Income
made yours

Putting People First

Annual Report

For the financial period from
1 July 2022 to 31 December 2023

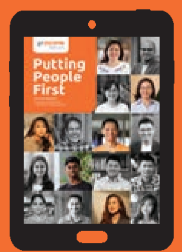
About Us

Income Insurance Limited (Income Insurance) is a leading composite insurer in Singapore, offering life, health, and general insurance. Established in Singapore to plug a social need for insurance in 1970, Income Insurance continues to put people first by serving the protection, savings and investment needs of individuals, families, and businesses today.

Its lifestyle-centric and data-driven approach to insurance and financial protection puts the company at the forefront of innovative solutions that extend financial well-being and resilience to the people it serves.

Income Insurance is also committed to fostering community resilience by investing sustainably in communities through its community development platform, Income OrangeAid.

In This Report



For more information, please visit
www.income.com.sg

People First

At Income Insurance, we are committed to putting people first and extending real care to those we serve.

This was true in 1970 when we were established to plug a social need and extend essential insurance to people in Singapore. Five decades on, this ethos that ensures "people come first" is embedded in our culture.

Today, we are a trusted ally for Singaporeans from all walks of life. In 2023, Nielsen and YouGov named Income Insurance the most trusted insurer in Singapore.

What this means is that people in Singapore believe in us to support their diverse financial and protection needs as they embark on different life stages.

To continue doing this well, we kept in step with the changing needs and stresses of modern lifestyles. This means that we not only acknowledge that Singaporeans face protection gaps in critical illness, mental health, and long-term care as we live longer lives, but also mindfully ensure that we offer inclusive and diverse insurance products and services that cater to varied circumstances.

Our whole life insurance product, Star Secure Pro, provides coverage for various mental conditions. For protection against cancer, Complete Cancer Care offers comprehensive support, from diagnosis to recovery. It is first in the market to offer a guaranteed post-cancer cover option and boasts the highest entry age at 74 years old with extended coverage until 84.

We also support fitness enthusiasts' active lifestyle with all-round protection via Personal Accident Fitness Protect, which extends not just injury coverage, but also coverage for liability and sports equipment.

Our term life insurance, Family Protect, offers parents, especially those in the sandwich generation, peace of mind when adverse circumstances hit. With our senior-focused underwriting approach, we make insurance and financial protection more accessible to seniors in our greying society. We continue to extend more Singaporeans long-term protection against moderate and severe disabilities via Care Secure as the risk of disability increases with age.

To enhance financial inclusivity, we offer SpecialCare Autism and Down Syndrome to people with special needs, as well as Care4MigrantWorkers to foreign workers in Singapore. With SNACK, we embed insurance into the lifestyles of the young, digital natives and gig economy workers.

As we navigate the complexities of our interconnected and digital world, we are also scaling our distribution footprint and building a digital-first proposition. We place the power of purchase, servicing, claims, payments, and rewards in the hands of Singaporeans, sharpening our omnichannel touchpoints to cater to diverse preferences.

As a corporate citizen, we intentionally invest in communities and develop our people so that they can be future-ready and thrive in our ever-changing world. We believe the onus is on us to support our society and employees to be more agile and adaptive to future challenges, so that together we become more resilient in the years ahead.

On this front, we pledged to invest S$100 million in communities by 2030 and are sharpening our capabilities as an 'Employer of Choice'. In 2023, Income Insurance was named among 'Singapore's Best Employers' by The Straits Times and was recognised as one of the 'Best Companies to Work for in Asia' by the HR Asia Awards.

It is important that we safeguard the trust that people have placed in us for generations to come. We will continue holding ourselves to high standards of professionalism and integrity, as we demonstrate real care while staying committed to putting people at the heart of what we do.

It is only then that we can ensure no one is left behind as we strengthen the financial resilience of people in Singapore.

REAL CARE MEANS:

Standing by you when it matters most.

"Imagine holding your firstborn, only to be told that she required high-risk emergency surgery. That's when my client needed me – not only as their insurance advisor, but also as their pillar of strength and support. Today, the child is 15 and healthy."

