	-	0.2	-	0.2
Futures	3.2	-	-	3.2
Options	-	32.9	-	32.9
Bond				
Forwards	-	0.3	-	0.3
Credit				
Swaps	-	1.9	-	1.9
	5.4	731.7	-	737.1
Financial assets at FVOCI				
Equity securities	1,273.3	-	22.7	1,296.0
Debt securities	4,873.9	1,181.6	-	6,055.5
	6,147.2	1,181.6	22.7	7,351.5
Financial assets at FVTPL				
Equity securities	11,387.5	0.5	21.8	11,409.8
Debt securities	34,650.7	15,509.0	571.6	50,731.3
Other investments	6,856.7	4,072.4	2,817.9	13,747.0
	52,894.9	19,581.9	3,411.3	75,888.1
Financial assets as at 31 December 2022	59,047.5	21,495.2	3,434.0	83,976.7
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,881.2	1,881.2
Asset held for sale	-	-	72.6	72.6
Non-financial assets as at 31 December 2022	-	-	1,953.8	1,953.8
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	-	145.9	-	145.9
Currency swaps	-	6.9	-	6.9
Interest rates				
Swaps	-	64.4	-	64.4
Exchange traded futures	17.2	-	-	17.2
Equity				
Swaps	-	33.2	-	33.2
Futures	0.1	-	-	0.1
Options	-	4.8	-	4.8
Bond				
Forwards	-	4.8	-	4.8
Credit				
Swaps	-	3.7	-	3.7
Financial liabilities as at 31 December 2022	17.3	263.7	-	281.0

NOTES TO THE FINANCIAL STATEMENTS

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

33.2 Assets and Liabilities Measured at Fair Value (continued):

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period (continued):

	Group 2021 Fair value measurements at the end of the reporting period using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2021				
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	0.1	177.3	-	177.4
Currency swaps	-	80.0	-	80.0
Options	-	0.8	-	0.8
Interest rates				
Swaps	-	44.9	-	44.9
Exchange traded futures	3.7	-	-	3.7
Equity				
Swaps	-	7.1	-	7.1
Futures	0.4	-	-	0.4
Options	-	43.7	-	43.7
Bond				
Forwards	-	1.7	-	1.7
	4.2	355.5	-	359.7
Financial assets at FVOCI				
Equity securities	1,584.7	-	27.0	1,611.7
Debt securities	3,830.7	1,084.3	-	4,915.0
	5,415.4	1,084.3	27.0	6,526.7
Financial assets at FVTPL				
Equity securities	13,420.0	0.3	24.5	13,444.8
Debt securities	33,633.0	18,445.0	-	52,078.0
Other investments	9,081.8	4,235.4	2,656.1	15,973.3
	56,134.8	22,680.7	2,680.6	81,496.1
Financial assets as at 31 December 2021	61,554.4	24,120.5	2,707.6	88,382.5
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,883.9	1,883.9
Non-financial assets as at 31 December 2021	-	-	1,883.9	1,883.9
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	0.2	47.8	-	48.0
Currency swaps	-	42.0	-	42.0
Options	-	0.3	-	0.3
Interest rates				
Swaps	-	12.8	-	12.8
Exchange traded futures	2.1	-	-	2.1
Equity				
Swaps	-	2.7	-	2.7
Futures	0.5	-	-	0.5
Options	-	0.2	-	0.2
Bond				
Forwards	-	1.4	-	1.4
Credit				
Swaps	-	0.3	-	0.3
Financial liabilities as at 31 December 2021	2.8	107.5	-	110.3

NOTES TO THE FINANCIAL STATEMENTS

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

33.2 Assets and Liabilities Measured at Fair Value (continued):

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period (continued):

