Singapore Life Holdings Pte. Ltd.
and its subsidiaries
Registration Number: 202020546N

Annual Report
Year ended 31 December 2023

Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

(a) the financial statements set out on pages FS1 to FS106 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 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Raymond John Ferguson	
Phau Yee Meng Pearlyn – Chief Executive Officer	
Shirish Moreshwar Apte	
Kenji Yoneda	
Nirmala Menon Y B Menon	
Maya Hari	
Yap Chee Keong	
Naoto Oda	(Appointed on 1 Apr 2024)
Kensei Kawaguchi	(Appointed on 1 Apr 2024)

Arrangements to enable directors to acquire shares and debentures

Certain directors are entitled to participate in bonus plans operated by Aviva plc, one of the shareholders of the ultimate holding company. Under these arrangements, participants may be awarded shares and/or options to acquire shares of Aviva plc.

Other than the above, neither at the end of nor at any time during the financial year was the Company a party to any arrangement 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, other than as disclosed below.

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings in the name of the director, spouse or infant children	
	At beginning of the year	At end of the year
Direct and deemed interest in ordinary shares of Singapore Life Holdings Pte. Ltd.		
Raymond John Ferguson	988,843	988,843
Phau Yee Meng Pearlyn	132,538	132,538
Michael Alan Spencer	38,951,942	38,951,942
Mel Gerard Carvill	66,270	66,270
Teh Kok Peng	110,448	110,448
Maya Hari	29,820	29,280
Shirish Moreshwar Apte	165,672	165,672
Direct interest in share options of Singapore Life Holdings Pte. Ltd.		
Raymond John Ferguson	1,104,484	1,104,484
Phau Yee Meng Pearlyn	3,666,888	3,666,888
Mel Gerard Carvill	33,135	33,135
Teh Kok Peng	55,224	55,224
Maya Hari	14,910	14,910
Shirish Moreshwar Apte	82,836	82,836

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations either at the beginning of the financial year or at the end of the financial year.

Except as disclosed under the 'Share options' section of this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, 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.

Share options

During the financial year, there were:

(i) Ordinary share options granted by the holding company. These share options will vest over five years and gives option holders the opportunity to purchase the shares of the holding company at a pre-determined exercise price. The share options will lapse ten years after grant date.

(ii) no shares issued by virtue of options exercised to take up unissued shares of the Company or its subsidiaries.

At the end of the financial year, details of the options granted under the share option scheme on the unissued ordinary shares of the Company, are as follows:

Date of grant of options	Exercise price per share $	Options outstanding at 1 January 2023	Options granted	Option outstanding at 31 December 2023	Number of option holders at 31 December 2023	Exercise period
22 Apr 2021	4.527	1,104,484	–	1,104,484	1	Until 21 April 2031
19 July 2021	4.527	3,666,888	–	3,666,888	1	Until 18 July 2031
4 April 2022	4.527	186,105	–	186,105	4	Until 3 April 2032

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept the appointment.

On behalf of the Board of Directors

DocuSigned by:
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Raymond John Ferguson
Director

DocuSigned by:
8511AA134C2D405...

Phau Yee Meng Pearlyn
Director

28 June 2024

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Independent auditors' report

Members of the Company
Singapore Life Holdings Pte. Ltd. and its subsidiaries

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Life Holdings Pte. Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statements of comprehensive income, changes in equity and cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages FS1 to FS106.

In our opinion, the accompanying consolidated financial statements of the Group and the statements of financial position and 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, changes in equity and cash flows of the Group for the year ended on that date.

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 '*Auditors' responsibilities for the audit of the financial statements'* section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of insurance contract liabilities

As at 31 December 2023, the Group has $12.7 billion (2022 (restated): $10.8 billion) of insurance contract liabilities, which represents 86% (2022 (restated): 83%) of the Group's total liabilities.

As indicated in note 19.2.2 of the consolidated financial statements, the liabilities related to these insurance contracts include estimates for the present value of future cash flows, the risk adjustment for non-financial risks, and the contractual service margin.

The valuation of the insurance contract liabilities involves significant judgments over the appropriateness of methods, models, data and assumptions used, which includes the:

- estimation of the amount, timing, uncertainty of future cash flows and discount rate curves applied;
- determination of risk adjustment and the corresponding confidence level to be applied; and
- determination of the coverage units used to amortise the contractual service margin.

Economic assumptions such as investment return and interest rates, and non-economic assumptions such as mortality, morbidity, expenses, policyholders' behaviour and claims experience are some of the key inputs used to estimate these insurance contract liabilities.

Inappropriate or incomplete data, assumptions, or application of models can result in material impact to the present value of future cash flows, risk adjustment and contractual service margin.

Due to the complex and subjective judgements involved, coupled with the sensitivity of the valuation of insurance contract liabilities to these key judgements and assumptions, we have identified this as a key audit matter.

Our audit procedures, assisted by our actuarial specialists included, amongst others:

- Evaluated the competency, capabilities and objectivity of the Appointed Actuary;

- Discussed with management and the Appointed Actuary on the selection and application of the method, models, assumptions and data used;

- Evaluate the appropriateness and test the mathematical accuracy of models, methods, assumptions and data applied.

- Evaluate the appropriateness of methods, models and assumptions selected to estimate the future cash flows, discount rate curves, risk adjustment and contractual service margin;

- Benchmark methods, models and assumptions (where relevant);

- Evaluate methods, models and assumption changes across the comparative periods;

- Evaluate management's sensitivity analysis;

- Evaluate the completeness, accuracy and relevance of data used, which includes performing an assessment on the appropriateness of the reconciliation of data and data checks performed by management; and

- Evaluate management's analysis of change to verify that the movement in the estimates of future cash flows and total insurance contract liabilities period to period are in-line with our business understanding.

Based on the work performed and the evidence obtained, we found the methods, models, assumptions and data used by management to be appropriate.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement 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 controls.

- Obtain an understanding of internal controls 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 controls.

- 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 auditors' 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 auditors' 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 controls 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.

The engagement partner on the audit resulting in this independent auditors' report is Steven Goh.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 June 2024

Consolidated statement of comprehensive income
Year ended 31 December 2023

	Note	2023 $'000	2022 Restated $'000
Insurance revenue	6	1,100,850	1,070,812
Insurance service expenses	8	(1,027,605)	(912,845)
Insurance service result before reinsurance contracts held		**73,245**	**157,967**
Allocation of reinsurance premiums		(236,848)	(215,432)
Amounts recoverable from reinsurers for incurred claims		260,887	176,177
Net income/(expense) from reinsurance contracts held		24,039	(39,255)
Insurance service results		**97,284**	**118,712**
Net investment income	7	184,292	215,197
Net realised loss on sale of investments at fair value through profit or loss	7	(30,361)	(14,354)
Net fair value gain/(loss) on investments at fair value through profit or loss	7	360,236	(1,523,194)
Net realised gain/(loss) on derivatives	7	102,696	(118,331)
Net fair value (loss)/gain on derivatives	7	(25,857)	49,470
Total investment income/(loss)		**591,006**	**(1,391,212)**
Net finance (expense)/income from insurance contracts issued	7	(415,561)	1,004,952
Net finance expenses from reinsurance contracts held	7	(78,062)	(96,595)
Net insurance finance (expenses)/income		**(493,623)**	**908,357**
Net investment income, insurance finance expense and reinsurance finance income		**97,383**	**(482,855)**
Net insurance and investment result		**194,667**	**(364,143)**

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

Consolidated statement of comprehensive income (continued)
Year ended 31 December 2023

	Note	2023 $'000	2022 Restated $'000
Commission income		42,879	74,997
Commission expense		(35,117)	(47,002)
Net commission income		7,762	27,995
Other income		8,130	11,456
Other operating expenses	8	(234,887)	(284,506)
Loss before tax		**(24,328)**	**(609,198)**
Income tax (expense)/credit	9(a)	(18,616)	121,946
Net loss for the financial year		**(42,944)**	**(487,252)**
Attributable to:			
- Shareholders		(39,558)	(482,240)
- Non-controlling interests		(3,386)	(5,012)
Net loss for the financial year		**(42,944)**	**(487,252)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Revaluation loss on financial assets at fair value through other comprehensive income		–	(196)
Exchange differences on translation of foreign operations		(560)	(1,246)
Remeasurement (loss)/gain on retirement benefit		(22)	57
Other comprehensive loss for the year		**(582)**	**(1,385)**
Total comprehensive loss for the financial year		**(43,526)**	**(488,637)**
Attributable to:			
- Shareholders		(40,071)	(482,933)
- Non-controlling interests		(3,455)	(5,704)
		(43,526)	**(488,637)**

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

Statement of financial position
As at 31 December 2023

	Note	Group 31 Dec 2023 $'000	Group 31 Dec 2022 Restated $'000	Group 1 Jan 2022 Restated $'000	Company 31 Dec 2023 $'000	Company 31 Dec 2022 Restated $'000	Company 1 Jan 2022 Restated $'000
Non-current assets							
Investments in subsidiaries	10	–	–	–	3,087,085	3,229,149	3,208,761
Goodwill		131,973	131,973	131,973	–	–	–
Property and equipment	11	33,743	53,247	48,606	–	–	–
Intangible assets	12	474,513	474,945	495,065	–	–	–
Investments at fair value through profit or loss	13	4,971,109	4,770,955	5,158,256	–	–	–
Derivative financial assets	15	24,034	12,361	7,642	–	–	–
Deferred tax assets		88,142	76,331	–	–	–	–
Other receivable	16	2,077	1,665	14,066	–	–	–
Insurance contract assets	19	303,256	224,152	535,026	–	–	–
Reinsurance contract assets	19	850,927	1,143,798	321,195	–	–	–
		6,879,774	6,889,427	6,711,829	3,087,085	3,229,149	3,208,761
Current assets							
Cash and cash equivalents	14	594,107	369,804	498,492	198,359	3,669	57,190
Investments at fair value through profit or loss	13	6,321,600	5,527,560	6,468,837	–	–	–
Derivative financial assets	15	142,330	225,372	43,353	–	–	–
Other receivables	16	91,199	112,571	104,980	153,658	17,172	11,600
Prepayments		18,106	22,668	23,088	359	–	–
Insurance contract assets	19	139,767	139,284	165,150	–	–	–
Reinsurance contract assets	19	501,817	97,420	210,511	–	–	–
		7,808,926	6,494,679	7,514,411	352,376	20,841	68,790
Current liabilities							
Derivative financial liabilities	15	20,930	34,744	5,637	–	–	–
Other payables	17	297,029	296,115	231,943	11,486	10,539	9,723
Insurance contract liabilities	19	447,303	312,499	768,458	–	–	–
Reinsurance contract liabilities	19	150,760	124,937	12,759	–	–	–
Current tax payable		32,034	149,161	37,954	–	–	–
Lease liabilities		12,152	12,046	23,425	–	–	–
		960,208	929,502	1,080,176	11,486	10,539	9,723
Net current assets		6,848,718	5,565,177	6,434,235	340,890	10,302	59,067
Non-current liabilities							
Insurance contract liabilities	19	11,364,162	10,078,747	10,662,388	–	–	–
Reinsurance contract liabilities	19	751,728	842,120	18,989	–	–	–
Deferred tax liabilities	9(c)	68,950	70,925	244,009	–	–	–
Derivative financial liabilities	15	113,061	144,758	36,597	–	–	–
Lease liabilities		14,571	23,917	15,658	–	–	–
Debt issued	18	543,910	543,059	542,207	543,910	543,059	542,207
Other payable	17	–	278	–	–	–	
Bank loan		–	–	334,601	–	–	334,601
		12,856,382	11,703,804	11,854,449	543,910	543,059	876,808
Net assets		872,110	750,800	1,291,615	2,884,065	2,696,392	2,391,020

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

Statement of financial position (continued)
As at 31 December 2023

	Note	Group 31 Dec 2023 $'000	Group 31 Dec 2022 Restated $'000	Group 1 Jan 2022 Restated $'000	Company 31 Dec 2023 $'000	Company 31 Dec 2022 Restated $'000	Company 1 Jan 2022 Restated $'000
Equity							
Share capital and other capital	21	2,518,424	2,338,424	2,338,424	2,518,424	2,338,424	2,338,424
Investment valuation reserve		–	–	(11,163)	–	–	–
Translation reserve		(2,550)	(1,829)	2,010	–	–	–
Retirement benefit reserve		8	13	(33)	–	–	–
Share based compensation reserve		18,144	17,152	21,406	17,898	16,393	11,518
Merger reserve		(320,252)	(320,252)	(320,252)	–	–	–
Accumulated profits/(losses)		(1,335,513)	(1,280,012)	(739,911)	347,743	341,575	41,078
Shareholders' equity		878,261	753,496	1,290,481	2,884,065	2,696,392	2,391,020
Non-controlling interests		(6,151)	(2,696)	1,134	–	–	–
Total equity		872,110	750,800	1,291,615	2,884,065	2,696,392	2,391,020

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

Consolidated statement of changes in equity
Year ended 31 December 2023

		Attributable to equity holders of the Company									
	Note	Share capital and other capital $'000	Fair value reserve $'000	Translation reserve $'000	Retirement benefit reserve $'000	Share-based compensation reserves $'000	Merger reserve $'000	Accumulated profits / (losses) $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group											
At 1 January 2022		2,338,424	(11,163)	2,010	(33)	21,406	(320,252)	(164,295)	1,866,097	1,134	1,867,231
Impact of initial application of SFRS(I) 17		–	–	–	–	–	–	(575,616)	(575,616)	–	(575,616)
Restated balance at 1 January 2022		2,338,424	(11,163)	2,010	(33)	21,406	(320,252)	(739,911)	1,290,481	1,134	1,291,615
Net loss for the financial year		–	–	–	–	–	–	(482,240)	(482,240)	(5,012)	(487,252)
Other comprehensive income for the financial year		–	(128)	(608)	43	–	–	–	(693)	(692)	(1,385)
Net change reserve to accumulated profits/(losses)		–	41,933	(1,734)	–	3,521	–	(43,720)	–	–	–
Realise in current year profits/(losses)		–	(30,642)	–	–	–	–	–	(30,642)	–	(30,642)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Purchase of additional shareholding in subsidiary		–	–	–	–	–	–	(383)	(383)	(950)	(1,333)
Transfer of pre-acquisition prepayment adjustment into retained earning/(accumulated losses)		–	–	–	–	–	–	1,682	1,682	–	1,682
Reversal of prior year reserve		–	–	–	3	–	–	313	316	–	316
Dividends declared	23	–	–	–	–	–	–	(15,753)	(15,753)	–	(15,753)
Additional investment in subsidiary by the Group and NCI		–	–	(1,497)	–	–	–	–	(1,497)	2,824	1,327
Employee share plan											
- Value of employee services	22	–	–	–	–	5,401	–	–	5,401	–	5,401
- Settlement of share		–	–	–	–	(13,176)	–	–	(13,176)	–	(13,176)
At 31 December 2022		2,338,424	–	(1,829)	13	17,152	(320,252)	(1,280,012)	753,496	(2,696)	750,800

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

Consolidated statement of changes in equity (continued)
Year ended 31 December 2023

	Note	Attributable to equity holders of the Company									
		Share capital and other capital $'000	**Fair value reserve $'000**	**Translation reserve $'000**	**Retirement benefit reserve $'000**	**Share-based compensation reserves $'000**	**Merger reserve $'000**	**Accumulated profits / (losses) $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Group											
At 1 January 2023		2,338,424	–	(1,829)	13	17,152	(320,252)	(1,280,012)	753,496	(2,696)	750,800
Net loss for the financial year		–	–	–	–	–	–	(39,558)	(39,558)	(3,386)	(42,944)
Other comprehensive income for the financial year		–	–	(496)	(17)	–	–	–	(513)	(69)	(582)
Net change reserve to accumulated profits/(losses)		–	–	(225)	12	403	–	(190)	–	–	–
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Issuance of shares	21	180,000	–	–	–	–	–	–	180,000	–	180,000
Reclassification of share-based payment reserve to other payables		–	–	–	–	2,866	–	–	2,866	–	2,866
Dividends declared	23	–	–	–	–	–	–	(15,753)	(15,753)	–	(15,753)
Employee share plan											
- Value of employee services	22	–	–	–	–	1,717	–	–	1,717	–	1,717
- Settlement of share		–	–	–	–	(3,994)	–	–	(3,994)	–	(3,994)
At 31 December 2023		2,518,424	–	(2,550)	8	18,144	(320,252)	(1,335,513)	878,261	(6,151)	872,110

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

Statement of changes in equity
Year ended 31 December 2023

	Note	Share capital and other capital $'000	Share based compensation reserve $'000	Accumulated profits $'000	Total equity $'000
Company					
At 1 January 2022		2,338,424	11,518	41,078	2,391,020
Net profit for the financial year		–	–	316,250	316,250
Transactions with shareholders of the Company, recognised directly in equity					
Contributions by and distributions to owners					
Distributions to perpetual securities holders	23	–	–	(15,753)	(15,753)
Employee share plan		–	4,875	–	4,875
At 31 December 2022		2,338,424	16,393	341,575	2,696,392
At 1 January 2023		2,338,424	16,393	341,575	2,696,392
Net profit for the financial year		–	–	21,921	21,921
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Issuance of shares	21	180,000	–	–	180,000
Distributions to perpetual securities holders	23	–	–	(15,753)	(15,753)
Employee share plan		–	1,505	–	1,505
At 31 December 2023		2,518,424	17,898	347,743	2,884,065

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

Consolidated statement of cash flows
Year ended 31 December 2023

	Note	2023	2022 Restated
		$'000	$'000
Cash flows from operating activities			
Loss after tax		(42,944)	(487,252)
Adjustments for:			
Income tax expense/(credit)		18,616	(121,946)
Depreciation of property and equipment and amortisation of intangible assets	11,12	84,884	78,364
Write-off of property and equipment and intangible assets	11,12	9,030	38
Loss on lease modifications		3,285	414
Net realised (gain)/loss on sale of derivatives and investments at fair value through profit or loss	7	(72,335)	132,685
Net fair value (gain)/loss on derivatives and investments at fair value through profit or loss	7	(334,379)	1,473,724
Share-based payments expense	22	1,717	5,401
Net interest income on investments	7	(128,387)	(152,023)
Interest expense		20,358	41,913
Dividend income	7	(47,408)	(53,840)
Operating cash flows before changes in operating assets/liabilities		**(487,563)**	**917,478**
Changes in operating assets/liabilities:			
Changes in insurance and reinsurance contract assets/liabilities		1,164,537	(477,062)
Other receivables and prepayments		30,756	(4,390)
Other payables		(3,393)	14,612
Cash generated from operating activities		**704,337**	**450,638**
Income tax paid		(149,529)	(16,262)
Interest paid		(19,506)	(23,337)
Net cash generated from operating activities		**535,302**	**411,039**
Cash flows from investing activities			
Interest received		128,387	152,023
Dividends received		47,408	53,840
Purchase of property and equipment	11	(6,186)	(13,689)
Purchase of intangible assets	12	(70,531)	(41,502)
Purchases of investments		(664,319)	(209,098)
Proceeds from sale of investments		102,696	(118,331)
Net cash flows used in investing activities		**(462,545)**	**(176,757)**
Cash flows from financing activities			
Issue of ordinary shares	21	180,000	–
Distributions paid		(15,753)	(15,753)
Repayment of bank loan		–	(334,601)
Principal payment of lease liabilities		(12,701)	(12,616)
Net cash from/(used in) financing activities		**151,546**	**(362,970)**
Net increase/(decrease) in cash and cash equivalents		**224,303**	**(128,688)**
Cash and cash equivalents at the beginning of the year		369,804	498,492
Cash and cash equivalents at the end of the year	14	**594,107**	**369,804**

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 June 2024.