Real care, made yours.

Linda Oh
Income Insurance Advisor

REAL CARE MEANS:

Being there even when you're not.

"I came across an obituary one day, and realised it was my customer's. I knew I had to do my part to help. That's when I contacted her family to help them get her life insurance payout. Showing care for them, and for her, in my own way."

Real care, made yours.

Stefanie Ting
Income Insurance Advisor

REAL CARE MEANS:

Stepping forward with a kind act of service in our time of need.

"My mother was diagnosed with a rare critical illness and subsequently, lung cancer. For over a year, my family incurred large medical bills. We were worried as we were close to exhausting our sum assured. As my family's insurance advisor had retired, I sought help from Kenneth, an Income Insurance advisor. He stepped in without hesitation and took over the claims paperwork and was meticulous in his service. His proficiency in handling my family's circumstances helped alleviate our concerns over finances. Kenneth stood by us because he truly wanted to – he had little to gain from our situation. He became our strong beacon of support as we coped with the emotional strain of caring for our mother, who eventually succumbed to cancer."

Real care, made yours.

Goh Chen Yin
A policyholder of Income Insurance since 2017

REAL CARE MEANS:

Supporting my needs when I'm in distress.

"I vividly remember my first car accident. I was questioned by the Traffic Police and had to deal with prying passers-by. I phoned the Income Orange Force roadside accident assistance for help, and in just 15 minutes, Orange Force rider, Steve Loo, arrived at the scene. Amidst the chaos, his first duty was to bring me to safety as I was sitting on my car boot, feeling lost. He reassuringly ushered me to the side of the road, offered me water to calm my nerves, and took care of everything. His expertise and service quality left a lasting impression on me. He even went out of his way to check in and offer kind advice via text messages after we left the scene. I am grateful for Steve's kindness and support."

Real care, made yours.

Jerilee Leong
A named driver who is covered by Income Insurance since 2012

REAL CARE MEANS:

Being empowered to gain financial security through education for my family and I.

"My family of four had been relying on my mother as the sole breadwinner. To support my family, I worked as a part-time food delivery rider for the past five years. I had dropped out of school earlier, but I'm now pursuing Aerospace Engineering at an ITE. The Income OrangeAid Future Development Programme (FDP) has not only awarded me with a bursary, but helped me gained financial literacy. Its support for inclusive education enabled me to focus on doing well in my studies. Now, I aspire to pursue higher education. I also believe that through education, I can achieve the financial security that my family and I need. I'm very thankful that the FDP is empowering me to build a different future for myself and my family."

Real care, made yours.

Yueven Raj
Income OrangeAid FDP awardee

REAL CARE MEANS:

Taking action to drive sustainable living in Singapore.

"I always found the Income Eco Run (IER) meaningful especially in rallying Singaporeans behind sustainable practices that lower carbon emissions and in supporting the zero-waste movement. Now that participants can choose to run their preferred distance between three to 21 km, the IER has become even more inclusive. I'm happy to do my part for the green cause – wearing my past IER T-shirt for the run, using my reusable hydration cup and foregoing the commemorative medal. With the IER donating a dollar to the Singapore Environment Council for every kilometre clocked, it is even more inspiring now for Singaporeans to lead an active, healthy, and sustainable lifestyle together."

Real care, made yours.

Brian Koo
A participant of Income Eco Run since 2017

Letter To Shareholders

For the reporting period from 1 July 2022 to 31 December 2023

"This Annual Report is the first by Income Insurance Limited as a public non-listed company limited by shares following the corporatisation exercise, which saw the successful transfer of NTUC Income Insurance Co-operative Limited's insurance business to Income Insurance Limited."

Andrew Yeo
Chief Executive Officer

Ronald Ong
Chairman

Dear Shareholders,

On behalf of the Management and the Board of Directors, we are pleased to present the Annual Report of Income Insurance Limited ("Income Insurance") to you for the 18-month reporting period ended 31 December 2023.

This Annual Report is the first by Income Insurance as a public non-listed company limited by shares following the corporatisation exercise, which saw the successful transfer of NTUC Income Insurance Co-operative Limited's insurance business to Income Insurance.

