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	**Leo Mun Wai**
Chairman	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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED

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, 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

		Group		Company	
in Singapore Dollars (millions)	Note	**2023**	2022 restated	**2023**	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

		Group			Company		
in Singapore Dollars (millions)	Note	**31 Dec 2023**	31 Dec 2022 restated	1 Jan 2022 restated	**31 Dec 2023**	31 Dec 2022 restated	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

in Singapore Dollars (millions)	Note	Attributable to shareholders of the Company							
			Other reserves						
		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)**	**-**	**-**	**-**
<u>Distributions to shareholders</u>									
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.

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.

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 $2,226.8 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Insurance and Reinsurance Contracts (continued)

2.8.6 Measurement (continued)

2.8.6.6 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).

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

<u>Coverage units</u>

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 %
<u>SIGNIFICANT SUBSIDIARIES</u>				
<u>Held by the Company</u>				
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
<u>Held through subsidiaries</u>				
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

		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													
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:													
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)

		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

in Singapore Dollars (millions)		Group		Company	
		2023	2022 restated	**2023**	2022 restated
An analysis of the expenses incurred in the reporting year is included below:					
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.

NOTES TO THE FINANCIAL STATEMENTS

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.

in Singapore Dollars (millions)	Group		Company	
	2023	2022 restated	**2023**	2022 restated
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:

	Group 2023	Group 2022 restated	Company 2023	Company 2022 restated
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			
	Group 2023	Group 2022 restated	Company 2023	Company 2022 restated
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.

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Group 2023	Group 2022 restated	Company 2023	Company 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.

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

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

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 lliabilities 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 lliabilities 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

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 lliabilities 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 lliabilities 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

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

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

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.

in Singapore Dollars (millions)	Note	Group 2023	Group 2022 restated	Company 2023	Company 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:

	Note	Group 2023	Group 2022 restated	Company 2023	Company 2022 restated
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

	Group					
in Singapore Dollars (millions)	**Notional Amount**	**Derivative Financial Assets**	**Derivative Financial Liabilities**	Notional Amount	Derivative Financial Assets	Derivative Financial Liabilities
	2023	**2023**	**2023**	2022	2022	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)

	Company					
in Singapore Dollars (millions)	**Notional Amount**	**Derivative Financial Assets**	**Derivative Financial Liabilities**	Notional Amount	Derivative Financial Assets	Derivative Financial Liabilities
	2023	**2023**	**2023**	2022	2022	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.

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)		Group		Company	
		2023	2022 restated	**2023**	2022 restated
19	**INVESTMENTS**				
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 .

NOTES TO THE FINANCIAL STATEMENTS

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.				
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	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**

NOTES TO THE FINANCIAL STATEMENTS

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**

in Singapore Dollars (millions)		Group		Company	
	Note	**2023**	2022	**2023**	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)

		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)	(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**	Group 2022
Freehold land, Leasehold land and Buildings	**847.6**	846.6

[2] Other assets include motor vehicles, office furniture, fittings and equipment.

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**

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:

in Singapore Dollars (millions)	Company 2023	Company 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).

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).

NOTES TO THE FINANCIAL STATEMENTS

in Singapore Dollars (millions)	Group		Company	
	2023	2022	**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	**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:

	Group 2023	Group 2022	Company 2023	Company 2022
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.

NOTES TO THE FINANCIAL STATEMENTS

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

30 SEGMENTAL INFORMATION (continued)

(1) By Business Segments

in Singapore Dollars (millions)	Group: Shareholders 2023	Shareholders 2022 Restated	Life Insurance 2023	Life Insurance 2022 Restated	Adjustments and Eliminations [1] 2023	Adjustments and Eliminations [1] 2022 Restated	Consolidated 2023	Consolidated 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.

30 SEGMENTAL INFORMATION (continued)

(1) By Business Segments (continued)

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
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)

in Singapore Dollars (millions)	Group							
	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.

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.

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:

	Group			Company		
in Singapore Dollar (millions)	**Gross**	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**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:

	Group			Company		
in Singapore Dollar (millions)	**Gross**	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**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

Group and Company

	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

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.

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. 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

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.*** 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

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(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

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(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**

NOTES TO THE FINANCIAL STATEMENTS

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

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.

	2023		2022	
in Singapore Dollars (millions)	**Amounts payable on demand**	**Carrying Amount**	Amounts payable on demand	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.

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 (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.

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(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.

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.

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

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.

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.

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**

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

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.

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.

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.

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.

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

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

NOTES TO THE FINANCIAL STATEMENTS

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.