1 Domicile and activities

Singapore Life Holdings Pte. Ltd. (the "Company") is a company incorporated in the Republic of Singapore and has its registered office at 4 Shenton Way, #01-01, SGX Centre II, Singapore 018961.

On 18th March 2024, Sumitomo Life Insurance has completed acquiring 100% of Singapore Life Holdings Pte Ltd and had become the immediate and ultimate holding company of Singapore Life Holdings Pte Ltd

The principal activity of the Company is to hold investment in insurance companies and financial advisory firms. The Group is primarily involved in the transacting life and general insurance businesses.

The consolidated financial statements of the Group relate to the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in its associates and jointly controlled entity.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The changes to material accounting policies are described in Note 2.4.

The assets and liabilities of the Group which relate to the insurance business carried on in Singapore are subject to the requirements of the Insurance Act 1966 (the Insurance Act). Such assets and liabilities are accounted for in the books of the insurance funds established under the Insurance Act. Assets held in the insurance funds may be withdrawn only if the withdrawal meets the requirements stipulated in Section 16 of the Insurance Act and the Group continues to be able to meet the solvency requirement of Section 17 of the Insurance Act.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Group's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 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 period beginning on 1 January 2023:

- SFRS(I) 17: *Insurance Contracts*
- SFRS(I) 9: *Financial Instruments*
- Amendments to SFRS(I) 1-1: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*

The Group has initially applied SFRS(I) 17 and SFRS(I) 9, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the Group has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022. The application of the remaining amendments to other standards and interpretations does not have a material effect on the financial statements, apart from SFRS(I) 17 and SFRS(I) 9 that are summarised in Note 2.4.1 and Note 2.4.2.

2.4.1 SFRS(I) 17 Insurance Contracts

2.4.1.1 Changes in classification and measurement

The adoption of SFRS(I) 17 did not change the classification of the Group's insurance contracts and reinsurance contracts held. The Group's insurance contracts that were previously accounted for under SFRS(I) 4 are now all accounted under SFRS(I) 17.

SFRS(I) 4 permitted insurers to apply the statutory basis of accounting for insurance assets and liabilities that existed in their jurisdictions prior to January 2005. SFRS(I) 17 replaces SFRS(I) 4 with new measurement models that establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts held.

Under SFRS(I) 17, insurance contracts are measured under the General Measurement Model ("GMM"), Variable Fee Approach ("VFA") or Premium Allocation Approach ("PAA"). The Group uses the GMM and VFA on its insurance contracts, depending on the specific characteristics of these contracts. Reinsurance contracts held are measured under the GMM.

The Group's classification and measurement of insurance and reinsurance contracts is explained in Note 3.10.

2.4.1.2 Changes to presentation of insurance contracts

With the adoption of SFRS(I) 17, certain line items in the statement of financial position and statement of comprehensive income have been replaced with new line items.

For presentation in the statement of financial position, the Group aggregates portfolios of insurance issued and reinsurance contracts held and presents separately:

- Portfolios of insurance contracts issued that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts issued 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 line item descriptions in the statement of comprehensive income have been changed significantly compared with last year. Previously the Group reported the following line items: gross premiums written, outward reinsurance premium, gross and reinsurer's share of insurance contract benefits and claims paid, gross and reinsurer's share change in unearned premiums and unexpired insurance risks, gross and reinsurers' share of change in insurance contract liabilities, commission expense and reinsurance commission income. SFRS(I) 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expense;
- Income or expenses from reinsurance contracts held; and
- Insurance finance income or expenses.

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
- Significant judgements, and changes in those judgements, when applying the standard.

2.4.1.3 Transition

Transition refers to the determination of the opening balance sheet for the first year of comparative information presented under SFRS(I) 17 (i.e. at 1 January 2022). The future cash flows and risk adjustment are measured on a current basis in the same manner as they would be calculated for subsequent measurement. The key component of transition is therefore the determination of the Contractual Service Margin ("CSM").

The standard requires SFRS(I) 17 to be applied retrospectively to the insurance contracts and reinsurance contracts held as if it had always been applied, which is the full retrospective approach ("FRA") unless impracticable.

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);
- identified, recognised and measured any assets for insurance acquisition cash flows as if SFRS(I) 17 had always been applied, except that they are not tested for recoverability before 1 January 2022;
- derecognised previously reported balances that would not have existed if SFRS(I) 17 had always been applied (including some deferred acquisition costs, insurance receivables, policy loans and insurance payables); and
- recognised any resulting net difference in equity.

If FRA is impracticable to apply to a group of contracts due to undue cost and effort to obtain all required historical data, there is an option to choose either a modified retrospective approach ("MRA") or fair value approach ("FVA"), refer to Notes 2.4.1.3.1 and 2.4.1.3.2). If reasonable and supportable information necessary to apply MRA is not available, the FVA must be applied.

The Group has not adopted FRA for any groups of contracts during the transition from SFRS(I) 4 to SFRS(I) 17.

2.4.1.4 Modified retrospective approach

The Group has applied MRA for certain groups of insurance contracts from the 2021 cohort and assets for insurance acquisition cash flows during the transition from SFRS(I) 4 to SFRS(I) 17.

The objective of the MRA is to achieve the closest possible outcome to retrospective application possible using reasonable and supportable information available without undue cost or effort. The Group chooses to apply each of the following modifications only to the extent that it does not have reasonable and supportable information to apply SFRS(I) 17 retrospectively:

- Estimated future cash flows at the date of initial recognition as the amount of the future cash flows at 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 the risk adjustment for non-financial risk at the date of initial recognition by adjusting the risk adjustment at transition date by the expected release of risk in the periods before transition. 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 transition date has been further determined by:

- Using the discount rates determined at initial recognition to accrete interest on the CSM.
- 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.

2.4.1.4.1 Fair value approach

The Group has applied FVA for its remaining insurance contracts. Under the FVA, the CSM at the transition date is the difference between the fair value of the insurance contracts, determined in accordance with SFRS(I) 13 Fair Value Measurement, and the fulfilment cash flows ("FCF") at that date.

SFRS(I) 13 defines fair value of insurance contracts has been determined as the present value of best estimate expected future cash flows plus an additional amount representing compensation a market participant would require to enter into a transaction to transfer the liability associated with the insurance contracts at the transition date. The return required by a market participant includes an allowance for both financial risk and uncertainty in non-financial risk.

The fair value has been based on the same scope of cash flows as are included in the calculation of the best estimate liability. In particular, the same contract boundaries are assumed in the calculation of the fair value and best estimate liability. However, the measurement of those cash flows need not be the same.

A number of specific modifications are permitted under the FVA. The Group has adopted the following modifications:

- To use information at the transition date to identify groups of insurance contracts;
- To use information at the transition date to assess eligibility for the VFA;
- To use information at the transition date to identify discretionary cash flows;
- To use information at the transition date to assess whether a contract meets the definition of an investment contract with DPF; and
- To group annual cohorts of business

2.4.1.4.2 Impact of transition

The Group has applied the transition provisions in SFRS(I) 17 and has not disclosed the impact of the adoption of SFRS(I) 17 on each financial statement line items. The effects of adopting SFRS(I) 17 on the Group's retained earnings as at 1 January 2022 is presented in the statement of changes in equity.

Besides the impact to equity upon transition, there are also other changes in the statement of financial position mainly resulting from insurance related receivables and payables, which are now included within the fulfilment of cash flows instead of being presented separately. The allocation of opening CSM by transition approach for MRA and FVA is presented in Note 19.2.2 and Note 19.3.2.

2.4.2 SFRS(I) 9 Financial Instruments

2.4.2.1 Classification of financial assets and financial liabilities

SFRS(I) 9 includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under SFRS 109 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous SFRS(I) 1-39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of SFRS(I) 9 are not separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

2.4.2.2 Impairment of financial assets

SFRS(I) 9 replaces the 'incurred loss' model in SFRS(I) 1-39 with a forward-looking 'expected credit loss' model. The new impairment model applies to financial assets measured at amortised cost, debt investments at FVOCI and lease receivables. Under SFRS(I) 9, credit losses are recognised earlier than under SFRS(I) 1-39.

2.4.2.3 Impact of transition

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been applied retrospectively, except as described below.

- The following assessments have been made on the basis of the facts and circumstances that existed at 1 January 2023.
    - The determination of the business model within which a financial asset is held.
    - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
    - The designation of certain investments in equity instruments not held for trading as at FVOCI.
- If a financial asset had low credit risk at 1 January 2023, then the Group determined that the credit risk on the asset had not increased significantly since initial recognition.

As permitted by SFRS(I) 7, the Group has not disclosed information about the line item amounts that are reported in accordance with the classification and measurement (including impairment) requirements of SFRS(I) 9 for 2022 and those that would have been reported in accordance with the classification and measurement requirements of SFRS(I) 1-39 for 2023.

The Group's accounting policies on the classification of financial instruments under SFRS(I) 9 are set out in Note 3.4. The application of these policies have resulted in the reclassifications as explained below.

I. Under SFRS(I) 1-39, all debt securities were designated as held for trading (FVTPL). Under SFRS(I) 9, these debt securities are classified between designated or mandatorily measured at FVTPL. Certain debt securities are mandatorily measured at FVTPL because they do not meet the SPPI criterion. The remaining debt securities are designated at FVTPL because they meet the SPPI criterion, but the Group has elected to measure these at FVTPL.

II. Under SFRS(I) 1-39, all equity securities were designated as held for trading (FVTPL). Under SFRS(I) 9, these equity securities are classified as mandatorily measured at FVTPL.

III. Derivative assets and liabilities were designated as held for trading (FVTPL) under SFRS(I) 1-39. Under SFRS(I) 9, the derivative assets and liabilities are classified as mandatorily measured at FVTPL.

IV. All other non-derivative financial assets were classified as loans and receivables under SFRS(I) 1-39. Under SFRS(I) 9, these are classified at amortised cost.

The classification of non-derivative financial liabilities remains at amortised cost under SFRS(I) 9. There is no significant changes in the measurement of the financial assets and liabilities as a result of the adoption of SFRS(I) 9.

2.5 New accounting pronouncements not yet effective

The Group have not applied the following that have been issued but which are not yet effective:

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current effective from 1 January 2024*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants effective from 1 January 2024*
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback effective from 1 January 2024*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangement effective from 1 January 2024*
- Amendments to SFRS(I) 10 and SFRS(i) 1-28: *Sale or Contribution of assets between an Investor and its Associate or Joint Venture issued in November 2014 with effective date to be determined*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.4, which addresses changes in accounting policies.

3.1 Currency translation

3.1.1 Foreign currency transactions

Transactions in a currency other than the functional currency ("foreign currency") are translated to the functional currency using exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Singapore Dollars at the exchange rates at that date. Currency translation differences resulting from the settlement of such transactions and the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the date 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 values were determined.

3.1.2 Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or jointly controlled entity that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.2 Group accounting

3.2.1 Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2.2 Business combinations

Business combinations are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instruments is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Business combinations involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as merger reserve.

3.2.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

3.2.4 Separate financial statements

Investments in subsidiaries, associates and jointly controlled entity are stated in the Group's statement of financial position at cost less accumulated impairment losses.

3.3 Interests in unconsolidated 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. Interest in these entities are consequently accounted for in accordance with Note 3.4. Details of the Group's interests in these entities are disclosed in Note 27.

3.4 Financial instruments

The Group adopted SFRS(I) 9 together with SFRS(I) 17 'Insurance Contracts' for the financial year beginning on or after 1 January 2023. The Group's accounting policies for classification and measurement of financial instruments and impairment of financial assets in accordance with SFRS(I) 9 as below:

3.4.1 Recognition and initial measurement

The Group recognises deposits with financial institutions and loans and borrowings on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

3.4.2 Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (“SPPI”).

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

The Group may elect to present changes in the fair value of certain equity investments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group has designated certain debt investments in the participating and non-life segments as at FVTPL on initial recognition, because they relate to insurance contracts that are measured in a way that incorporates current information and all related insurance finance income and expenses are recognised in profit or loss. The assets would otherwise be measured at FVOCI.

Business model assessment

The Group assesses the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that 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 (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); 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.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Portfolios of financial assets that are managed and whose performance is evaluated on a fair value basis, which include underlying items of participating contracts, and portfolios of financial assets that are held for trading 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.

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time – e.g. if there are repayments of principal.

Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, 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 this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration for the time value of money (e.g. periodic reset of interest rates).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. In addition, for a financial asset acquired at a premium or discount to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition.

Some prepayment features permit the debtor to prepay the debt instrument at an amount calculated as the remaining contractual cash flows discounted at the current market benchmark interest rate plus a fixed spread. The Group has determined that these prepayment features are consistent with the SPPI criterion. Because the Group would be compensated only for the change in the market benchmark interest rate and for lost interest margin, the prepayment penalty would not include any non-SPPI risks and may be seen as reasonable compensation.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain and losses, including any interest expenses, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measure at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

3.4.3 Derecognition

Financial assets

The Group derecognises a financial asset when:

- The contractual rights to the cash flows from the financial asset expire; or
- It transfers the rights to receive the contractual cash flows in a transaction in which either:
  - Substantially all of the risks and rewards of ownership of the financial asset are transferred;

  Or
  - The Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all of substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.5 Impairment

3.5.1 Financial Asset

SFRS(I) 9 requires the Group to measure Expected Credit Loss ("ECL") on all financial instruments that are accounted for at amortised cost. The ECL replaces the existing SFRS(I) 1-39 39 incurred loss impairment model, resulting in earlier recognition of credit losses compared to SFRS(I) 1-39.

The methodology outlined by SFRS(I) 9 is a three-stage approach based on the change in the credit quality of the financial instrument since inception and the measurement of ECL for these assets is dependent on the stage classification as of the reporting date.

Particulars	Stage 1	Stage 2	Stage 3
Credit quality	Not deteriorated significantly since its initial recognition	Deteriorated significantly since its initial recognition	Objective evidence of impairment
Credit risk	Low	Moderate to High	High
ECL Model	Probability of Default ("PD")/Loss Given Default ("LGD")		
ECL Approach	12 Month ECL	Life-time ECL	
ECL Computation	12 months PD * LGD * Exposure of Default ("EAD")	Lifetime PD * LGD * Exposure of Default ("EAD")	

Under SFRS(I) 9's general approach, a loss allowance for lifetime expected credit losses is recognised for a financial instrument if there has been a significant increase in credit risk, measured using the lifetime probability of default, since initial recognition of the financial instruments. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, a loss allowance for 12-month expected credit losses is recognised. All deposits with financial institutions and cash and bank balances are covered under general approach.

SFRS(I) 9 allows entities to apply a simplified approach for receivables. The simplified approach allows entities to recognise lifetime expected losses on all these assets without the need to identify significant increases in credit risk. The Group applies simplified approach on other receivables by performing ageing analysis for arriving at ECL estimates. The Group has assessed the impairment for receivables measured at amortised cost to be insignificant given that the balances are short-term in nature, majority of the receivables are received post-reporting date and there are no history of default on collection over the past few years.

3.5.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

3.7 Fair value measurement of financial assets and liabilities

The fair value of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) is based on quoted market prices at the reporting date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking price.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used.

The fair values of currency forwards, cross currency swaps and interest rate swaps are determined using actively quoted forward exchange and swap rates respectively. The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

3.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when it is required or permitted by the accounting standards i.e.- gains and losses arising from a group of similar transactions such as the gains and losses on financial assets measured at FVTPL.

3.9 Property and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost that are directly attributable to the acquisition of a qualifying property, plant and equipment, and the estimated cost of dismantling and removing the items and restoring the site on which they are located when the Group has an obligation to remove the asset or restore the site. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Subsequent to initial recognition, office equipment, furniture and fittings and right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

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 (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is included in profit or loss in the year the asset is derecognised.