	Company			
	2022			
	Fair value measurements at the end of the reporting period using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2022				
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	-	501.1	-	501.1
Currency swaps	-	174.2	-	174.2
Options	-	12.0	-	12.0
Interest rates				
Swaps	-	9.0	-	9.0
Exchange traded futures	2.2	-	-	2.2
Equity				
Swaps	-	0.2	-	0.2
Futures	3.2	-	-	3.2
Options	-	32.9	-	32.9
Credit				
Swaps	-	1.9	-	1.9
	5.4	731.3	-	736.7
Financial assets at FVOCI				
Equity securities	905.5	-	2.6	908.1
Debt securities	4,649.1	114.8	-	4,763.9
	5,554.6	114.8	2.6	5,672.0
Financial assets at FVTPL				
Equity securities	3,650.6	0.2	-	3,650.8
Debt securities	34,426.4	733.2	562.6	35,722.2
Other investments	6,574.6	3,503.8	2,791.3	12,869.7
	44,651.6	4,237.2	3,353.9	52,242.7
Financial assets as at 31 December 2022	50,211.6	5,083.3	3,356.5	58,651.4
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,198.2	1,198.2
Non-financial assets as at 31 December 2022	-	-	1,198.2	1,198.2
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	-	145.9	-	145.9
Currency swaps	-	5.5	-	5.5
Interest rates				
Swaps	-	64.4	-	64.4
Exchange traded futures	17.2	-	-	17.2
Equity				
Swaps	-	33.2	-	33.2
Futures	0.1	-	-	0.1
Options	-	4.8	-	4.8
Credit				
Swaps	-	3.7	-	3.7
Financial liabilities as at 31 December 2022	17.3	257.5	-	274.8

NOTES TO THE FINANCIAL STATEMENTS

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

33.2 Assets and Liabilities Measured at Fair Value (continued):

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period (continued):

	Company			
	2021			
	Fair value measurements at the end of the reporting period using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 31 December 2021				
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
Derivative financial assets				
Foreign exchange				
Forwards	0.1	177.4	-	177.5
Currency swaps	-	79.3	-	79.3
Options	-	0.8	-	0.8
Interest rates				
Swaps	-	44.9	-	44.9
Exchange traded futures	3.7	-	-	3.7
Equity				
Swaps	-	7.1	-	7.1
Futures	0.4	-	-	0.4
Options	-	43.7	-	43.7
	4.2	353.2	-	357.4
Financial assets at FVOCI				
Equity securities	1,211.7	-	2.6	1,214.3
Debt securities	3,621.4	161.2	-	3,782.6
	4,833.1	161.2	2.6	4,996.9
Financial assets at FVTPL				
Equity securities	5,249.0	0.3	0.1	5,249.4
Debt securities	33,413.3	3,377.6	-	36,790.9
Other investments	8,561.5	3,358.7	2,642.9	14,563.1
	47,223.8	6,736.6	2,643.0	56,603.4
Financial assets as at 31 December 2021	52,061.1	7,251.0	2,645.6	61,957.7
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,106.9	1,106.9
Non-financial assets as at 31 December 2021	-	-	1,106.9	1,106.9
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	0.2	47.8	-	48.0
Currency swaps	-	35.7	-	35.7
Options	-	0.3	-	0.3
Interest rates				
Swaps	-	12.8	-	12.8
Exchange traded futures	2.1	-	-	2.1
Equity				
Swaps	-	2.7	-	2.7
Futures	0.5	-	-	0.5
Options	-	0.2	-	0.2
Credit				
Swaps	0.3	-	-	0.3
Financial liabilities as at 31 December 2021	3.1	99.5	-	102.6

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

33.3 Level 3 Fair Value Measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements:
The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

		Group		
Description	**Fair value as at 31 December 2022**	**Valuation techniques**	**Unobservable inputs**	**Range (weighted average)**
Investment properties	**1,881.2**	**Comparison approach**	**Estimated psf**	**$10 to $4,173**
		Capitalisation approach	**Capitalisation rate**	**3.25%**
Asset held for sale	**72.6**	**Income approach**	**Rental psf per month**	**$0.72 to $1.78**
			Rental growth rate	**0%**
			Long-term vacancy rate	**12.50%**
			Discount rate	**5.75% to 6.00%**
Investments				
Quoted debt securities	**22.3**	**Discounted cash flow**	**Yield**	**4% to 6%**
Unquoted debt securities	**549.3**	**Income approach**	**Risk-adjusted discount rate**	**Spread of 1-2% above risk-free interest rate**
Unquoted equitites	**44.5**	**Net asset value(1)**	**not applicable**	**not applicable**
Collective investment schemes	**2,817.9**	**Net asset value(1)**	**not applicable**	**not applicable**

Description	Fair value as at 31 December 2021	Valuation techniques	Unobservable inputs	Range (weighted average)
Investment properties	1,883.9	Income approach	Rental psf per month	$0.81 to $1.75
			Rental growth rate	0.0%
			Long-term vacancy rate	12.5%
			Discount rate	5.75% to 6.00%
		Comparison approach	Estimated psf	$11 to $5,848
Investment				
Unquoted equitites	51.5	Net asset value(1)	not applicable	not applicable
Collective investment schemes	2,656.1	Net asset value(1)	not applicable	not applicable

(1) These investments are valued using net asset value. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy.