Due to the corporatisation exercise and to align Income Insurance's financial period with the calendar year, this Annual Report covers a one-off 18-month long reporting period.

FINANCIAL PERFORMANCE

The latter half of 2022 and 2023 was a challenging period. We faced unprecedented interest rate hikes during the second half of 2022 and ongoing inflationary pressures and geopolitical tensions that exacerbated macro-economic uncertainties, which extended throughout 2023. Like the rest of the world, Singapore's focus in the past year was on staying agile and adaptive as we transitioned to living with COVID-19 as endemic.

Against this backdrop, we continued sharpening our customer-centricity to deliver new and bold insurance propositions. We stayed focused on reimagining how customers engage with insurance and brought innovative access to insurance regionally via strategic partnerships to chart new growth opportunities for the company. We also held our position as Singapore's most trusted brand across categories and strengthened it in 2023. For your easy reference, please find in the table on the right a summary of the company's 18-month results for the financial period ended 31 December 2023.

Gross Premiums

Overall, the company's gross premiums over the period were $4.9 billion reflecting a strong in-force book and the benefits of a composite business portfolio. Life and Health Insurance generated $4.2 billion in gross premiums, which accounted for 87% of the total portfolio. We also further strengthened our position as one of the leading general insurance providers in Singapore.

Total Assets

Our total assets of $43.0 billion continues to position us as a leading homegrown insurance company in Singapore.

Net Asset Value[1] ("NAV")

The derived NAV per share was $29.55 as of 31 Dec 2023.

Profit After Tax ("PAT")

The consolidated group PAT over the period was $60.4m and was driven by the performance of the insurance business, which benefitted from the strong underwriting profitability of our general insurance business. The result over the period, however, was impacted by unrealised investment losses that arose over the course of the second half of 2022 due to the aforementioned interest rate movements.

Dividends

Income Insurance aims to maintain a sustainable dividend policy that optimises long-term shareholder value. In determining the dividend pay-out, the Board considers the Company's financial performance, business outlook including future growth and investment plans, capital requirements, as well as other regulatory factors and general market conditions. The Board of Directors is pleased to recommend, subject to shareholders' approval at the upcoming Annual General Meeting, an ordinary dividend payment of $0.334 per share for the period ended 31 December 2023. Additionally, to commemorate our successful corporatisation, the Board of Directors recommends a special dividend of $0.313 per share for the period ended 31 December 2023.

Consolidated Group Result ($'m)	Unaudited 2022 Jul-Dec[2]	Unaudited 2023 Jan-Dec	Audited 2022 Jul – 2023 Dec
Gross Premiums	1,144.9	3,712.9	**4,857.8**
Profit After Tax	(89.0)	149.4	**60.4**

	End of 2023
Total Assets ($'b)	**43.0**
Net Asset Value per share ($)[1]	**29.55**
Proposed Ordinary Dividend (at $0.334 per share) ($'m)[3]	**35.8**
Proposed Special Dividend (at $0.313 per share) ($'m)[3]	**33.6**

1 Net Asset Value per share is calculated using the audited Shareholders' Equity before the impact of proposed dividend and excludes non-controlling interest of $3,167,869,000, based on 107,191,745 shares issued as at 31 December 2023.

2 The segmented financial results are unaudited. The results of the six-month period ended 31 December 2022 represent the first four months of operations following the transfer of the insurance business from NTUC Income Insurance Co-operative Ltd on 1 September 2022 to Income Insurance Limited.

3 Subject to shareholders' approval at the AGM.

Letter To Shareholders

> We continue to build on and strengthen the culture of customer-centricity at Income Insurance as it is the bedrock of business success and builds on our ethos of putting 'People First'.
>
> From the get-go, our purpose is to make insurance inclusive and accessible. In this regard, we have always done more for our customers simply because we believe that it's the right thing to stand by them.

Financial Strength

The confidence in Income Insurance remains high post-corporatisation. S&P Global Ratings continues to rate Income Insurance 'AA-' with a stable outlook, a credit rating that we have held since 2009. It marks the continued confidence in our financial strength, solid business position in Singapore and our growth opportunities regionally.