Depreciation is provided on a straight line method over the shorter of the lease term and their useful lives. Depreciation is recognised from the date that the property, plant and equipment are installed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Office equipment	3 to 5 years
• Furniture and fittings	3 to 5 years
• Right-of-use assets	3 to 5 years

The residual value, useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date 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. The effects of any revision are recognised in profit or loss when the changes arise.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

3.10 Intangible assets

3.10.1 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 12.

3.10.1.1 Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associate and joint ventures.

3.10.2 Computer software licenses

Computer software licences comprise acquired computer software licences and internally developed computer software.

3.10.2.1 Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditure including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 to 5 years.

The amortisation period of intangible assets are reviewed at least at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

3.10.2.2 Internally developed computer software

Research costs are recognised as an expense when incurred. Costs directly attributable to the development of computer software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 3 to 5 years from the date that they are available for use.

3.10.3 Distribution rights

Distribution rights relate to the cost of the Distribution Agreement entered into with the Group's partners. The cost is capitalised and amortised over the duration of the agreement and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Amortisation methods, useful lives and residual values of all intangible assets are reviewed at the end of each reporting period and adjusted if appropriate.

3.10.4 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

3.11 Insurance and reinsurance contracts

3.11.1 Insurance contracts issued

3.11.1.1 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.

When identifying contracts in the scope of SFRS(I) 17, the Group have assessed whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and accounted for under another standard. The Group's products do not include any significant 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 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.

3.11.1.2 Level of aggregation

The Group aggregates insurance contract issued into groups at initial recognition for measurement purposes. Groups of contracts are determined by first identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together. Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort into three profitability groupings:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; or
- any remaining contracts in the annual cohort.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The profitability grouping are not reassessed under subsequent measurement.

3.11.1.3 Recognition

An insurance contract 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 boundary of the contract (Note 3.10.1.4));
- 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.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added.

3.11.1.4 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 the 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 premiums or has a substantive obligation to provide services. A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

Some term life and critical illness contracts issued by the Group have annual terms that are guaranteed to be renewable each year. Under SFRS(I) 17, the cash flows related to future renewals of these contracts are considered outside the contract boundary, as the Group has the practical ability to reassess the risks of the policyholders either at individual contract or portfolio level at the end of each reporting period.

The contract boundary is assessed at inception, and only reassessed at the end of every reporting period when there are changes in features or circumstances that alter the commercial substance of the contract.

3.11.1.5 Measurement

SFRS(I) 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

Contracts are subject to different measurement requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are 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.

The Group classifies Participating fund and Investment-linked products as direct participating contracts while other insurance contracts issued are classified as contracts without direct participation features.

The Group has adopted GMM for contracts without direct participation features and VFA for contracts with direct participation features.

The PAA is an optional simplified measurement model in SFRS(I) 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. The Group does not apply the PAA to any insurance contracts issued or reinsurance contracts held.

Initial Measurement

At initial recognition, the Group measures a group of insurance contracts as the total of:

(a) fulfilment cash flows, comprising the best estimate of the present value of future cash flows within the contract boundary that are expected to arise and an explicit risk adjustment for non-financial risk, and
(b) a contractual service margin

Fulfilment cash flows

Fulfilment cash flows comprise estimates of future cash flows, adjusted to reflect the time value of money and financial risks, and a risk adjustment for non-financial risk. In determining the fulfilment cash flows, the Group uses estimates and assumptions considering a range of scenarios which have commercial substance and give a fair representation of possible outcomes.

The fulfilment cash flows of a group of contracts do not reflect the Group's non-performance risk.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation that the Group requires for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

Further details of the related methodology and assumptions in respect of estimation of fulfilment cash flows are provided in Note 4.1.

Contractual service margin

The CSM of a group of contracts represents the unearned profit that the Group recognises as it provides services under those contracts.

On initial recognition of a group of contracts, the group is not onerous if the total of the following is a net inflow:

- the fulfilment cash flows;
- any cash flows arising at that date; and
- any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows).

A CSM is set up to fully offset the net inflow, and results in no impact on income at initial measurement.

If the total is a net outflow, the group of contracts is considered to be onerous and the net outflow is generally recognised as a loss in profit or loss; a loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue. In the case of a business combination, the net outflow is recognised as an adjustment to goodwill or a gain on a bargain purchase for contracts acquired.

For groups of contracts acquired in a transfer of contracts or business combination, the consideration received for contracts is included in the fulfilment cash flows as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts at that date.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Under SFRS(I) 17, insurance acquisition cash flows are allocated to groups of contracts using systematic and rational methods.

Insurance acquisition cash flows that are directly attributable to a group of contracts (e.g. non-refundable commissions paid on issuance of a contract) are allocated only to that group and to the groups that will include renewals of those contracts. The allocation to renewals will only apply to certain health contracts that have a one-year coverage period. The Group expects to recover part of the related insurance acquisition cash flows through renewals of these contracts. The allocation to renewals will be based on the manner in which the Group expects to recover those cash flows.

Under SFRS(I) 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts. The majority of the Group's assets for insurance acquisition cash flows relate to the expected renewals of health contracts, as described above. These assets are presented in the same line item as the related portfolio of contracts and derecognised once the related group of contracts has been recognised.

The Group assess at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired. If it is 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, recognise 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 increase the carrying amount of the asset to the extent that the impairment conditions have improved.

Subsequent measurement

Subsequently, the carrying amount of a group of contracts without direct participating features at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

- The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.

Changes relating to future services	Adjusted against the 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 future cash flows	Recognised as insurance finance income or expenses

- The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts, i.e. the effect of any currency exchange differences on the CSM 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 service.

When measuring a group of contracts with direct participation features, the Group adjusts the fulfilment cash flows for the changes in the obligation to pay policyholders an amount equal to the policyholder's share of the fair value of the underlying items. For those changes do not relate to future services will be recognized in profit or loss.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the reporting period, adjusted mainly for:

- the CSM of any new contracts that are added to the group in the period;
- the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
  - a decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM. The excess is recognized in insurance service expenses and recognized as a loss component in (Liabilities for Remaining Coverage) LRC; or
  - an increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, which adjust the loss component in the LRC and the corresponding amount is recognized in insurance service expenses. If the loss component is reduced to zero, the excess reinstates the CSM
- the effect of any currency exchange differences on the CSM; and
- the amount recognized as insurance revenue for the services provided in the period
- the changes in fulfilment cash flows not varying based on the return on underlying items that relate to future services include the effect of the time value of money and financial risks that do not arise from underlying items – e.g. the effect of financial guarantees.

Onerous contracts – Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognizes 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.

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.

3.11.1.6 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 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.

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, component separation requirements and contract aggregation requirements.

On derecognition of a contract from within a group of contracts:

(a) the fulfilment cash flows allocated to the group of contracts are adjusted to eliminate those that relate to the rights and obligations derecognised;
(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) the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group of contracts.

3.11.2 Reinsurance contracts held

For groups of reinsurance contracts held, the Group applies the same accounting policies as that applied to insurance contracts without participating features, with the following considerations.

Definition and classification

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements where there is no other condition restricting the payment of profit commission, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The profit commission components 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.

Level of aggregation

Groups of reinsurance contracts are established by the Group in a similar manner as underlying insurance contracts. Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued.

Recognition

A group of reinsurance contracts is recognised on the following date:

- Reinsurance contracts initiated by the Group that provide proportionate coverage: The later of the start date of the coverage period, and the date on which any underlying insurance contract is initially recognised.
- Other (non-proportionate) reinsurance contracts initiated by the Group: The beginning of the coverage period of the group of reinsurance contracts or the recognition date of an underlying onerous group of insurance contracts issued.

Contract Boundary

The reinsurance cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group has a substantive obligation to pay premiums to the reinsurer and has a substantive right to receive services from the reinsurer.

A substantive obligation to pay premiums to the reinsurer ends when the Group has a substantive right to terminate the coverage:

- without requirement of repayment of any recapture fee; and
- not upon any conditions due to action performed by the reinsurer or other conditions out of the Group's control.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

Some of the Group's quota share reinsurance contracts cover underlying contracts issued within the annual term on a risk-attaching basis and provide unilateral rights to both the Group and the reinsurer to terminate the attachment of new underlying contracts at any time by giving three months' notice to the other party. Under SFRS(I) 17 cash flows arising from underlying contracts expected to be issued and ceded after the measurement date, in addition to those arising from underlying contracts already ceded, are within the boundaries of the reinsurance contracts and have been considered and estimated in their measurement.

Measurement

All reinsurance contracts held are classified as contracts without direct participation features and are measured using GMM.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group measures 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 the reinsurance finance income and expense in profit or loss.

The risk adjustment for non-financial risk will represent the amount of risk being transferred by the Group to the reinsurer.

The CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date such that no income or expense arises on initial recognition, except that the Group:

- recognized any net cost on purchasing reinsurance coverage immediately in profit or loss as an expense if it relates to insured events that occurred before the purchase of the group; and
- recognized income when it recognized a loss on initial recognition of onerous underlying contracts if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognized. A loss-recovery component is created, which determines the amounts that are subsequently disclosed as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid.

The CSM is adjusted subsequently only for specified amounts and is recognised in profit or loss as services are received.

Reinsurance contracts held are subject to the same modification and derecognition requirements as insurance contracts, described in note 3.10.1.6.

3.11.3 Insurance service result

SFRS(I) 17 has significantly changed how insurance contracts and reinsurance contracts are presented and disclosed in the Group's financial statements.

The Group disaggregates the recognition of (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) net income or expense from reinsurance contracts held and (c) insurance finance income or expenses in the Statement of Comprehensive Income.

The Group has presented the carrying amount of portfolios of insurance contracts issued and reinsurance contracts held that are in asset and liability position in the consolidated statements of financial position. All rights and obligations arising from a portfolio of contracts are presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans are no longer be presented separately. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) are presented in the same line item as the related portfolios of contracts.

The Group disaggregates changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses in the following manner:

- Changes in risk adjustment for risk expired are included in the insurance service result, and
- Changes in the risk adjustment for the effect of the time value of money and changes in the time value of money are included in the insurance finance income or expenses.

Insurance revenue

Insurance revenue for each year represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and comprises the following items.

- a release of the CSM, measured based on coverage units provided.
- changes in the risk adjustment for non-financial risk relating to current services, excluding:
  - changes included in insurance finance income or expense; and
  - amount allocated to the loss component
- claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognised as insurance revenue and insurance service expenses at that date.
- other amounts, including experience adjustments for premium receipts for current or past services.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time.

Insurance service expense

Expenses that relate directly to the fulfilment of contracts are recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment of contracts are presented outside the insurance service result. They exclude repayments of investment components and comprise the following items.

- Incurred claims and other insurance service expenses
- Amortisation of insurance acquisition cash flows which is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses, if any.

3.11.4 Net income or expense from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net gain (cost) from reinsurance contracts held, comprising the following amounts in profit or loss:

- allocation of reinsurance premiums paid
- amounts recovered from reinsurers for incurred claims

The allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration. For a group of reinsurance contracts covering onerous underlying contracts, the Group establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group expects to recover from the reinsurance contracts.

3.11.5 Net insurance finance income or expense

Net insurance finance income or expense consists of insurance finance income or expense and reinsurance finance income or expense. Both comprises the change in the carrying amount of groups of insurance contracts arising from: (a) the effect of the time value of money and changes in the time value of money; and (b) the effect of financial risk and changes in financial risk. The changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals) is included.

The Group presents insurance finance income or expenses in profit or loss, considering that the supporting assets are measured at FVTPL.

3.12 Other revenue recognition

3.12.1 Investment income

Investment income comprises of dividend and interest income from financial assets and interest income on loans and bank deposits.

Dividend income on securities is recognised when the Group’s right to receive payment is established.

Interest income is recognised using the effective interest method.

3.12.2 Realised gains and losses

Realised gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the carrying amounts. Realised gains and losses are recognised in profit or loss when the sale transaction occurs.

3.13 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.14 Employee benefits

3.14.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

3.14.2 Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

3.14.3 Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.14.4 Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employee is recognised as an employee benefit expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the fair value of the liability are recognised as employee benefit expense in profit or loss.

3.14.5 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of economic resources will be required to settle the obligation and the amount of the obligation has been estimated reliably.

Provisions are reviewed at each reporting date 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.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.16 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 conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.16.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of 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 right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

3.16.2 Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.17 Ordinary shares and dividends to the Group's shareholders

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Dividends to the Group's shareholders are recognised when the dividends are approved for payment.

4 Significant accounting judgements and estimates

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Please see Note 19.5 for estimates, assumptions and judgements made over insurance contract liabilities and Note 24 on the valuation of financial instruments. Other significant accounting judgements and estimates used in this report are:

4.1 Insurance Contracts Measurement

4.1.1 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 those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts will not be taken into account until the change in legislation is substantively enacted.

Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows 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 are consistently applied to all costs that have similar characteristics. The Group generally allocates insurance acquisition cash flows to groups of contracts based on premiums and number of new business contracts for each group, claims handling costs based on the claims amount incurred for each group, and maintenance and administration costs based on premiums and number of in-force contracts in each group.

The terms of some contracts measured under the GMM give the Group discretion over the cash flows to be paid to the policyholders, either in timing or amount. Changes in discretionary cash flows are regarded as relating to future service and accordingly adjust the CSM. The Group determines how to identify a change in discretionary cash flows by specifying the basis on which it expects to determine its commitment under the contract; for example, based on a fixed interest rate, or on returns that vary based on specified asset returns. This determination is specified at the inception of the contract.

4.1.2 Discount rates

The Group generally determines risk-free discount rates using the observed government bond yields. The yield curve is interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. Although the ultimate forward rate will be subject to revision, it is expected to be updated only on significant changes to long-term expectations. To reflect the liquidity characteristics of the contracts, the risk-free yield curves are adjusted by an illiquidity premium. Illiquidity premiums are determined as the yield-to-maturity of a reference portfolio of assets with similar liquidity characteristics to the insurance contracts, less the risk-free yield-to-maturity, and an allowance for credit risk. Please refer to Note 19.5 for the discount rate yield curves disclosure.

The following table set out the range of yield curves used to discount cash flows of insurance contracts issued and reinsurance contracts held.

	1 year		3 years		5 years		10 years		20 years	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
SGD	3.55 to 4.11	3.75 to 4.69	2.84 to 3.40	2.87 to 3.81	2.63 to 3.19	2.82 to 3.76	2.67 to 3.23	3.06 to 4.00	2.71 to 3.26	2.46 to 3.40
USD	4.70 to 5.45	4.64 to 5.58	3.94 to 4.70	4.16 to 5.09	3.79 to 4.54	3.94 to 4.88	3.84 to 4.59	3.82 to 4.75	4.22 to 4.97	4.15 to 5.08
EUR	3.05 to 3.82	2.46 to 3.30	2.10 to 2.88	2.50 to 3.34	1.88 to 2.66	2.45 to 3.29	2.08 to 2.85	2.55 to 3.39	2.39 to 3.16	2.58 to 3.42
GBP	4.30 to 5.53	3.45 to 5.28	3.46 to 4.70	3.58 to 5.41	3.31 to 4.54	3.58 to 5.41	3.58 to 4.81	3.73 to 5.56	4.19 to 5.42	4.08 to 5.90

4.1.3 Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the Group would require for bearing non-financial risk and its degree of risk aversion. They are determined separately for the Life and Non-life contracts by contract level. They reflect the effects of the diversification benefits between different lines of business, which are determined using a correlation matrix technique.

The risk adjustments for non-financial risk are determined using a confidence level technique. To determine the risk adjustments for non-financial risk for reinsurance contracts, the Group applies the same approach used for the underlying contracts on the cash flows attributable to reinsurance.

Applying a confidence level technique, the Group estimates the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associated risks over all future years. The target confidence level is 75 percent for Non-life, Group business, Accident and Health contracts and 80 percent for Life contracts.

4.1.4 Coverage units

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year, by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

In general, the Group determines the quantity of the benefits provided under each contract as follows.

Product	**Basis for determining quantity of benefits provided**
• Term life • Non-participating whole-life	• Sum assured payable on death
• Additional critical illness and other coverage	• Maximum amount payable (including any premiums waived) upon the insured event
• Annuity	• Maximum amount (death benefit or annuity payment) payable in the period * *For deferred annuity, the quantity during accumulation phase shall be death benefit.*
• Universal life • Traditional participating • Unit-linked and other investment-linked	• Insurance coverage: net amount at risk (i.e. guaranteed minimum benefits less account value), if any • Investment services: account value * *For traditional participating, the amount is inclusive of bonus payable.*

Product	Basis for determining quantity of benefits provided
• Non-life • Group business • Accident and Health	• Passage of time (i.e. akin to the premium earned pattern)
• Quota share reinsurance	• The same basis as the underlying contracts, including expected new underlying contracts within the reinsurance contract boundary
• Excess of loss and stop loss reinsurance	• Passage of time (i.e. akin to the premium earned pattern)

For insurance contracts that provide both insurance coverage and investment services, the quantity of benefits used to reflect the services provided is the aggregation of those different benefits, with the relative weighting of the benefits provided over the coverage period.

4.1.5 Process used to determine assumptions for the valuation of insurance contracts

Methodology and assumptions

Economic assumptions are continually reviewed and updated. Non-economic assumptions are reviewed at least annually. Non-economic assumptions are presented to the Group's Assumptions Committee and are subject to the committee's approval before these assumptions are adopted in the valuation of the Group's liabilities.

The methodology used for the key assumptions are highlighted below:

Mortality and morbidity rates and ultimate claim cost

Mortality and morbidity assumptions will have regard to the Group's and industry's historical experience and rates recommended by reinsurers, where available, and are generally differentiated by sex and policy type.

Ultimate claims costs for short term insurance are projected through the use of generally accepted actuarial techniques namely, the Chain Ladder and Bornhuetter Ferguson methods.