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

33.3 Level 3 Fair Value Measurements (continued)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements: (continued)
The following table shows the information about fair value measurements using significant unobservable inputs (Level 3) (continued):

Company				
Description	**Fair value as at 31 December 2022**	**Valuation techniques**	**Unobservable inputs**	**Range (weighted average)**
Investment properties	**1,198.2**	**Direct Comparison Method**	**Estimated psf**	**\$1,643 to \$2,516**
Investments				
Quoted debt securities	**22.3**	**Discounted cash flow**	**Yield**	**4% to 6%**
Unquoted debt securities	**540.3**	**Income approach**	**Risk-adjusted discount rate**	**Spread of 1-2% above risk-free interest rate**
Unquoted equitites	**2.6**	**Net asset value(1)**	**not applicable**	**not applicable**
Collective investment schemes	**2,791.3**	**Net asset value(1)**	**not applicable**	**not applicable**

Description	Fair value as at 31 December 2021	Valuation techniques	Unobservable inputs	Range (weighted average)
Investment properties	1,106.9	Direct Comparison Method	Estimated psf	\$1,524 to \$2,159
Investment				
Unquoted equitites	2.7	Net asset value(1)	not applicable	not applicable
Collective investment schemes	2,642.9	Net asset value(1)	not applicable	not applicable

(1) These investments are valued using net asset value. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy.

For investment properties, a significant increase/(decrease) in unobservable inputs would result in a significantly higher/(lower) fair value measurement.

(ii) Valuation process:
The valuations of financial instruments are performed by the custodians and the valuations of investment properties are performed by the external valuers. The valuations conducted by the custodians are verified and assessed for reasonableness by Group Finance department against available market conditions. The valuations of investment properties are based primarily on the comparison approach and the capitalisation approach. The major inputs of the valuation of investment properties are reviewed by management. The property management department also held discussions with external valuers on any significant fluctuation noted from the independent valuation reports. The valuations conducted by the external valuers are verified and assessed for reasonableness by management against property values of other comparable properties.

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

33.3 Level 3 Fair Value Measurements (continued)

(iii) Movements in Level 3 assets and liabilities measured at fair value:

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Group – Fair value measurements using significant unobservable inputs (Level 3)										
	31 December 2022							31 December 2021			
	Investments							Investments			
in Singapore Dollars (millions)	**Quoted debt securities**	**Unquoted debt securities**	**Unquoted equities**	**Collective Investment Schemes**	**Investment Properties**	**Asset held for sale**	**Total**	Unquoted equities	Collective Investment Schemes	Investment Properties	Total
Opening balance	**-**	**-**	**51.5**	**2,656.1**	**1,883.9**	**-**	**4,591.5**	169.7	2,040.0	1,767.2	3,976.9
Total gain/(loss) for the year:											
Included in the Profit or Loss Statement											
- Gain/(loss) on sale of investments and changes in fair value	**-**	**-**	**(2.7)**	**(85.8)**	**91.3**	**-**	**2.8**	(116.5)	320.7	84.3	288.5
Included in other comprehensive income											
- Changes in fair value	**-**	**-**	**(4.3)**	**-**	**-**	**-**	**(4.3)**	(1.7)	-	-	(1.7)
Purchases and sales for the period:											
Purchases	**-**	**-**	**-**	**609.4**	**1.0**	**-**	**610.4**	-	544.0	0.2	544.2
Sales	**-**	**-**	**-**	**(361.8)**	**-**	**-**	**(361.8)**	-	(248.6)	-	(248.6)
Reclassification from property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	38.8	38.8
Reclassification	**-**	**-**	**-**	**-**	**(72.6)**	**72.6**	**-**	-	-	-	-
Transfer to/from during the year:											
Transfer from Level 1	**22.3**	**540.3**	**-**	**-**	**-**	**-**	**562.6**	-	-	-	-
Transfer from Level 2	**-**	**9.0**	**-**	**-**	**-**	**-**	**9.0**	-	-	-	-
Currency translation reserve adjustment	**-**	**-**	**-**	**-**	**(22.4)**	**-**	**(22.4)**	-	-	(6.6)	(6.6)
Closing balance	**22.3**	**549.3**	**44.5**	**2,817.9**	**1,881.2**	**72.6**	**5,387.8**	51.5	2,656.1	1,883.9	4,591.5