Our Capital Adequacy Ratio remains well above the minimum regulatory levels and underscores our strong competitive position and diversified business mix.

We continue to nurture a strong culture and conduct at Income Insurance where we uphold high standards of corporate governance, transparency, and disclosure as we strive for excellence as a high-performing organisation.

SHARPENING OUR COMPETITIVENESS

We aim to be nimble and ready for growth opportunities. Thus, we are investing and shaping up the company in different ways.

Firstly, we are investing to scale up our distribution channel.

We are also addressing process obsolescence and piloting automation to optimise productivity and efficiency, while driving sustainable business growth.

Our technology modernisation initiative has been steadily building our technology resilience across the enterprise. These investments include enterprise-level cloud adoption and big data architecture enhancement to strengthen business analytics and insights to serve our customers better.

Our investments in data and insuretech capabilities are resonating with customers locally and abroad. It is fuelling our expansion overseas via Hive by Income, as we bring our Insurance-as-a-Service digital innovations to markets alongside our regional partners. In tandem with underpinning our growth aspirations, we continue to boost capabilities in managing cyber-security risks to safeguard the interests of all our stakeholders.

ENHANCING CUSTOMER CENTRICITY & BUILDING TRUST

As of 31 Dec 2023, Income Insurance covered close to 1.7 million customers in its ambition to serve 1 in 2 Singapore Residents by 2025.

We continue to build on and strengthen the culture of customer-centricity at Income Insurance as it is the bedrock of business success and builds on our ethos of putting 'People First'.

From the get-go, our purpose is to make insurance inclusive and accessible. In this regard, we have always done more for our customers simply because we believe that it's the right thing to stand by them.

Acknowledging the substantial critical illness protection gap in Singapore, we launched Complete Cancer Care to offer Singaporeans comprehensive support from cancer diagnosis to recovery. More significantly, it offers customers peace of mind as it is the first in the market to offer a guaranteed post-cancer term insurance option that does not require a health assessment, while extending protection even to those up to 84 years old.

We also boast a product suite that caters to underserved financial protection needs. For example, SpecialCare Autism and Down syndrome, Care4MigrantWorkers, and SNACK, where we innovatively embed insurance into the lifestyles of the young, digital natives and gig economy workers. Additionally, our Income Orange Force roadside accident assistance continues to show real care to our customers.

To support seniors' access to insurance, we leverage a senior-focused underwriting approach. In 2023, we achieved a 91% offer rate amongst seniors aged 50 and above who applied for our life insurance products. As the risk of disability increases with age, we also extended long-term coverage against moderate and severe disabilities via Care Secure to more Singaporeans in 2023 compared to the previous year.

With the increased prevalence of poor mental health in Singapore, we launched SNACK Self Care Pack in 2023 to provide holistic coverage for psychiatric consultation and psychotherapy and to empower Singaporeans financially to seek professional support for their mental well-being. Our life insurance, Star Secure Pro, also boasts a rider that provides coverage for mental conditions such as depression, obsessive-compulsive disorder, schizophrenia, bipolar disorder and Tourette syndrome.

To sharpen our multi-channel proposition, we dedicated an agile team to focus on building a digital-first proposition that places the power of purchase, servicing, claims, payments, and rewards in the hands of customers.

In 2023, we were named the most trusted insurer in Singapore by Nielsen and YouGov.

FUTURE-READY WORKFORCE

Our people remain our greatest asset. Through hybrid working, we embedded agile ways of working and bottom-up innovations in our corporate culture.

In 2023, we kickstarted a new programme to promote agile ways of working through cross-functional collaborations, challenging the status quo, and upskilling our people to resolve existing business challenges. The programme brought about seven product concepts that are ready for launch.