Valuation interest rates

The valuation interest rate assumption is the underlying interest rate at which future cash flows are discounted in determining fulfilment cash flows where future expected cash flows are discounted at risk-free rates.

Expenses and commission rates

Expense studies are conducted regularly and the expense assumptions will reflect both the Group's actual expenses as well as budgeted expenses based on the Group's business plan. Any recommendations resulting from these studies will be reflected in the valuation of fulfilment cash flows subject to the approval of the Group's Assumption Committee.

Commission rates are assumed to be the same as those contracted with the various channels.

Surrender rates

Surrender rates assumed in the calculation of fulfilment cash flows will reflect the Group's historical experience and are differentiated by duration in-force and policy type.

Bonus rates

Risk neutral bonus rates applied is calibrated based on market variables using stochastic modelling techniques, assuming that asset share grows at risk-free aligning to valuation interest rates.

Inflation rates

Inflation rates assumption is set to reflect long-term inflation expectations, allowing for the proportion of staff and non-staff expenses.
Key assumptions used by the Group for the valuation of its insurance contracts are described below:

Mortality	The Group adopted the Limited Fluctuation Method ("LFM"), which is an established credibility based statistical method. The methodology assumptions are thus set by blending the Group's own experience (internal table) and external view (prior table) using weights (or credibility factors) derived based on size of insurer's exposure. An allowance is made for expected improvement in mortality.
Morbidity	Morbidity assumptions are set by blending the Group's own experience (internal table) and external view (prior table) using weights (or credibility factors) derived based on size of insurer's exposure. Medical inflation was allowed for certain line of business.
Ultimate claim cost	The principal assumption underlying the Chain Ladder method is that the development of historical claims pattern will be expected to continue in the future. The assumptions underlying the Bornhuetter Ferguson method is that the development of historical claims pattern will be expected to continue in the future and the assumed loss ratios are reflective of future claims experience.
Risk-free discount rate	Derived based observed government bond yields with application of Smith-Wilson method, which is commonly used to extrapolate interest rates from last liquidity point using a predetermined ultimate forward rates. Illiquidity premium allowance is applicable depending on the illiquidity characteristics of the liability cash flows.

Persistency	Based on persistency study of the Group's past experience.
Acquisition/Maintenance expenses and expense attributability ratio	Based on past actual experience, expressed as unit costs per in-force policy and percentage of premiums. Expense attributability ratio is then being derived as a percentage of the unit costs.
Distribution expenses	Based on past actual experience, expressed as unit costs per percentage of premiums.
Expense inflation rate	The allowance of the expected long term expenses inflation is taken into consideration.

4.2 Income taxes

Significant judgement is required in determining the capital allowances and 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 recognised liabilities for anticipated tax issues based on its understanding of the current tax legislation and estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4.3 Goodwill

The determination of the fair values of the identifiable assets acquired and liabilities assumed involves significant judgement and estimation. In 2020, the excess of the purchase consideration over the fair value of net assets acquired is recognised as provisional goodwill. In 2021, the Group reviewed the fair value of net assets acquired during the measurement period. As a result of new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition, management has identified adjustments to the above amounts, as well as additional provisions that existed at the date of acquisition.

4.4 Impairment of investment in associates

Impairment testing for investment in associate requires significant judgments and estimates to be made. If there is an indication of impairment in respect of the Group's investment in associate, the whole carrying value of the investment will be tested for impairment as a single asset under SFRS(I) 1-36 by comparing the recoverable amount with its carrying value using equity method, and any resulting impairment loss will be charged against the carrying value of investment in associate. As at 31 December 2023, there is no objective evidence that the investment in associate is impaired.

4.5 Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Distribution rights	*Multi-period Excess Earnings Method ("MEEM")*: The MEEM considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

5 Segment information

The companies within the Group is generally divided into 2 reportable segments, as follows:

- Insurance segment, which focus on transacting both general and life insurance businesses
- Non-insurance segment, which comprises mainly of provision of financial advisory services, investment advisory services and investment portfolio administration.

The Group completed the acquisitions of the subsidiaries prior to the end of the last financial period. During the year, the performances of the subsidiaries were still monitored and managed by the respective management teams. Similarly, all financing (including finance costs, finance income and other income) and income taxes are managed separately by the respective management teams. Therefore, there are no assets or liabilities management centrally on a group basis.

Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties. Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below:

	Insurance $'000	Non-insurance $'000	Total segments $'000	Adjustments and eliminations $'000	Consolidated $'000
Group					
2023					
Insurance revenue					
External customers	1,100,850	–	1,100,850	–	1,100,850
Net commissions income					
External customers	–	7,762	7,762	–	7,762
Inter-segment	–	97,925	97,925	(97,925)	–
Total	**1,100,850**	**105,687**	**1,206,537**	**(97,925)**	**1,108,612**
Income/(expense)					
Depreciation and amortisation	–	(7,962)	(7,962)	(52,699)	(60,661)
Net investment income	84,249	65,035	149,284	(51,901)	97,383
Insurance service expenses	(1,049,710)	–	(1,049,710)	22,105	(1,027,605)
Net expense from reinsurance contracts held	24,039	–	24,039	–	24,039
Other operating expenses	(84,608)	(81,608)	(166,216)	120	(166,096)
Segment gains/(losses)	**74,820**	**81,152**	**155,972**	**(180,300)**	**(24,328)**
Total assets	**14,002,933**	**3,558,387**	**17,561,320**	**(2,872,620)**	**14,688,700**
Total liabilities	**13,316,852**	**630,920**	**13,947,772**	**(131,182)**	**13,816,590**

	Insurance $'000	**Non-insurance $'000**	**Total segments $'000**	**Adjustments and eliminations $'000**	**Consolidated $'000**
Group					
2022 Restated					
Insurance revenue					
External customers	1,070,812	–	1,070,812	–	1,070,812
Net commissions income					
External customers	–	27,995	27,995	–	27,995
Inter-segment	–	88,828	88,828	(88,828)	–
Total	**1,070,812**	**116,823**	**1,187,635**	**(88,828)**	**1,098,807**
Income/(expenses)					
Depreciation and amortisation	-–	(8,898)	(8,898)	(52,700)	(61,598)
Net investment income	(485,160)	370,425	(114,735)	(368,120)	(482,855)
Insurance service expenses	(919,810)	–	(919,810)	6,965	(912,845)
Net expense from reinsurance contracts held	(39,255)	–	(39,255)	–	(39,255)
Other operating expenses	(105,951)	(105,621)	(211,572)	120	(211,452)
Segment gains/(losses)	**(479,364)**	**372,729**	**(106,635)**	**(502,563)**	**(609,198)**
Total assets	**12,932,034**	**3,411,248**	**16,343,282**	**(2,959,176)**	**13,384,106**
Total liabilities	**12,109,605**	**664,049**	**12,773,654**	**(140,348)**	**12,633,306**

The segments above only include operating entities, as the Group is solely a financial holding company with no other business operations, its performance have not been included above. As there are no revenue or expense items managed centrally or allocated out to the companies of the Group, no reconciliation was performed.

Geographic information

	2023 $'000	**2022 Restated $'000**
Insurance service revenue from external customers		
Singapore	1,092,328	1,066,219
Philippines	8,522	4,593
Total	1,100,850	1,070,812

6 Insurance revenue

An analysis of insurance revenue is included in the following table. Additional information on amounts recognised in profit or loss is included in the insurance contract balances reconciliations below in Note 19.

	2023 $'000	2022 Restated $'000
Insurance revenue		
CSM recognised in profit or loss because of the transfer of services	242,187	190,084
Change in risk adjustment for non-financial risk for risk expired	67,957	74,900
Expected incurred claims and other insurance service expenses	702,472	756,122
Recovery of insurance acquisition cash flows	88,234	49,706
Total insurance revenue	**1,100,850**	**1,070,812**

7 Net investment result

Analysis of total investment income and insurance financial results recognized in profit or loss:

	2023 $'000 Total	2022 Restated $'000 Total
Investment income		
Amounts recognised in profit or loss		
Dividend income from equity investments mandatorily measured at FVTPL	47,408	53,840
Interest income from:		
- Corporate bonds:	98,807	93,935
- FVTPL mandatorily	7,351	5,086
- Designated at FVTPL	91,456	88,849
- Government and public authority securities designated at FVTPL	61,778	59,726
- Bank deposits measured at amortised cost	2,522	1,248
Net foreign exchange (expense)/income	(3,387)	7,073
Other investment income	11,884	2,261
Net interest expense on derivatives financial assets/liabilities	(34,720)	(2,886)
	184,292	215,197
Net realised loss on sale of investments at FVTPL	(30,361)	(14,354)
- FVTPL mandatorily	(2,304)	14,459
- Designated at FVTPL	(28,057)	(28,813)
Net fair value gain/(loss) on investments at FVTPL	360,236	(1,523,194)
- FVTPL mandatorily	285,797	(893,803)
- Designated at FVTPL	74,439	(629,391)
Net realised gain/(loss) on derivatives mandatorily at FVTPL	102,696	(118,331)
Net fair value (loss)/gain on derivatives mandatorily at FVTPL	(25,857)	49,470
Total investment income/(expenses)	**591,006**	**(1,391,212)**

	2023	2022 Restated
	$'000 Total	$'000 Total
Insurance finance (expense)/income from insurance contracts issued		
Changes in value of underlying assets of contracts under VFA	(476,797)	1,264,462
Interest accreted	(48,142)	(29,669)
Effect of changes in interest rates and other financial assumptions	103,293	(233,556)
Net foreign exchange income	6,085	3,715
Total insurance finance (expense)/income from insurance contract issued	**(415,561)**	**1,004,952**
Reinsurance finance income/(expenses) from reinsurance contracts held		
Interest accreted	18,552	(468)
Effect of changes in interest rates and other financial assumptions	(40,964)	(77,668)
Effects of changes in non-performance risk of reinsurers	(46,724)	(8,300)
Net foreign exchange expenses	(8,926)	(10,159)
Total reinsurance finance expenses from reinsurance contracts held	**(78,062)**	**(96,595)**
Net investment result	**97,383**	**(482,855)**

8 Expenses

Insurance service expenses and other operating expenses comprise the following:

	2023	2022 Restated
	$'000	$'000
Group		
Claims and benefits	614,994	507,341
Fee and commissions	328,518	289,925
Losses on onerous insurance contracts	85,277	111,570
Investment expense	22,829	28,046
Employee benefits		
- Salaries, bonuses and other employee benefits	184,798	165,410
- Central Provident Fund contributions	14,120	15,826
- Share-based payments expenses	1,717	5,401
Depreciation of plant and equipment	15,252	16,745
Amortisation of intangible assets	69,632	61,619
Financing costs	19,414	40,907
Interest expense on lease liabilities	944	1,006
Advertising and promotion expenses	20,401	17,786
Auditors' remuneration		
- auditors of the Group	4,566	2,534
Bank charges	206	190
Directors' remuneration and fees	3,607	2,119
Donations and sponsorships	564	1,521
Licence fees	7,298	5,119

	2023	2022 Restated
	$'000	$'000
Group		
Non-audit fees:		
- auditors of the Group	147	456
Postage, courier and telex charges	3,877	4,051
Printing and stationery	1,444	1,356
Professional fees	43,704	47,170
Recharges from related companies	992	5,712
Recharges from subsidiaries	–	477
Recharges to related companies	–	(26)
Repairs and maintenance expenses	31,166	39,054
Sales incentives	39,246	35,026
Transaction processing fees	7,379	5,290
Other expenses	23,378	31,378
	1,545,470	1,443,009
Amount attributable to insurance acquisition cashflows incurred during the year	(371,212)	(295,364)
Amortization of insurance acquisition cashflows	88,234	49,706
Total expenses	1,262,492	1,197,351
Represented by :		
Insurance service expenses	1,027,605	912,845
Other operating expenses	234,887	284,506
Total expenses	1,262,492	1,197,351

9 Income tax expense

(a) Major components of income tax expense

	2023	2022 Restated
	$'000	$'000
Group		
Current income tax		
- Current taxation	32,185	149,136
- Under/(over) provision in respect of prior years	211	(21,703)
Deferred income tax		
- Reversal of temporary differences	(13,780)	(249,379)
Income tax expense/(credit) recognised in the statement of comprehensive income	18,616	(121,946)

(b) Relationship between tax expense and accounting profit

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable corporate tax rate is as follows:

	2023 $'000	2022 Restated $'000
Accounting loss before tax	**(24,328)**	**(609,198)**
Tax expense on profit/(loss) before tax at 17% (2022:17%)	(4,136)	(103,564)
Adjustments:		
- Under/(over) provision in respect of prior years	211	(21,703)
- Non-deductible expenses	17,279	5,367
- Income not subject to taxation	(11,783)	(8,104)
- Effect of difference in tax basis on participating fund	15,358	8,366
- Effect of applying 10% concessionary rate on income from qualifying debt securities	(1,597)	(1,094)
- Deferred tax asset arising from tax losses not recognised	3,284	9,552
- Utilisation of previously unrecognised tax losses	–	(10,757)
- Others	–	(9)
Tax expense/(credit)	**18,616**	**(121,946)**

(c) Deferred tax assets and liabilities

	Statement of financial position			Statement of comprehensive income	
	2023 $'000	2022 Restated $'000	1 Jan 2022 Restated $'000	2023 $'000	2022 Restated $'000
Group					
Deferred tax asset					
Differences between tax depreciation and accounting depreciation	63	37	–	26	37
Differences between the measurement of insurance and reinsurance contract under SFRS(I) 17 and MAS Statutory Returns	88,079	76,294	–	11,785	76,294

	Statement of financial position			Statement of comprehensive income	
	2023	**2022 Restated**	**1 Jan 2022 Restated**	**2023**	**2022 Restated**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group					
Deferred tax liabilities					
Differences between tax depreciation and accounting depreciation	(68,950)	(70,925)	(81,735)	1,969	10,774
Differences between the measurement of insurance and reinsurance contract under SFRS(I) 17 and MAS Statutory Returns	–	–	(162,274)	–	162,274
Net deferred tax liabilities	19,192	5,406	(244,009)	–	–
Deferred tax expense				13,780	249,379

Deferred tax assets have not been recognised in respect of the following items:

	2023	**2022 Restated**
	$'000	**$'000**
Unutilised tax losses	19,318	56,188

Deferred income tax asset/(liabilities) consists primarily of temporary differences arising from the difference between the measurement of net insurance and reinsurance contracts under SFRS(I) 17 and the insurance returns filed with the Monetary Authority of Singapore("MAS") for regulatory purposes ("MAS Statutory Returns"). With effect from 1 January 2023, Singapore insurers will use the MAS Statutory Returns as the basis for preparing the corporate tax returns.

10 Investments in subsidiaries

	Company	
	2023	**2022**
	$'000	**$'000**
Equity investments at cost		
At the beginning of financial year	3,229,149	3,208,761
Movement during the financial year		
- Capital injection	–	20,388
- Disposal	(142,064)	–
At the end of the financial year	3,087,085	3,229,149
Investments in subsidiaries – net	3,087,085	3,229,149

On 11 November 2023, the Company liquidated its subsidiary, Singlife Financial Pte Ltd of which its nominal value of 135,063,850 has been removed from the Company's investment in subsidiaries.

On 22 December 2023, the Company's subsidiary, Singlife Propel Pte Ltd has performed a capital reduction exercise comprising 381,864,605 ordinary shares to 1,194,787 ordinary shares. Correspondingly, a nominal value of 7,000,000 has been removed from the Company's investment in subsidiaries.

In prior financial year, on 5 May 2022 and 28 December 2022, the Company acquired an additional 2,600,000 shares and 5,600,000 shares in its subsidiary, Singlife Philippines Inc. with nominal value of 6,891,000 and 13,497,000 respectively.

The Group has the following subsidiaries as at 31 December 2023:

Name of companies	Principal activities	Country of business/ incorporation	Percentage of effective equity interest held by the Group 2023 %	2022 %
Held by the Company				
Singapore Life Ltd.	Underwriting general and life insurance businesses	Singapore	100	100
Singlife Propel Pte Ltd	Provision of management services to related companies	Singapore	100	100
Singlife Philippines Inc.	Transacting life insurance business	The Philippines	74.40	74.40

Name of companies	Principal activities	Country of business/ incorporation	Percentage of effective equity interest held by the Group 2023 %	2022 %
Held by Singapore Life Ltd.				
Singlife Financial Advisers Pte. Ltd.	Provision of financial advisory services	Singapore	100	100
Navigator Investment Services Limited	Investment portfolio administration and provision of investment advisory services	Singapore	100	100
Professional Advisory Holdings Ltd.	Investment holding	Singapore	100	100
Held by Professional Advisory Holdings Ltd				
Professional Investment Advisory Services Pte Ltd	Provision of financial advisory services	Singapore	100	100

11 Property and equipment

	Office equipment $'000	Furniture and fittings $'000	Right-of-use assets $'000	Asset under construction $'000	Total $'000
Group					
Cost					
At 1 January 2022	24,384	16,017	132,401	–	172,802
Additions	2,430	5,723	8,180	5,536	21,869
Disposals	(69)	(77)	(6,312)	–	(6,458)
Effect of movements in exchange rates	–	(58)	–	–	(58)
At 31 December 2022	26,745	21,605	134,269	5,536	188,155
Additions	1,752	4,434	6,504	–	12,690
Disposals	(19,677)	(11,437)	(20,199)	–	(51,313)
Transfer to computer software licenses	–	–	–	(5,536)	(5,536)
Effect of movements in exchange rates	(1)	(44)	–	–	(45)
At 31 December 2023	**8,819**	**14,558**	**120,574**	**–**	**143,951**

	Office equipment $'000	Furniture and fittings $'000	Right-of-use assets $'000	Asset under construction $'000	Total $'000
Group					
Accumulated depreciation					
At 1 January 2022	20,203	10,818	93,175	–	124,196
Depreciation charge	2,960	2,035	11,750	–	16,745
Disposals	(58)	(53)	(5,898)	–	(6,009)
Effect of movements in exchange rates	(1)	(23)	–	–	(24)
At 31 December 2022	23,104	12,777	99,027	–	134,908
Depreciation charge	1,857	1,300	12,095	–	15,252
Disposals	(18,640)	(4,461)	(16,914)	–	(40,015)
Effect of movements in exchange rates	65	–	(2)	–	63
At 31 December 2023	**6,386**	**9,616**	**94,206**	**–**	**110,208**
Net book values					
At 1 January 2022	4,181	5,199	39,226	–	48,606
At 31 December 2022	3,641	8,828	35,242	5,536	53,247
At 31 December 2023	2,433	4,942	26,368	–	33,743

The Group leases office space over an average period of 3 to 5 years for the purpose of its insurance operations. There are no externally imposed covenants on these lease arrangements.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as plant and equipment.