NOTES TO THE FINANCIAL STATEMENTS

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

33.3 Level 3 Fair Value Measurements (continued)

(iii) Movements in Level 3 assets and liabilities measured at fair value: (continued)

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3) (continued):

	Company									
	Fair value measurements using significant unobservable inputs (Level 3)									
	31 December 2022						31 December 2021			
	Investments						Investments			
in Singapore Dollars (millions)	**Quoted debt securities**	**Unquoted debt securities**	**Unquoted equities**	**Collective Investment Schemes**	**Investment Properties**	**Total**	Unquoted equities	Collective Investment Schemes	Investment Properties	Total
Opening balance	**-**	**-**	**2.7**	**2,642.9**	**1,106.9**	**3,752.5**	116.4	2,040.0	1,020.1	3,176.5
Total gain/(loss) for the year:										
Included in the Profit or Loss Statement										
- Gain/(loss) on sale of investments and changes in fair value	**-**	**-**	**(0.1)**	**(86.7)**	**91.3**	**4.5**	(113.4)	321.0	86.8	294.4
Included in other comprehensive income										
- Changes in fair value	**-**	**-**	**-**	**-**	**-**	**-**	(0.3)	-	-	(0.3)
Purchases and sales for the period:										
Purchases	**-**	**-**	**-**	**592.7**	**-**	**592.7**	-	529.4	-	529.4
Sales	**-**	**-**	**-**	**(357.6)**	**-**	**(357.6)**	-	(247.5)	-	(247.5)
Transfer to/from during the year:										
Transfer from Level 1	**22.3**	**540.3**	**-**	**-**	**-**	**562.6**	-	-	-	-
Closing balance	**22.3**	**540.3**	**2.6**	**2,791.3**	**1,198.2**	**4,554.7**	2.7	2,642.9	1,106.9	3,752.5

33 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

33.4 Assets and Liabilities Not Carried at Fair Value but for which Fair Value is Disclosed

The following tables show an analysis of the Group's and the Company's assets and liabilities not measured at fair value but for which fair value is disclosed:

	Group 2022 – Fair value measurements at the end of the reporting period using				
in Singapore Dollars (millions)	**Quoted prices in active markets for identical assets (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**	**Carrying Amount**
Assets					
Debt securities at amortised cost	**1,609.5**	**105.7**	**-**	**1,715.2**	**1,802.5**
Loans	**-**	**485.1**	**-**	**485.1**	**480.3**
Freehold land, leasehold land and buildings	**-**	**-**	**846.6**	**846.6**	**382.1**

	Group 2021 – Fair value measurements at the end of the reporting period using				
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying Amount
Assets					
Debt securities at amortised cost	266.3	-	-	266.3	242.3
Loans	-	603.9	-	603.9	592.0
Freehold land, leasehold land and buildings	-	-	844.6	844.6	399.1

	Company 2022 – Fair value measurements at the end of the reporting period using				
in Singapore Dollars (millions)	**Quoted prices in active markets for identical assets (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**	**Carrying Amount**
Assets					
Debt securities at amortised cost	**1,358.8**	**105.7**	**-**	**1,464.5**	**1,475.1**
Loans	**-**	**336.5**	**-**	**336.5**	**336.2**
Freehold land, leasehold land and buildings	**-**	**-**	**681.2**	**681.2**	**298.8**

	Company 2021 – Fair value measurements at the end of the reporting period using				
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total	Carrying Amount
Assets					
Loans	-	342.7	-	342.7	342.0
Freehold land, leasehold land and buildings	-	-	669.3	669.3	308.0

34 DIVIDENDS

	Group and Company	
in Singapore Dollars (millions)	**2022**	2021
Final one-tier tax exempt dividend for previous year of $1.06 per ordinary share (2021: $0.85 per ordinary share)	**103.0**	82.4
	103.0	82.4

The Directors proposed a final one-tier tax exempt dividend of $1.21 per ordinary share amounting to $117.5 million (2021: $132.1 million) be paid in respect of the financial year ended 31 December 2022. This has not been recognised as distributions to shareholders.

There are no income tax consequences attached to the dividend to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

35 AUTHORISATION OF FINANCIAL STATEMENTS

At the Board of Directors' Meeting held on 21 February 2023, the Board authorised these financial statements for issue and that two Directors of the Board, Mr Koh Beng Seng and Mr Leo Mun Wai, sign the Directors' Report on behalf of the Board.

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Singapore 048659

The Great Eastern Life Assurance Company Limited
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