	Office premises 2023 $'000	Office premises 2022 $'000
At the beginning of the year	35,242	39,226
Additions	6,504	8,180
Lease modifications	(3,283)	(414)
Depreciation charge	(12,095)	(11,750)
At the end of the year	26,368	35,242

Amounts recognised in profit or loss

	2023 $'000	2022 $'000
Interest on lease liabilities	944	1,006

Amounts recognised in statement of cash flows

	2023 $'000	2022 $'000
Total cash outflow for leases	(12,701)	(12,616)

12 Intangible assets

	Computer software licenses $'000	Distribution rights $'000	Total $'000
Group			
Cost			
At 1 January 2022	62,081	532,252	594,333
Additions	40,702	800	41,502
Disposals	(3)	(5,900)	(5,903)
At 31 December 2022	**102,780**	**527,152**	**629,932**
Additions	68,731	1,800	70,531
Disposals	(5,669)	–	(5,669)
At 31 December 2023	**165,842**	**528,952**	**694,794**
Accumulated amortisation			
At 1 January 2022	37,028	62,240	99,268
Amortisation charge	8,119	53,500	61,619
Disposal	–	(5,900)	(5,900)
At 31 December 2022	**45,147**	**109,840**	**154,987**
Amortisation charge	15,958	53,674	69,632
Disposal	(4,651)	–	(4,651)
Effect of movements in exchange rates	313	–	313
At 31 December 2023	**56,767**	**163,514**	**220,281**
Net book values			
At 1 January 2022	25,053	470,012	495,065
At 31 December 2022	57,633	417,312	474,945
At 31 December 2023	109,075	365,438	474,513

The Group has recognised costs incurred in relation to ongoing projects as Work-in-progress ("WIP") under Computer software licenses. The amount recognised as WIP for 2023 was $49,313,301 (2022: $41,145,540). The amount of WIP transferred to completed Computer software licenses and began amortisation for 2023 is $ 39,593,858 (2022: Nil).

Goodwill

Goodwill is tested for impairment by comparing the CGU (SLL's in-force business) carrying amount, including any goodwill, with its recoverable amount. Management compares the aggregate of net asset value and goodwill of the acquired business with an approximation of SLL's fair value based on market comparables to determine whether there is any impairment.

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount as at reporting date.

13 Investments at fair value through profit or loss

Investments at fair value through profit or loss:

	2023			2022 Restated		
	FVTPL-mandatory $'000	FVTPL-designated $'000	Total $'000	FVTPL-mandatory $'000	FVTPL-designated $'000	Total $'000
Equity securities						
Quoted	3,825,989	–	3,825,989	3,631,019	–	3,631,019
Unquoted	614,944	–	614,944	467,028	–	467,028
	4,440,933	–	4,440,933	4,098,047	–	4,098,047
Debt securities						
Quoted	161,316	6,399,997	6,561,313	124,461	5,959,773	6,084,234
Unquoted	42,683	247,780	290,463	–	116,234	116,234
	203,999	6,647,777	6,851,776	124,461	6,076,007	6,200,468
Investments at fair value through profit or loss	4,644,932	6,647,777	11,292,709	4,222,508	6,076,007	10,298,515
Current						
Equity securities	4,440,933	–	4,440,933	4,098,047	–	4,098,047
Debt securities	–	1,880,667	1,880,667	–	1,429,513	1,429,513
	4,440,933	1,880,667	6,321,600	4,098,047	1,429,513	5,527,560
Non-current						
Debt securities	203,999	4,767,110	4,971,109	124,461	4,646,494	4,770,955
Investments at fair value through profit or loss	4,644,932	6,647,777	11,292,709	4,222,508	6,076,007	10,298,515

Singapore government securities of $92,146,000 (2022: $122,508,000) have been pledged to derivatives counterparties in respect of the derivative agreements (Note 15). The pledged securities are managed daily and the derivative counterparties have the right to receive them when there is an increase in credit risk of the Group.

14 Cash and cash equivalents

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash and bank balances	541,071	350,632	198,359	3,669
Short term deposit	53,036	19,172	–	–
	594,107	369,804	198,359	3,669

As at 31 December 2023, the Group held cash collaterals of $87,854,000 (2022: $61,620,000) for assets in respect of derivative transactions. The Group did not repledge the collaterals received.

15 Derivative financial instruments

In connection with the derivative agreements with counterparties, the Group posted $92,146,000 (2022: $122,508,000) of restricted securities (Note 13) as collateral to these counterparties at the reporting date.

The Group also held security collateral of $837,000 (2022: $64,507,000) in the form of US government securities and Singapore government securities at the reporting date. The Group has the right to receive them when there is an increase in credit risk from counterparties. Therefore, these are not included in the Group's investments.

Derivative financial instruments included in the consolidated statement of financial position as at 31 December are as follows:

	Contract/ notional amount	Fair value	
	$	**Assets $'000**	**Liabilities $'000**
Group			
2023			
Interest rate swaps	2,002,411	18,027	(113,050)
Currency forward contracts	6,519,586	148,337	(20,941)
Total derivative assets/(liabilities)		166,364	(133,991)
2022			
Currency swaps	42,867	5,900	(152)
Interest rate swaps	1,424,000	–	(144,489)
Currency forward contracts	6,473,351	231,833	(34,861)
Total derivative assets/(liabilities)		237,733	(179,502)

16 Loans and receivables

	Group		Company	
	2023	**2022 Restated**	**2023**	**2022 Restated**
	$'000	**$'000**	**$'000**	**$'000**
Deposits	4,158	4,301	–	–
Accrued interest receivable	50,428	43,725	–	–
Dividends receivable	1,453	2,853	–	–
Amounts due from subsidiary (non-trade)	–	–	153,203	16,393
Other receivables	37,237	63,357	455	779
Total loans and receivables	93,276	114,236	153,658	17,172

Amounts due from subsidiary are unsecured, interest-free and is expected to be settled within the next 12 months. The carrying amounts disclosed above reasonably approximate fair values at year-end.

17 Other payables

	Note	Group 2023 $'000	Group 2022 Restated $'000	Company 2023 $'000	Company 2022 Restated $'000
Accrued operating expenses		168,984	186,718	4,875	–
Sundry creditors		128,045	109,675	6,611	10,539
		297,029	296,393	11,486	10,539
Debt issued	18	543,910	543,059	543,910	543,059
Lease liabilities		26,723	35,963	–	–
		570,633	579,022	543,910	543,059
Total financial liabilities carried at amortised cost		867,662	875,415	555,396	553,598

18 Financial liabilities

Debts issued

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
3.375% subordinated fixed rate notes	543,910	543,059	543,910	543,059

On 24 November 2020, the Group and Company issued $550 million subordinated fixed rate notes ("Notes") due 2031, callable in 2026. The Notes will initially bear interest at the rate of 3.375% per annum, payable semi-annually on 24 February and 24 August each year up to 2026. If the Notes are not redeemed or purchased and cancelled on 24 February 2026, the interest rate from that date will be reset at a fixed rate per annum equal to the aggregate of the then prevailing 5-year SGD Swap Offer Rate and 2.869%, payable semi-annually in arrears.

Finance costs

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Interest on debts issued and bank loan	18,563	22,331	18,563	22,331
Amortisation of transaction costs in relation to the debts issued and bank loan	851	18,576	851	18,576
Total finance costs	19,414	40,907	19,414	40,907

19 Composition of insurance contract balances

	Note	Asset $'000	Liability $'000	Net $'000
2023				
Insurance contracts issued				
- Insurance contract balances	19.2	(417,315)	11,811,465	**11,394,150**
- Assets for insurance acquisition cash flows	19.1	(25,708)	–	**(25,708)**
		(443,023)	**11,811,465**	**11,368,442**
Reinsurance contracts held	19.3	**(1,352,744)**	**902,488**	**(450,256)**
31 Dec 2022 Restated				
Insurance contracts issued				
- Insurance contract balances	19.2	(350,942)	10,391,246	**10,040,304**
- Assets for insurance acquisition cash flows	19.1	(12,494)	–	**(12,494)**
		(363,436)	**10,391,246**	**10,027,810**
Reinsurance contracts held	19.3	**(1,241,218)**	**967,057**	**(274,161)**
1 Jan 2022 Restated				
Insurance contracts issued				
- Insurance contract balances	19.2	(691,954)	11,430,846	**10,738,892**
- Assets for insurance acquisition cash flows	19.1	(8,222)	–	**(8,222)**
		(700,176)	**11,430,846**	**10,730,670**
Reinsurance contracts held	19.3	**(531,706)**	**31,748**	**(499,958)**

19.1 Insurance Acquisition Cashflows:

19.1.1 Assets for insurance acquisition cash flows

	Group	
	2023	**2022 Restated**
	$'000	**$'000**
Balance as at 1 January	12,494	8,222
Other amounts incurred during the year	14,679	5,128
Amounts derecognised and included in the measurement of insurance contracts	(1,465)	(856)
Balance as at 31 December	**25,708**	**12,494**

19.1.2 Run-off insurance acquisition cash flows

The following table sets out when the Group expects to derecognise assets for insurance acquisition cash flows after the reporting date.

	Group	
	2023	**2022 Restated**
	$'000	**$'000**
Less than one year	2,225	1,465
One to two years	1,273	839
Two to three years	1,019	574
Three to four years	1,131	553
Four to five years	1,191	567
Five to ten years	6,526	3,025
More than ten years	12,343	5,471
Balance as at 31 December	**25,708**	**12,494**

19.2 Insurance contracts issued

19.2.1 Analysis by liabilities for remaining coverage and liabilities for incurred claims

	2023				2022 Restated			
	Liabilities for remaining coverage				Liabilities for remaining coverage			
	Excluding loss component $'000	Loss component $'000	Liabilities for incurred claims $'000	Total $'000	Excluding loss component $'000	Loss component $'000	Liabilities for incurred claims $'000	Total $'000
Group								
Opening insurance contract assets	(397,977)	9,673	37,362	**(350,942)**	(726,691)	244	34,493	**(691,954)**
Opening insurance contract liabilities	9,738,096	122,470	530,680	**10,391,246**	10,858,158	19,773	552,915	**11,430,846**
Net opening balance	**9,340,119**	**132,143**	**568,042**	**10,040,304**	**10,131,467**	**20,017**	**587,408**	**10,738,892**
Changes in SOCI								
Insurance revenue								
Contracts under MRA	(89,309)	–	–	**(89,309)**	(118,324)	–	–	**(118,324)**
Contracts under FVA	(242,835)	–	–	**(242,835)**	(590,135)	–	–	**(590,135)**
Other contracts	(768,706)	–	–	**(768,706)**	(362,353)	–	–	**(362,353)**
Total insurance revenue	(1,100,850)	–	–	**(1,100,850)**	(1,070,812)	–	–	**(1,070,812)**
Insurance service expenses								
Incurred claims and benefits and other expenses	–	(129,050)	882,485	**753,435**	–	(47,624)	826,272	**778,648**
Amortisation of insurance acquisition cash flows	88,234	–	–	**88,234**	49,706	–	–	**49,706**
Losses on onerous contracts and reversal of those losses	–	214,327	–	**214,327**	–	159,194	–	**159,194**
Changes to liabilities for incurred claims	–	–	(28,391)	**(28,391)**	–	–	(74,703)	**(74,703)**
	88,234	85,277	854,094	**1,027,605**	49,706	111,570	751,569	**912,845**

19.2.1 Analysis by liabilities for remaining coverage and liabilities for incurred claims (Cont'd)

	2023				2022 Restated			
	Liabilities for remaining coverage				Liabilities for remaining coverage			
	Excluding loss component $'000	Loss component $'000	Liabilities for incurred claims $'000	Total $'000	Excluding Loss Component $'000	Loss Component $'000	Liabilities for incurred claims $'000	Total $'000
Group								
Investment components	(1,560,445)	–	1,560,445	–	(1,952,416)	–	1,952,416	–
Total insurance service expenses	(1,472,211)	85,277	2,414,539	**1,027,605**	(1,902,710)	111,570	2,703,985	**912,845**
Insurance service result	(2,573,061)	85,277	2,414,539	**(73,245)**	(2,973,522)	111,570	2,703,985	**(157,967)**
Finance expenses (before forex impact)	408,516	3,491	9,639	**421,646**	(1,011,109)	595	9,277	**(1,001,237)**
Effect of movements in exchange rates	(5,741)	(41)	(303)	**(6,085)**	(3,596)	(39)	(80)	**(3,715)**
Net finance expenses/(income) from insurance contracts	402,775	3,450	9,336	**415,561**	(1,014,705)	556	9,197	**(1,004,952)**
Total changes in SOCI	**(2,170,286)**	**88,727**	**2,423,875**	**342,316**	**(3,988,227)**	**112,126**	**2,713,182**	**(1,162,919)**
Cash flows:								
Premiums received	3,719,043	–	–	**3,719,043**	3,487,970	–	–	**3,487,970**
Claims and other expenses paid including investment component	–	–	(2,107,729)	**(2,107,729)**	–	–	(2,487,951)	**(2,487,951)**
Total cash flows	**3,719,043**	–	**(2,107,729)**	**1,611,314**	**3,487,970**	–	**(2,487,951)**	**1,000,019**
Transfer to other items in SOFP	**(360,820)**	–	**(238,964)**	**(599,784)**	**(291,091)**	–	**(244,597)**	**(535,688)**
Net closing balance	**10,528,056**	**220,870**	**645,224**	**11,394,150**	**9,340,119**	**132,143**	**568,042**	**10,040,304**
Closing insurance contract assets	(453,953)	8,790	27,848	**(417,315)**	(397,977)	9,673	37,362	**(350,942)**
Closing insurance contract liabilities	10,982,009	212,080	617,376	**11,811,465**	9,738,096	122,470	530,680	**10,391,246**
Net closing balance	**10,528,056**	**220,870**	**645,224**	**11,394,150**	**9,340,119**	**132,143**	**568,042**	**10,040,304**

19.2.2 Analysis by measurement components of insurance contract balances:

	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM: Contracts under modified retrospective transition approach	CSM: Contracts under fair value transition approach	CSM: Other contracts	CSM: Subtotal	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
2023							
Opening insurance contract assets	(2,290,605)	261,954	388,004	946,230	343,475	1,677,709	**(350,942)**
Opening insurance contract liabilities	10,233,630	64,019	–	85,715	7,882	93,597	**10,391,246**
Net opening balance	**7,943,025**	**325,973**	**388,004**	**1,031,945**	**351,357**	**1,771,306**	**10,040,304**
Changes in SOCI:							
Changes that relate to current services	41,550	(58,544)	(29,554)	(106,301)	(106,332)	(242,187)	**(259,181)**
CSM recognised for services provided	–	–	(29,554)	(106,301)	(106,332)	(242,187)	**(242,187)**
Change in RA for non-financial risk for risk expired	–	(58,544)	–	–	–	–	**(58,544)**
Experience adjustments	41,550	–	–	–	–	–	**41,550**
Changes that relate to future services	(351,226)	121,156	13,566	5,336	425,495	444,397	**214,327**
Contracts initially recognised in the year	(150,820)	142,364	–	–	383,187	383,187	**374,731**
Changes in estimates that adjust the CSM	(34,132)	(27,078)	13,566	5,336	42,308	61,210	–
Changes in estimates that result in losses and reversals of losses on onerous contracts	(166,274)	5,870	–	–	–	–	**(160,404)**
Changes that relate to past services	(8,539)	(19,852)	–	–	–	–	**(28,391)**
Adjustments to liabilities for incurred claims	(8,539)	(19,852)	–	–	–	–	**(28,391)**
Insurance service results	**(318,215)**	**42,760**	**(15,988)**	**(100,965)**	**319,163**	**202,210**	**(73,245)**

19.2.2 Analysis by measurement components of insurance contract balances (Cont'd)

			CSM				
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**Contracts under modified retrospective transition approach**	**Contracts under fair value transition approach**	**Other contracts**	**Subtotal**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group							
2023							
Finance expenses (before forex impact)	367,268	9,657	5,082	21,449	18,190	44,721	**421,646**
Effect of movements in exchange rates	(6,042)	35	–	(35)	(43)	(78)	**(6,085)**
Net finance (income)/expenses from insurance contracts	361,226	9,692	5,082	21,414	18,147	44,643	**415,561**
Total changes in SOCI	**43,011**	**52,452**	**(10,906)**	**(79,551)**	**337,310**	**246,853**	**342,316**
Cash flows:							
Premiums received	3,719,043	–	–	–	–	–	**3,719,043**
Claims and other expenses paid including investment component	(2,107,729)	–	–	–	–	–	**(2,107,729)**
Total cash flows	**1,611,314**	–	–	–	–	–	**1,611,314**
Transfer to other items in SOFP	**(599,784)**	–	–	–	–	–	**(599,784)**
Net closing balance	**8,997,566**	**378,425**	**377,098**	**952,394**	**688,667**	**2,018,159**	**11,394,150**
Closing insurance contract assets	(2,247,753)	191,583	377,098	859,590	402,167	1,638,855	**(417,315)**
Closing insurance contract liabilities	11,245,319	186,842	–	92,804	286,500	379,304	**11,811,465**
Net closing balance	**8,997,566**	**378,425**	**377,098**	**952,394**	**688,667**	**2,018,159**	**11,394,150**

19.2.2 Analysis by measurement components of insurance contract balances (Cont'd)

			CSM				
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**Contracts under modified retrospective transition approach**	**Contracts under fair value transition approach**	**Other contracts**	**Subtotal**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group							
2022 Restated							
Opening insurance contract assets	(2,164,931)	214,407	387,276	871,294	–	1,258,570	**(691,954)**
Opening insurance contract liabilities	10,997,791	112,582	25,378	295,095	–	320,473	**11,430,846**
Net opening balance	**8,832,860**	**326,989**	**412,654**	**1,166,389**	–	**1,579,043**	**10,738,892**
Changes in SOCI:							
Changes that relate to current services	7,088	(59,462)	(30,537)	(132,777)	(26,770)	(190,084)	**(242,458)**
CSM recognised for services provided	–	–	(30,537)	(132,777)	(26,770)	(190,084)	**(190,084)**
Change in RA for non-financial risk for risk expired	–	(59,462)	–	–	–	–	**(59,462)**
Experience adjustments	7,088	–	–	–	–	–	**7,088**
Changes that relate to future services	(275,664)	75,996	2,227	(17,277)	373,912	358,862	**159,194**
Contracts initially recognised in the year	(433,346)	107,017	–	–	408,703	408,703	**82,374**
Changes in estimates that adjust the CSM	79,684	(29,843)	2,227	(17,277)	(34,791)	(49,841)	–
Changes in estimates that result in losses and reversals of losses on onerous contracts	77,998	(1,178)	–	–	–	–	**76,820**
Changes that relate to past services	(56,868)	(17,835)	–	–	–	–	**(74,703)**
Adjustments to liabilities for incurred claims	(56,868)	(17,835)	–	–	–	–	**(74,703)**
Insurance service results	(325,444)	(1,301)	(28,310)	(150,054)	347,142	168,778	**(157,967)**

19.2.2 Analysis by measurement components of insurance contract balances (Cont'd)

	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM: Contracts under modified retrospective transition approach	CSM: Contracts under fair value transition approach	CSM: Other contracts	CSM: Subtotal	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
2022 Restated							
Finance expenses (before forex impact)	(1,025,399)	286	3,660	15,954	4,262	23,876	**(1,001,237)**
Effect of movements in exchange rates	(3,323)	(1)	–	(344)	(47)	(391)	**(3,715)**
Net finance (income)/expenses from insurance contracts	(1,028,722)	285	3,660	15,610	4,215	23,485	**(1,004,952)**
Total changes in SOCI	**(1,354,166)**	**(1,016)**	**(24,650)**	**(134,444)**	**351,357**	**192,263**	**(1,162,919)**
Cash flows:							
Premiums received	3,487,970	–	–	–	–	–	**3,487,970**
Claims and other expenses paid including investment component	(2,487,951)	–	–	–	–	–	**(2,487,951)**
Total cash flows	**1,000,019**	–	–	–	–	–	**1,000,019**
Transfer to other items in SOFP	**(535,688)**	–	–	–	–	–	**(535,688)**
Net closing balance	**7,943,025**	**325,973**	**388,004**	**1,031,945**	**351,357**	**1,771,306**	**10,040,304**
Closing insurance contract assets	(2,290,605)	261,954	388,004	946,230	343,475	1,677,709	**(350,942)**
Closing insurance contract liabilities	10,233,630	64,019	–	85,715	7,882	93,597	**10,391,246**
Net closing balance	**7,943,025**	**325,973**	**388,004**	**1,031,945**	**351,357**	**1,771,306**	**10,040,304**

19.2.3 Impact of insurance contracts issued initially recognised in the year

	2023 Contracts issued			2022 Restated Contracts issued		
	Non-onerous $'000	**Onerous $'000**	**Total $'000**	**Non-onerous $'000**	**Onerous $'000**	**Total $'000**
Group						
Insurance contracts						
Insurance acquisition cash flows	165,040	89,740	254,780	143,136	67,498	210,634
Claims and other insurance service expenses	887,220	1,900,077	2,787,297	990,539	938,184	1,928,723
Estimates of the present value of future cash outflows	1,052,260	1,989,817	3,042,077	1,133,675	1,005,682	2,139,357
Estimates of the present value of future cash inflows	(1,506,258)	(1,686,639)	(3,192,897)	(1,602,122)	(970,581)	(2,572,703)
Risk adjustments for non-financial risk	70,811	71,553	142,364	59,744	47,273	107,017
Contractual service margin	383,187	–	383,187	408,703	–	408,703
Losses recognised on initial recognition	–	**374,731**	**374,731**	–	**82,374**	**82,374**

19.3 Reinsurance contracts held

19.3.1 Analysis by asset for remaining coverage and asset for incurred claims

	2023				2022 Restated			
	Assets for remaining coverage				Assets for remaining coverage			
	Excluding loss-recovery component $'000	Loss-recovery component $'000	Assets for incurred claims $'000	Total $'000	Excluding loss-recovery component $'000	Loss-recovery component $'000	Assets for incurred claims $'000	Total $'000
Group								
Opening reinsurance contract assets	934,640	22,278	284,300	**1,241,218**	346,365	8,048	177,293	**531,706**
Opening reinsurance contract liabilities	(968,050)	902	91	**(967,057)**	(31,940)	52	140	**(31,748)**
Net opening balance	**(33,410)**	**23,180**	**284,391**	**274,161**	**314,425**	**8,100**	**177,433**	**499,958**
Changes in SOCI:								
Allocation of reinsurance premiums paid	(236,848)	–	–	**(236,848)**	(215,432)	–	–	**(215,432)**
Amounts recoverable from reinsurers:								
Recoveries of incurred claims and other insurance service expenses	–	(9,583)	216,220	**206,637**	–	(2,006)	188,810	**186,804**
Recoveries and reversals of recoveries of losses on onerous underlying contracts	–	42,577	–	**42,577**	–	17,875	–	**17,875**
Adjustments to assets for incurred claims	–	–	11,673	**11,673**	–	–	(28,502)	**(28,502)**
	–	32,994	227,893	**260,887**	–	15,869	160,308	**176,177**
Investment components and premium refunds	(245,499)	–	245,499	–	(1,245,039)	–	1,245,039	–
Total amount recoverable from reinsurers	(245,499)	32,994	473,392	**260,887**	(1,245,039)	15,869	1,405,347	**176,177**
Net income/(expenses) from contracts held	(482,347)	32,994	473,392	**24,039**	(1,460,471)	15,869	1,405,347	**(39,255)**
Effect of and changes in time value of money and financial risk	(24,236)	1,049	775	**(22,412)**	(78,396)	83	177	**(78,136)**
Effect of changes in non-performance risk of reinsurers	(46,746)	–	22	**(46,724)**	(8,309)	–	9	**(8,300)**
Effect of movements in exchange rates	(8,959)	(139)	172	**(8,926)**	(9,292)	(872)	5	**(10,159)**
Net finance (income)/expenses from reinsurance contracts	(79,941)	910	969	**(78,062)**	(95,997)	(789)	191	**(96,595)**
Total changes in the SOCI	**(562,288)**	**33,904**	**474,361**	**(54,023)**	**(1,556,468)**	**15,080**	**1,405,538**	**(135,850)**

19.3.1 Analysis by asset for remaining coverage and asset for incurred claims (Cont'd)

	2023				2022 Restated			
	Assets for remaining coverage				Assets for remaining coverage			
	Excluding loss-recovery component $'000	Loss-recovery component $'000	Assets for incurred claims $'000	Total $'000	Excluding loss-recovery component $'000	Loss-recovery component $'000	Assets for incurred claims $'000	Total $'000
Group								
Cash flows:								
Premiums paid	599,495	–	–	**599,495**	1,208,633	–	–	**1,208,633**
Recoveries from reinsurance	–	–	(369,377)	**(369,377)**	–	–	(1,298,580)	**(1,298,580)**
Total cash flows	**599,495**	–	**(369,377)**	**230,118**	**1,208,633**	–	**(1,298,580)**	**(89,947)**
Net closing Balance	**3,797**	**57,084**	**389,375**	**450,256**	**(33,410)**	**23,180**	**284,391**	**274,161**
Closing reinsurance contract assets	911,016	56,625	385,103	**1,352,744**	934,640	22,278	284,300	**1,241,218**
Closing reinsurance contract liabilities	(907,219)	459	4,272	**(902,488)**	(968,050)	902	91	**(967,057)**
Net closing balance	**3,797**	**57,084**	**389,375**	**450,256**	**(33,410)**	**23,180**	**284,391**	**274,161**

19.3.2 Analysis by components of reinsurance contract balances

			CSM				
	Estimates of present value of future cash flows $'000	**Risk adjustment for non-financial risk $'000**	**Contracts under modified retrospective transition approach $'000**	**Contracts under fair value transition approach $'000**	**Other contracts $'000**	**Subtotal $'000**	**Total $'000**
Group							
2023							
Opening reinsurance contract assets	1,163,421	123,000	(56,240)	96,607	(85,570)	(45,203)	**1,241,218**
Opening reinsurance contract liabilities	(1,177,375)	19,199	–	131,525	59,594	191,119	**(967,057)**
Net opening balance	**(13,954)**	**142,199**	**(56,240)**	**228,132**	**(25,976)**	**145,916**	**274,161**
Changes in SOCI:							
Changes that relate to current services	66,532	(8,727)	5,589	(41,282)	(52,323)	(88,016)	**(30,211)**
CSM recognised for services received	–	–	5,589	(41,282)	(52,323)	(88,016)	**(88,016)**
Change in RA for non-financial risk for risk expired	–	(8,727)	–	–	–	–	**(8,727)**
Experience adjustments	66,532	–	–	–	–	–	**66,532**
Changes that relate to future services	(65,213)	40,161	(401)	(10,196)	78,226	67,629	**42,577**
Contracts initially recognised in the year	14,830	38,720	–	–	6,012	6,012	**59,562**
Changes in estimates that adjust the CSM	(69,403)	(32,218)	(121)	(9,803)	111,545	101,621	–
Changes in estimates that result in losses and reversals of losses on onerous underlying contracts	(10,640)	33,659	–	–	–	–	**23,019**
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	(280)	(393)	(39,331)	(40,004)	**(40,004)**
Changes that relate to past services	17,242	(5,569)	–	–	–	–	**11,673**
Adjustments to assets for incurred claims	17,242	(5,569)	–	–	–	–	**11,673**
Net income/(expenses) from reinsurance contracts held	18,561	25,865	5,188	(51,478)	25,903	(20,387)	**24,039**

19.3.2 Analysis by components of reinsurance contract balance (Cont'd)

			CSM				
	Estimates of present value of future cash flows $'000	**Risk adjustment for non-financial risk $'000**	**Contracts under modified retrospective transition approach $'000**	**Contracts under fair value transition approach $'000**	**Other contracts $'000**	**Subtotal $'000**	**Total $'000**
Group							
2023							
Effect of changes in time value of money and financial risk	(32,241)	7,419	(677)	4,854	(1,767)	2,410	**(22,412)**
Effect of changes in non-performance risk of reinsurers	(46,724)	–	–	–	–	–	**(46,724)**
Effect of movements in exchange rates	(9,733)	(21)	36	(79)	871	828	**(8,926)**
Net finance (income)/expenses from reinsurance contracts	(88,698)	7,398	(641)	4,775	(896)	3,238	**(78,062)**
Total changes in SOCI	**(70,137)**	**33,263**	**4,547**	**(46,703)**	**25,007**	**(17,149)**	**(54,023)**
Cash flows:							
Premium Paid	599,495	–	–	–	–	–	**599,495**
Recoveries from reinsurance	(369,377)	–	–	–	–	–	**(369,377)**
Total cash flows	**230,118**	–	–	–	–	–	**230,118**
Net closing balance	**146,027**	**175,462**	**(51,693)**	**181,429**	**(969)**	**128,767**	**450,256**
Closing reinsurance contract assets	1,258,028	154,359	(51,656)	71,944	(79,931)	(59,643)	**1,352,744**
Closing reinsurance contract liabilities	(1,112,001)	21,103	(37)	109,485	78,962	188,410	**(902,488)**
Net closing balance	**146,027**	**175,462**	**(51,693)**	**181,429**	**(969)**	**128,767**	**450,256**

19.3.2 Analysis by components of reinsurance contract balance (Cont'd)

			CSM				
	Estimates of present value of future cash flows $'000	**Risk adjustment for non-financial risk $'000**	**Contracts under modified retrospective transition approach $'000**	**Contracts under fair value transition approach $'000**	**Other contracts $'000**	**Subtotal $'000**	**Total $'000**
Group							
2022 Restated							
Opening reinsurance contract assets	423,293	128,403	(92,440)	72,450	–	(19,990)	**531,706**
Opening reinsurance contract liabilities	(135,210)	28,847	23	74,592	–	74,615	**(31,748)**
Net opening balance	**288,083**	**157,250**	**(92,417)**	**147,042**	–	**54,625**	**499,958**
Changes in SOCI:							
<u>Changes that relate to current services</u>	70,354	(9,980)	2,806	(89,068)	(2,740)	(89,002)	**(28,628)**
CSM recognised for services received	–	–	2,806	(89,068)	(2,740)	(89,002)	**(89,002)**
Change in RA for non-financial risk for risk expired	–	(9,980)	–	–	–	–	**(9,980)**
Experience adjustments	70,354	–	–	–	–	–	**70,354**
<u>Changes that relate to future services</u>	(163,690)	2,335	34,247	167,881	(22,898)	179,230	**17,875**
Contracts initially recognised in the year	1,606	24,013	(1,764)	–	(7,473)	(9,237)	**16,382**
Changes in estimates that adjust the CSM	(172,796)	(25,186)	36,092	168,433	(6,543)	197,982	–
Changes in estimates that result in losses and reversals of losses on onerous underlying contracts	7,500	3,508	–	–	–	–	**11,008**
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	(81)	(552)	(8,882)	(9,515)	**(9,515)**
<u>Changes that relate to past services</u>	(23,890)	(4,612)	–	–	–	–	**(28,502)**
Adjustments to assets for incurred claims	(23,890)	(4,612)	–	–	–	–	**(28,502)**
Net income/ (expenses) from reinsurance contracts held	(117,226)	(12,257)	37,053	78,813	(25,638)	90,228	**(39,255)**

19.3.2 Analysis by components of reinsurance contract balance (Cont'd)

			CSM				
	Estimates of present value of future cash flows $'000	**Risk adjustment for non-financial risk $'000**	**Contracts under modified retrospective transition approach $'000**	**Contracts under fair value transition approach $'000**	**Other contracts $'000**	**Subtotal $'000**	**Total $'000**
Group							
2022 Restated							
Effect of changes in time value of money and financial risk	(75,788)	(2,778)	(904)	2,330	(996)	430	**(78,136)**
Effect of changes in non-performance risk of reinsurers	(8,300)	–	–	–	–	–	**(8,300)**
Effect of movements in exchange rates	(10,776)	(16)	28	(53)	658	633	**(10,159)**
Net finance (income)/expenses from reinsurance contracts	(94,864)	(2,794)	(876)	2,277	(338)	1,063	**(96,595)**
Total changes in SOCI	**(212,090)**	**(15,051)**	**36,177**	**81,090**	**(25,976)**	**91,291**	**(135,850)**
Cash flows:							
Premium Paid	1,208,633	–	–	–	–	–	**1,208,633**
Recoveries from reinsurance	(1,298,580)	–	–	–	–	–	**(1,298,580)**
Total cash flow	**(89,947)**	–	–	–	–	–	**(89,947)**
Net closing balance	**(13,954)**	**142,199**	**(56,240)**	**228,132**	**(25,976)**	**145,916**	**274,161**
Closing reinsurance contract assets	1,163,421	123,000	(56,240)	96,607	(85,570)	(45,203)	**1,241,218**
Closing reinsurance contract liabilities	(1,177,375)	19,199	–	131,525	59,594	191,119	**(967,057)**
Net closing balance	**(13,954)**	**142,199**	**(56,240)**	**228,132**	**(25,976)**	**145,916**	**274,161**

19.3.3 Impact of reinsurance contracts issued initially recognised in the year

	2023			2022 Restated		
	Contracts initiated without loss-recovery component $'000	**Contracts initiated with loss-recovery component $'000**	**Total $'000**	**Contracts initiated without loss-recovery component $'000**	**Contracts initiated with loss-recovery component $'000**	**Total $'000**
Reinsurance contract assets						
Estimates of the present value of future cash inflows	291,502	429,311	720,813	2,087,967	270,917	2,358,884
Estimates of the present value of future cash outflows	(284,719)	(450,924)	(735,643)	(2,069,913)	(290,577)	(2,360,490)
Risk adjustment for non-financial risk	(26,257)	(12,463)	(38,720)	(19,418)	(4,595)	(24,013)
Contractual service margin	19,474	(25,486)	(6,012)	1,364	7,873	9,237
Loss recovery related to losses on underlying insurance contracts at initial recognition	–	**(59,562)**	**(59,562)**	–	**(16,382)**	**(16,382)**

19.4 Contractual Service Margin

19.4.1 CSM run off

The disclosure of when the CSM is expected to be in profit or loss in future years is presented below:

	1 year or less $'000	1-3 years $'000	3-5 years $'000	5-10 years $'000	More than 10 years $'000
Group					
2023					
Insurance contracts issued	187,419	310,085	257,367	473,754	789,534
Reinsurance contracts held	(36,355)	(17,777)	(7,526)	(7,868)	(59,241)
Total	**151,064**	**292,308**	**249,841**	**465,886**	**730,293**
2022 Restated					
Insurance contracts issued	157,985	267,427	223,948	423,861	698,085
Reinsurance contracts held	(17,030)	(11,855)	(13,361)	(25,832)	(77,838)
Total	**140,955**	**255,572**	**210,587**	**398,029**	**620,247**

19.5 Sensitivities of insurance contracts

The table below shows the expected impact to the profit after tax, shareholder's equity and CSM if changes in assumptions that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

	2023				2022 Restated			
	CSM		Net effect on shareholder's equity*		CSM		Net effect on shareholder's equity*	
	Gross $'000	Net $'000	Gross $'000	Net $'000	Gross $'000	Net $'000	Gross $'000	Net $'000
Mortality and morbidity (and ultimate claim cost)								
5% increase	(132,949)	(32,563)	(67,371)	(50,914)	(114,619)	(28,128)	(45,123)	(37,382)
5% decrease	152,856	46,574	53,418	39,632	119,497	27,288	43,251	37,837
Expenses								
10% increase	(31,848)	(32,111)	(24,533)	(24,114)	(36,843)	(37,177)	(19,856)	(19,584)
10% decrease	32,697	33,022	23,828	23,379	36,982	37,255	19,741	19,519
Surrender								
10% increase	27,167	22,665	22,375	19,974	16,855	14,973	27,568	25,579
10% decrease	(38,377)	(34,220)	(25,892)	(22,841)	(26,594)	(25,574)	(30,763)	(27,891)

* The impact on profit after tax would be the same as the net effect on shareholders' equity.

20 The Composition of underlying items and their fair values

The following table sets out the composition and the fair value of underlying items of the Group's participating contracts at the reporting date

		31 December 2023				**31 December 2022 Restated**			
		Underlying items				**Underlying items**			
	Note	**Participating Life $'000**	**Investment linked $'000**	**Others $'000**	**Total $'000**	**Participating Life $'000**	**Investment linked $'000**	**Others $'000**	**Total $'000**
Equities									
- Quoted	13	3,323,568	421,020	81,401	3,825,989	3,267,581	362,723	715	3,631,019
- Unquoted	13	614,944	–	–	614,944	464,705	–	2,323	467,028
Debt									
- Quoted	13	5,080,323	12,264	1,468,726	6,561,313	4,339,558	5,595	1,739,081	6,084,234
- Unquoted	13	203,900	–	86,563	290,463	15,980	–	100,254	116,234
Derivatives	15	154,607	–	11,757	166,364	209,155	3	28,575	237,733
Cash and cash equivalent	14	72,881	10,872	510,354	594,107	99,727	18,883	251,194	369,804
		9,450,223	**444,156**	**2,158,801**	**12,053,180**	**8,396,706**	**387,204**	**2,122,142**	**10,906,052**

21 Share capital and other capital

	Group and Company			
	2023 No. of shares ’000	**2022 No. of shares ’000**	**2023 $’000**	**2022 $’000**
Share Capital				
Ordinary shares				
- Beginning of the year	458,044	458,044	2,078,424	2,078,424
- Shares issued	33,191	–	180,000	–
- End of the year	491,235	458,044	2,258,424	2,078,424
Other Capital				
Beginning of the year	–	–	260,000	260,000
End of the year	–	–	260,000	260,000
Share capital and other capital	491,235	458,044	2,518,424	2,338,424

The capital securities bear a fixed distribution rate of 6.059% per annum, subject to a reset on 30 November 2027 (and every seven years thereafter) to a rate equal to the prevailing seven-year Singapore Dollar SOR plus a margin of 5.369%.

Distributions are payable semi-annually on 30 May and 30 November of each year, unless cancelled by the Company at its sole discretion or unless the Company has no obligation to pay the distributions. The capital securities constitute direct, unsecured and subordinated obligations of the Company and rank *pari passu* without preference among themselves.

22 Share-based payment arrangements

Employees of certain Group entities are entitled to share-based payments under the schemes described below. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date which they are granted. The cost of equity-settled transaction is recognised, together with a corresponding increase in share-based compensation reserve within equity, over the period in which the performance conditions (if any) are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“vesting date”).

Share-based compensation plans (equity-settled)

(a) Management Equity Incentive Plan (“MEIP”)

The MEIP is a targeted long-term incentive plan for critical executive level management launched during the year.

Eligible participants receive two equity grants split equally between a grant of time-based options with a 5 year ratable vest; and a grant of performance based options with a 5 years vest, linked to embedded value targets and a Capital Adequacy Ratio (“CAR”) threshold.

These options expire 10 years from the date of grant and can only be exercised following a liquidity event.

(b) Long-Term Incentive Plans ("LTIP")

The LTIP awards are Aviva plc share awards.

Of each grant, 50% of shares awarded are subject to a non-market based performance condition, with the rest being subject to a market based performance condition. The non-market based performance is measured in relation to the Return on Capital Employed ("ROCE").

The market-based performance is a Total Shareholder Return ("TSR") performance condition. The TSR growth over a three-year performance period is ranked against a comparator group of 14 companies. For grants prior to 2012, 15% of shares subject to the TSR performance condition vest at median performance, 50% of these shares vest at the upper quintile and there is straight line vesting in between. For grants made subsequent to 2012, 10% of shares subject to the TSR performance condition vest at median performance, 50% of these shares vest at the upper quintile and there is straight line vesting in between.

(c) Restricted Share Units

This discretionary award is directed towards senior management group and high performing / high potential individuals amongst the level F (Head of Departments) population. The award vests after 3 years, not subject to any performance conditions, provided employees remain in the Group entities' employment (and are not under notice of termination) throughout that period up to the point of vesting.

(d) Annual Bonus Plan

Part of the bonus award for the Senior Management team will be made in deferred Aviva plc shares. These shares will vest in 3 equal tranches over 3 years and are not subject to any performance conditions. There were no new grants under these share-based remunerations plans and awards.

Except for the MEIP, all share-based remuneration plans were established before the Scheme of the Transfer. Subsequent to the Sale, these share-based remuneration plans and awards are closed to new grants. The awarded plans and awards will continue to be vested as per the original arrangement with Aviva plc.

Except for the MEIP, Aviva plc charges the Group entities for the equity they provide to the Group's employees. There is a clear linkage between the amount recharged by Aviva plc and the share based payment amount, the Group entities offsets the recharge against the share based compensation reserve in the Statement of Changes in Equity within the financial statements.

Share-based remuneration

The total share-based remuneration expenses charged to profit or loss was $1,716,830 (2022: $5,400,523).

The average fair value of each share granted at grant date was SGD 4.27 (2022: SGD 1.99) for MEIP granted by the Group.

The average fair value of each share granted at grant date was nil (2022: nil) for Aviva plc plans.

23 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 related parties took place at terms agreed between the parties:

Sales and purchases of services

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Payment of expenses on behalf by a subsidiary	–	–	–	358
Interest paid/payable for perpetual capital securities to a shareholder	15,753	15,753	15,753	15,753

Key management personnel compensation

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Employee benefits	5,803	4,707	4,637	3,596
Share-based payments	384	1,749	384	–

24 Fair value of financial instruments

Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Group				
2023				
Financial assets				
Equity securities	3,824,909	1,080	614,944	4,440,933
Debt securities	3,497,020	3,354,756	–	6,851,776
Currency forward contracts	–	148,337	–	148,337
Interest rate swaps	–	18,027	–	18,027
At 31 December 2023	7,321,929	3,522,200	614,944	11,459,073

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2023				
Financial liabilities				
Currency forward contracts	–	(20,941)	–	(20,941)
Interest rate swaps	–	(113,050)	–	(113,050)
At 31 December 2023	–	(133,991)	–	(133,991)
2022				
Financial assets				
Equity securities	3,628,742	2,277	467,028	4,098,047
Debt securities	3,824,969	2,375,499	–	6,200,468
Currency swaps	–	5,900	–	5,900
Currency forward contracts	–	231,833	–	231,833
At 31 December 2022	7,453,711	2,615,509	467,028	10,536,248
Financial liabilities				
Currency swaps	–	(152)	–	(152)
Currency forward contracts	–	(34,861)	–	(34,861)
Interest rate swaps	–	(144,489)	–	(144,489)
At 31 December 2022	–	(179,502)	–	(179,502)

During the year, there was no transfer from Level 2 to Level 3 and vice versa (2022: none).

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):

	Equities securities mandatorily at FVTPL $'000
Group	
Financial assets	
At the beginning of the year	467,028
Total loss for the year	
- Change in fair value	(48,956)
Purchases and disposals for the year	
- Purchases	226,121
- Sales	(29,249)
At the end of the year	614,944
Financial assets	
At the beginning of the year	313,705
Total loss for the year	
Change in fair value	14,948
Purchases and disposals for the year	
Purchases	138,375
At the end of the year	467,028

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The investment accounting team regularly reviews the fair values of the investments held. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the investment accounting team documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy the resulting fair value estimates should be classified.

If the inputs used to measure the fair value of an asset or a 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 level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Determination of fair value

Fair value of financial instruments that are carried at fair value

Quoted equity and debt securities (Note 13)	Fair value is determined directly by reference to their published closing prices from established pricing sources at the reporting date.
Unquoted equity and debt securities (Note 13)	Fair value is determined directly by reference to latest Net Asset Value provided by fund administrator and third party broker quotes.
Derivatives (Note 15)	Derivative financial instruments are valued at market prices provided by counterparties, determined by reference to market values for similar instruments.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Loans and receivables (Note 16), and financial liabilities carried at amortised cost (Note 17)	The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values due to their short-term nature. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

25 Risk management policies

Financial risk management objectives and policies

Investment objective

The Group's investment objective is to optimise investment returns whilst ensuring that sufficient assets are held to meet future liabilities and regulatory requirements. The aim is to match the investments held to support a line of business to the nature of the underlying liabilities, whilst at the same time considering local regulatory requirements, the level of risk inherent within different investments, and the desire to generate superior investment returns, where compatible with this stated strategy and risk appetite.

Assets must be managed in a sound and prudent manner taking into account the profile of the liabilities of each fund and the impact on its solvency position. Investments are made in compliance with the prevailing regulatory requirements with due consideration given to the exposures arising from the various financial risks.

An important part of the Group's business activities involves investing policyholders' and shareholder's funds in permitted financial instruments, including equities and permitted debt instruments.

Equity exposures are managed within the approved Strategic Asset Allocation that are set with reference to the overall appetite for market risk. The credit quality of the underlying debt securities within investment vehicles is managed by the safeguards built into the investment mandates for these funds which determine the funds' risk profiles.

The Group uses derivative financial instruments to mitigate the impact of adverse market movement and facilitate efficient portfolio management. The Group does not hold derivative financial instruments for speculative purposes.

Derivative financial instruments are classified as FVTPL and accounted for at fair value through profit or loss.

Policies and process

The Group's investment activities are managed in accordance to the Group entities' Board of Directors (the "Board") approved Investment Policy, which provides guidelines for decision-making regarding the investment of funds in a manner to ensure safety of investments, while managing liquidity to meet the business requirements and policyholder obligations and providing adequate investment return using authorised instruments.

The Board delegates the authority to make all investment decisions to the Asset and Liability Committee/Investment Committee ("ALCO/IC"). The ALCO/IC meet on a regular basis, at least quarterly, and report to the Board all material investment decisions.

The role of the ALCO/IC is to review and approve the asset allocation of non-linked funds, ensure that the investment policy is consistent with the asset-liability management strategies, ensure investment limits are complied with, decide on whether any investments are inappropriate and ensure that adequate resources are dedicated to the investment functions.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

As the impact of the above-mentioned financial risks on the unit-linked fund (unitised portion) is borne by the policyholders and that the impact on the assets of the participating fund will be offset by a corresponding change in the policy liabilities, the net impact to the Group is assessed to be insignificant. Therefore, the analysis in the following sections will not include these funds.

25.1 Interest rate risk

The Group's core insurance and investment activities are inherently exposed to interest rate risk, which arises principally from differences in maturities or re-pricing of invested assets and long-term policyholders' liabilities. In dealing with this risk, the Group adopts an approach of focusing on an appropriate asset-liability management strategy to achieve a desired overall interest rate profile, which may change over time, based on the profile of the policyholders' liabilities, taking into consideration the longer-term view of interest rates and economic conditions.

Sensitivities

							100 basis points higher		100 basis points lower	
	Fixed rate $'000	Floating rate $'000	Non-interest sensitive $'000	Par $'000	Unit-linked $'000	Total $'000	Impact on CSM $'000	Impact on shareholder's equity* $'000	Impact on CSM $'000	Impact on shareholder's equity* $'000
Group										
2023										
Assets										
Investments at fair value through profit or loss	1,443,405	111,884	81,401	9,222,735	433,284	11,292,709	–	(585,742)	–	663,759
Derivative financial assets	–	–	11,757	154,607	–	166,364	–	–	–	–
Reinsurance contract assets (net of liabilities)	–	450,256	–	–	–	450,256	(1,879)	(41,442)	(211)	56,311
Other receivables	7,276	1,539	39,623	43,506	1,332	93,276	–	–	–	–
Cash and cash equivalents	5,141	–	505,213	72,881	10,872	594,107	–	–	–	–
	1,455,822	563,679	637,994	9,493,729	445,488	12,596,712	(1,879)	(627,184)	(211)	720,070
Liabilities										
Insurance contract liabilities (net of assets)	–	1,683,134	–	9,392,598	292,710	11,368,442	159,871	674,540	6,657	(1,096,896)
Derivative financial liabilities	–	11,990	21	121,980	–	133,991	–	–	–	–
Other payables	6,611	–	229,946	59,477	995	297,029	–	–	–	–
Debts issued	543,910	–	–	–	–	543,910	–	–	–	–
	550,521	1,695,124	229,967	9,574,055	293,705	12,343,372	159,871	674,540	6,657	(1,096,896)

	Fixed rate $'000	Floating rate $'000	Non-interest sensitive $'000	Par $'000	Unit-linked $'000	Total $'000	100 basis points higher: Impact on CSM $'000	100 basis points higher: Impact on shareholder's equity* $'000	100 basis points lower: Impact on CSM $'000	100 basis points lower: Impact on shareholder's equity* $'000
Group										
2022 Restated										
Assets										
Investments at fair value through profit or loss	1,724,988	114,349	3,036	8,087,824	368,318	10,298,515	–	(488,327)	–	578,547
Derivative financial assets	–	–	28,575	209,155	3	237,733	–	–	–	–
Reinsurance contract assets (net of liabilities)	–	274,161	–	–	–	274,161	(622)	(37,517)	372	47,025
Other receivables	7,311	104	66,707	39,295	819	114,236	–	–	–	–
Cash and cash equivalents	19,172	–	232,022	99,727	18,883	369,804	–	–	–	–
	1,751,471	388,614	330,340	8,436,001	388,023	11,294,449	(622)	(525,844)	372	625,572
Liabilities										
Insurance contract liabilities (net of assets)	–	1,482,138	–	8,237,338	308,334	10,027,810	135,590	565,359	4,560	(949,365)
Derivative financial liabilities	–	6,917	1,478	171,107	–	179,502	–	–	–	–
Other payables	6,611	–	259,675	24,979	5,128	296,393	–	–	–	–
Debts issued	543,059	–	–	–	–	543,059	–	–	–	–
	549,670	1,489,055	261,153	8,433,424	313,462	11,046,764	135,590	565,359	4,560	(949,365)

* The impact on profit after tax would be the same as the net effect on shareholders' equity.

	Fixed rate $'000	Floating rate $'000	Non-interest sensitive $'000	Par $'000	Unit-linked $'000	Total $'000	100 basis points higher: Impact on CSM $'000	100 basis points higher: Impact on shareholder's equity* $'000	100 basis points lower: Impact on CSM $'000	100 basis points lower: Impact on shareholder's equity* $'000
Company										
2023										
Assets										
Other receivables	–	–	153,658	–	–	153,658	–	–	–	–
Cash and cash equivalents	–	–	198,359	–	–	198,359	–	–	–	–
	–	–	352,017	–	–	352,017	–	–	–	–
Liabilities										
Other payables	6,611	–	4,875	–	–	11,486	–	–	–	–
Debts issued	543,910	–	–	–	–	543,910	–	–	–	–
	550,521	–	4,875	–	–	555,396	–	–	–	–
2022 Restated										
Assets										
Other receivables	–	–	17,172	–	–	17,172	–	–	–	–
Cash and cash equivalents	–	–	3,669	–	–	3,669	–	–	–	–
	–	–	20,841	–	–	20,841	–	–	–	–
Liabilities										
Other payables	6,611	–	3,928	–	–	10,539	–	–	–	–
Debts issued	543,059	–	–	–	–	543,059	–	–	–	–
	549,670	–	3,928	–	–	553,598	–	–	–	–

* The impact on profit after tax would be the same as the net effect on shareholders' equity.

25.2 Foreign currency risk

Foreign currency exposures arising from foreign currency denominated assets such as bonds, equities and money market instruments are managed and usually hedged through the use of financial derivatives such as currency swaps and forwards.

	SGD $'000	USD $'000	GBP $'000	EUR $'000	Others $'000	Par $'000	Unit Linked $'000	Total $'000
Group								
2023								
Assets								
Investments at fair value through profit or loss	1,239,308	387,056	–	10,326	–	9,222,735	433,284	11,292,709
Insurance contract assets	430,562	–	–	–	–	12,461	–	443,023
Reinsurance contract assets	799,592	553,152	–	–	–	–	–	1,352,744
Other receivables	41,061	3,168	–	142	4,067	43,506	1,332	93,276
Cash and cash equivalents	487,975	21,835	210	58	276	72,881	10,872	594,107
	2,998,498	965,211	210	10,526	4,343	9,351,583	445,488	13,775,859
Liabilities								
Insurance contract liabilities	1,847,465	266,234	–	–	–	9,405,056	292,710	11,811,465
Reinsurance contract liabilities	902,159	329	–	–	–	–	–	902,488
Other payables	229,368	–	–	–	7,189	59,477	995	297,029
	2,978,992	266,563	–	–	7,189	9,464,533	293,705	13,010,982

	SGD $'000	USD $'000	GBP $'000	EUR $'000	Others $'000	Par $'000	Unit Linked $'000	Total $'000
Group								
2022 Restated								
Assets								
Investments at fair value through profit or loss	1,536,635	305,738	–	–	–	8,087,824	368,318	10,298,515
Insurance contract assets	351,763	–	–	–	–	11,673	–	363,436
Reinsurance contract assets	657,981	583,237	–	–	–	–	–	1,241,218
Other receivables	72,239	1,718	–	–	165	39,295	819	114,236
Cash and cash equivalents	200,766	33,194	1,237	283	15,714	99,727	18,883	369,804
	2,819,384	923,887	1,237	283	15,879	8,238,519	388,020	12,387,209
Liabilities								
Insurance contract liabilities	1,556,498	277,402	–	–	–	8,249,012	308,334	10,391,246
Reinsurance contract liabilities	966,698	359	–	–	–	–	–	967,057
Other payables	262,730	–	–	–	3,556	24,979	5,128	296,393
	2,785,926	277,761	–	–	3,556	8,273,991	313,462	11,654,696

	If foreign currency strengthens by 10% against SGD						**If foreign currency weakens by 10% against SGD**					
	USD		**GBP**		**EUR**		**USD**		**GBP**		**EUR**	
	CSM $'000	**Net effect on shareholder's equity* $'000**	**CSM $'000**	**Net effect on shareholder's equity* $'000**	**CSM $'000**	**Net effect on shareholder's equity* $'000**	**CSM $'000**	**Net effect on shareholder's equity* $'000**	**CSM $'000**	**Net effect on shareholder's equity* $'000**	**CSM $'000**	**Net effect on shareholder's equity* $'000**
Group												
2023												
Financial assets												
Investments at fair value through profit or loss	–	32,126	–	–	–	857	–	(32,126)	–	–	–	(857)
Insurance contract assets	–	–	–	–	–	–	–	–	–	–	–	–
Reinsurance contract assets	4,147	45,912	–	–	–	–	(4,147)	(45,912)	–	–	–	–
Other receivables	–	263	–	–	–	12	–	(263)	–	–	–	(12)
Cash and cash equivalents	–	1,692	–	17	–	5	–	(1,692)	–	(17)	–	(5)
	4,147	79,993	–	17	–	874	(4,147)	(79,993)	–	(17)	–	(874)
Financial liabilities												
Insurance contract liabilities	1,533	(22,783)	–	34	3	59	(1,533)	21,910	–	(34)	(3)	(59)
Reinsurance contract liabilities	96	(27)	–	–	–	–	(96)	27	–	–	–	–
Other payables	–	–	–	–	–	–	–	–	–	–	–	–
	1,629	(22,810)	–	(34)	3	59	(1,629)	21,937	–	(34)	(3)	(59)

	If foreign currency strengthens by 10% against SGD						If foreign currency weakens by 10% against SGD					
	USD		GBP		EUR		USD		GBP		EUR	
	CSM $'000	Net effect on shareholder's equity* $'000	CSM $'000	Net effect on shareholder's equity* $'000	CSM $'000	Net effect on shareholder's equity* $'000	CSM $'000	Net effect on shareholder's equity* $'000	CSM $'000	Net effect on shareholder's equity* $'000	CSM $'000	Net effect on shareholder's equity* $'000
Group												
2022 Restated												
Financial assets												
Investments at fair value through profit or loss	–	25,376	–	–	–	857	–	(25,376)	–	–	–	(857)
Insurance contract assets	–	–	–	–	–	–	–	–	–	–	–	–
Reinsurance contract assets	4,180	48,409	–	–	–	–	(4,180)	(48,409)	–	–	–	–
Other receivables	–	143	–	–	–	–	–	(143)	–	–	–	–
Cash and cash equivalents	–	2,776	–	103	–	24	–	(2,776)	–	(103)	–	(24)
	4,180	76,704	–	103	–	881	(4,180)	(76,704)	–	(103)	–	(881)
Financial liabilities												
Insurance contract liabilities	1,750	(22,836)	3	50	1	63	(1,750)	22,836	(3)	(50)	(1)	(63)
Reinsurance contract liabilities	165	(30)	–	–	–	–	165	(30)	–	–	–	–
Other payables	–	–	–	–	–	–	–	–	–	–	–	–
	1,915	(22,866)	3	50	1	63	(1,915)	22,866	(3)	(50)	(1)	(63)

* The impact on profit after tax would be the same as the net effect on shareholders' equity.

The Company had no significant exposure to foreign currency risk.

25.3 Equity Price risk

Investments in equities are subject to considerations of risk adjusted returns, taking into account the risk requirements as prescribed by MAS Notice 133. Equity price risk arising from the underlying items of participating and unit-linked contracts is generally borne by the contract holders except to the extent of the Group's share of the performance of the underlying items.

					10% increase in the underlying equity price		10% decrease in the underlying equity price	
	Par $'000	Unit linked $'000	Others $'000	Total $'000	Impact on CSM $'000	Impact on shareholder's equity* $'000	Impact on CSM $'000	Impact on shareholder's equity* $'000
Group								
2023								
Assets								
Investments at fair value through profit or loss	3,938,512	421,020	81,401	4,440,933	–	205,299	–	(205,299)
Reinsurance contract assets (net of liabilities)	–	–	450,256	450,256	296	(245)	(476)	395
	3,938,512	421,020	531,657	4,891,189	296	205,054	(476)	(204,904)
Liabilities								
Insurance contract liabilities (net of assets)	9,392,598	292,710	1,683,134	11,368,442	1,123	(183,711)	–	165,623

					10% increase in the underlying equity price		10% decrease in the underlying equity price	
	Par $'000	Unit linked $'000	Others $'000	Total $'000	Impact on CSM $'000	Impact on shareholder's equity* $'000	Impact on CSM $'000	Impact on shareholder's equity* $'000
Group								
2022 Restated								
Assets								
Investments at fair value through profit or loss	3,732,286	362,723	3,038	4,098,047	–	210,905	–	(210,905)
Reinsurance contract assets (net of liabilities)	–	–	274,161	274,161	44	(36)	(80)	66
	3,732,286	362,723	277,199	4,372,208	44	210,869	(80)	(210,839)
Liabilities								
Insurance contract liabilities (net of assets)	8,237,338	308,334	1,482,138	10,027,810	9,837	(179,240)	–	165,067

* The impact on profit after tax would be the same as the net effect on shareholders' equity.

25.4 Credit risk

Credit risk is the risk of loss as a result of the default of an issuer of debt securities or a counterparty failing to perform its contractual obligations. Exposure to credit risk arises primarily from investing activities and, to a lesser extent, derivative activities. Counterparty limits are imposed and monitored at fund level. At the reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position

	Investment grade (BBB and above) $'000	Non-investment grade (below BBB) $'000	Not rated $'000	Unit-linked $'000	Total $'000
Group					
2023					
Investment at fair value through profit or loss	6,545,729	–	293,783	12,264	6,851,776
Derivatives financial assets	166,364	–	–	–	166,364
Other receivables	44,238	–	47,706	1,332	93,276
Cash and cash equivalents	583,235	–	–	10,872	594,107
Reinsurance contract assets	1,091,213	261,531	–	–	1,352,744
Total credit risk exposure	8,430,779	261,531	341,489	24,468	9,058,267
2022 Restated					
Investment at fair value through profit or loss	6,001,424	–	193,449	5,595	6,200,468
Derivatives financial assets	237,730	–	–	3	237,733
Other receivables	40,375	–	73,042	819	114,236
Cash and cash equivalents	350,921	–	–	18,883	369,804
Reinsurance contract assets	1,241,218	–	–	–	1,241,218
Total credit risk exposure	7,871,668	–	266,491	25,300	8,163,459

The maximum exposure to derivative financial assets is mitigated by cash and security collaterals received from counterparties as disclosed in Note 14 and 15. The amount of collaterals is determined from net exposure of derivative assets and derivative liabilities.

	Investment grade (BBB and above) $'000	Non-investment grade (below BBB) $'000	Not rated $'000	Unit-linked $'000	Total $'000
Company					
2023					
Other receivables	–	–	153,658	–	153,658
Cash and cash equivalents	198,359	–	–	–	198,359
Total credit risk exposure	198,359	–	153,658	–	352,017
2022					
Other receivables	–	–	–	17,172	17,172
Cash and cash equivalents	3,669	–	–	–	3,669
Total credit risk exposure	3,669	–	–	17,172	20,841

25.5 Liquidity risk

Liquidity risk is the risk where a Group is unable to meet its obligations at reasonable cost or at any time. The Group manages this risk by monitoring daily and monthly projected and actual cash inflows and outflows and by ensuring that a reasonable amount of financial assets are kept in liquid instruments at all times.

25.5.1 The table below analyses the undiscounted contractual cash flows in relation to the financial liabilities of the Group into their relevant maturity based on the remaining period at the reporting date to their contractual maturity or expected repayment dates.

	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	3 to 4 years $'000	4 to 5 years $'000	More than 5 years $'000	Total $'000
Group							
2023							
Derivative financial liabilities	20,930	11	–	–	–	113,050	133,991
Lease liabilities	12,152	10,963	2,997	359	252	–	26,723
Other payables	297,029	–	–	–	–	–	297,029
Debt issued	–	–	–	–	–	543,910	543,910
	330,111	10,974	2,997	359	252	656,960	1,001,653
2022 Restated							
Derivative financial liabilities	34,744	117	–	–	–	144,641	179,502
Lease liabilities	12,046	10,948	10,373	2,596	–	–	35,963
Other payables	296,116	96	–	–	–	181	296,393
Debt issued	–	–	–	–	–	543,059	543,059
	342,906	11,161	10,373	2,596	–	687,881	1,054,917

25.5.2 The following table shows the maturity profile of insurance contracts issued and reinsurance contracts held that are liabilities based on the estimates of the present value of the future cash flows expected to be paid out in the periods. The amounts in the table below include the expected amounts payable on demand at a timing of when they are expected to occur over the outstanding duration of the existing business. As at 31 December 2023, the amount payable on demand is $7,829,037,000 (2022: $6,994,917,000).

	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	3 to 4 years $'000	4 to 5 years $'000	More than 5 years $'000	Total $'000
Group							
2023							
Insurance contract liabilities	343,820	562,743	(159,521)	(11,571)	30,158	10,479,690	11,245,319
Reinsurance contract liabilities	163,809	146,650	140,783	133,574	124,957	402,228	1,112,001
	507,629	709,393	(18,738)	122,003	155,115	10,881,918	12,357,320
2022 Restated							
Insurance contract liabilities	259,064	72,442	428,645	(132,692)	17,713	9,588,458	10,233,630
Reinsurance contract liabilities	131,418	158,513	141,681	133,111	123,118	489,534	1,177,375
	390,482	230,955	570,326	419	140,831	10,077,992	11,411,005

	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	3 to 4 years $'000	4 to 5 years $'000	More than 5 years $'000	Unit-linked $'000	Total $'000
Company								
2023								
Other payables	11,486	–	–	–	–	–	–	11,486
Debt issued	–	–	–	–	–	543,910	–	543,910
	11,486	–	–	–	–	543,910	–	555,396
2022								
Other payables	10,539	–	–	–	–	–	–	10,539
Debt issued	–	–	–	–	–	543,059	–	543,059
	10,539	–	–	–	–	543,059	–	553,598

25.6 Insurance risk

The insurance risks that the Group faces are a result of the uncertainty surrounding the amounts and timing of future policyholder claims.

To the extent that the sums assured by the Group exceed the reserves set aside to meet future claims, there is a risk that claim payments will exceed the reserves held, potentially having a negative impact on the Group's financial statements.

To manage this risk, the Group includes margins of prudence in determining the amounts set aside to meet future claims to ensure that this will be sufficient to meet the Group's liabilities to its policyholders under a range of circumstances in accordance with MAS regulations. In addition, the Group continues to hold capital in excess of the minimum regulatory requirements.

The Group also manages its insurance risks through the use of underwriting and reinsurance. Underwriting is used to ensure that the premiums charged by the Group are commensurate with the insurance risk it is taking on, while reinsurance can be used to manage the amount and volatility of claims.

The Group has an established underwriting process and proper internal controls to assess the quality of incoming businesses. All sums assured above the treaty limits will be referred to the respective reinsurers for their opinion and final decision. In addition, each underwriter is assigned with an underwriting authority (both in terms of sums assured and additional mortality risk) according to his or her experience and job level.

The Group’s insurance risks, based on geographical locations of life insurance premiums, are significantly limited to Singapore.

The Group has an active reinsurance strategy and work with reinsurers with excellent credit rating in managing its insurance risks. In the event of a failure of recovery of claims ceded to a reinsurer, the Group will still be liable for claims made by the Group’s policyholders.

The Group is exposed to concentrations of risk with individual reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Group operates a policy to manage its reinsurance counterparty exposures by limiting the reinsurers that may be used. Reinsurance exposures are aggregated with other exposures to ensure that the overall risk is within appetite. For the year ended 31 December 2023, 80% of the net reinsurance balances are with reinsurers with credit ratings above A- (2022: 99%).

26 Capital Management

The primary objective of the Group's capital management is to safeguard the Group’s ability to continue as a going concern and to ensure efficient management of capital that will optimise returns to shareholders in the context of the Group's risk appetite. The Group's risk appetite includes consideration of the interests of the Group's policyholders as well as management of the regulatory requirements of the Group.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the expected new business strain. The Group manages its capital position to maintain a balance between investment return, business growth and security for solvency. The Group actively involves the shareholders in this process.

In managing the Group's capital resources, a range of key capital metrics are managed and monitored regularly in accordance with the Group's risk appetite and statutory requirements. These include the Capital Adequacy Ratio (“CAR”) of the Group and the Fund Solvency Ratios (“FSR”) of the respective insurance subsidiaries and insurance funds operated by the Group. Regular reporting and assessment of the liquidity and solvency positions are carried out and tracked, as part of the Monthly Information (“MI”) report. To ensure continued solvency, the Group monitors the solvency position at least monthly and ensures the level of surplus is kept at an adequate level.

Solvency position is also monitored as part of the Group’s internal forecasting process and annual stress test required by the regulator. The level of surplus is kept at an adequate level to support the expected new business growth and to withstand a range of possible adverse market scenarios.

Capital resources the Group manages include the Group's net assets, excluding intangibles, deferred tax assets and any financial resource adjustments as prescribed by the MAS. In the case of the Participating Fund operated by the Group, capital resources include an allowance for future non-guaranteed benefits it expects to pay to its participating policyholders.

There were no changes in the Group’s approach to capital management during the year. The Group is in compliance with all externally imposed capital requirements during the year.

27 Interests in unconsolidated structured entities

Unconsolidated structured entities refer to structured entities that are not controlled by the Group. The Group has determined that all of its investments in other funds (“Investee Funds”) are investments in unconsolidated structured entities.

The Group’s transactions in these structured entities are for investment opportunities as well as to facilitate client transactions, whose objectives range from achieving medium to long term capital growth. The Investee Funds are managed by related asset managers and apply various investment strategies to accomplish their respective investment objectives.

The Group holds redeemable shares/units in each of its Investee Funds. There is a dedicated team in the Group to perform due diligence of the underlying fund, its strategy and the overall quality of the underlying fund’s manager before making investment decisions and introducing to policyholders, in the case of the investment-linked fund. All of the Investee Funds in the investment portfolio are managed by portfolio managers who are compensated by the respective Investee Funds for their services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the Group’s investment in each of the Investee Funds.

The Group's maximum exposure to loss from its interests in Investee funds is equal to the total fair value of its investments in investee funds, less policy liabilities, in the case of the investment-linked fund.

The Group does not provide financial or other support to any Investee Funds.

The following table summarises the carrying value of the assets recognised in the Group's consolidated financial statements relating to the interest in unconsolidated structured entities in the various insurance funds:

	2023 $'000	2022 Restated $'000
Group		
Investments at fair value through profit or loss		
Participating fund	3,419,174	2,794,871
Non-participating fund	80,521	–
Unit-linked	418,181	359,641
	3,917,876	3,154,512

28 Contingent liabilities

The Group had obligations to banks for bankers' guarantees issued by the banks to the following:

	2023 $'000	2022 $'000
Third parties as collateral for lease of office premises	807	807
Ministry of Defence and Ministry of Home Affairs for the MINDEF and MHA Group Insurance Scheme	4,368	580
Third party for commercial insurance scheme	4,236	2,922
	9,411	4,309

29 Capital commitment

During the year, the Group had entered into separate subscription cum commitment agreements with various fund managers.

As at 31 December 2023, there were unfunded commitment of $530,849,000 (2022: $602,058,000). These unfunded commitments are expected to be settled as and when capital calls are issued by the fund managers.

30 Subsequent event

On 18th March 2024, Sumitomo Life Insurance has completed acquiring 100% of Singapore Life Holdings Pte Ltd and had become the immediate and ultimate holding company of Singapore Life Holdings Pte Ltd .

Sumitomo Life Insurance has entered into an Option Settlement Agreement with the holders of the Management Equity Incentive Plan (“MEIP”) such that all of the unvested options have been accelerated and only a portion of all vested options has been exercised based on the agreed computation formula.