As work becomes more data-driven and digitally enabled, we want everyone at Income Insurance to succeed and thrive in such an environment. We enrolled all employees in data-related training and clocked close to 60,000 training hours collectively in 2023. The curriculum was tailored to employees' specific work requirements and included modules such as data analytics, artificial intelligence and data-driven decision making. In 2023, Income Insurance was named among 'Singapore's Best Employers' by The Straits Times and was recognised as one of the 'Best Companies to Work for in Asia' by the HR Asia Awards.

EMBRACING A SUSTAINABLE BUSINESS & BUILDING RESILIENCE

We recognise that our role as an insurer, investor and asset owner, employer as well as corporate citizen extends beyond financial protection to our customers. In 2023, we collaborated with the Singapore Management University's Centre for Research on Successful Ageing (ROSA) on the Singapore Resilience Study (SRS). Earmarked as the first resilience index in Singapore to measure Singaporeans' resilience over time, the study helped identify vulnerabilities and rally initiatives to improve Singaporeans' overall resilience and well-being.

We leveraged the study's insights to refresh our sustainability strategy and will work towards developing a sharper social impact framework as we gained a multi-faceted understanding of the financial, mental, physical, and social resilience levels of Singaporeans.

In 2023, we enhanced our Board oversight on sustainability in 2023 by setting up a Board-level Sustainability Committee. We maintained our existing restrictions on coal and oil sands in our public asset portfolios as a part of our ongoing decarbonisation efforts. Concurrently, we made progress in advancing our net-zero ambition by aiming to reduce 20% of greenhouse gas emissions in our public asset portfolios by 2025. Additionally, we are establishing and implementing plans to allocate green investments to finance climate transition, and sharpening our role as an asset owner to influence responsible investing behaviour amongst our external fund managers (EFMs) through our EFM Engagement and Stewardship Statement. To understand and manage the environmental risks of our Property & Casualty business, we established business sector heatmaps that assess our exposure to high-carbon emitters.

The Income Eco Run (IER) returned in 2023 as a physical event that challenged Singaporeans to respond to the theme, "How far will you go for zero waste?" and encouraged them to advocate for a zero-waste and sustainable lifestyle by running their preferred distances between three and 21.1 km. Close to 3,000 participants took part at IER 2023 and we donated $1 for every kilometre clocked by participants at the event. In total, IER 2023 raised $40,000 for the Singapore Environment Council.

Our community development platform, Income OrangeAid, disbursed a total of S$7.2million to beneficiaries in 2023. It included bursary awards and financial literacy workshops for underprivileged students that qualified for the Income OrangeAid Future Development Programme, the Income Family Micro-Insurance Scheme that extended coverage to over 53,000 eligible children and students partnering the Ministry of Education and NTUC First Campus, the Health for Life Fund, and NTUC U-Care Fund, as well as other donations that value-added to our positive social impact in Singapore.

To ensure the safety of our employees and beneficiaries, our staff volunteerism programme, Income Gives Back, made a comeback post-COVID in the last quarter of 2023. Collectively, we achieved over 2,600 volunteer hours.

ACKNOWLEDGMENTS

On behalf of Income Insurance, we would like to express our gratitude to our Board of Directors for their valuable counsel and guidance.

Our deepest appreciation also goes to the management team, employees, business associates and partners, our network of financial representatives, and the Union for their unwavering support, contribution, and dedication.

We also thank you, our shareholders, and customers, for your continued support and trust in Income Insurance.

In 2024, we continue to focus on the quality of our existing business, fostering closer relations with intermediaries, and exploring new growth propositions for our customers. We are confident to embrace challenges and seize opportunities ahead, come what may.

Let us continue to build a brighter and more resilient future together.

Ronald Ong
Chairman

Andrew Yeo
Chief Executive Officer

Financial Highlights

For the financial period from 1 July 2022 to 31 December 2023

S$4.9 billion
Gross Premiums

S$60.4 million
Profit After Tax

S$43.0 billion
Total Assets

S$29.55
Net Asset Value Per Share [1]

AA-
S&P Credit Rating

1 Net Asset Value per share is calculated using the audited Shareholders' Equity before the impact of proposed dividend and excludes non-controlling interest of $3,167,869,000, based on 107,191,745 shares issued as at 31 December 2023.

Corporate Highlights

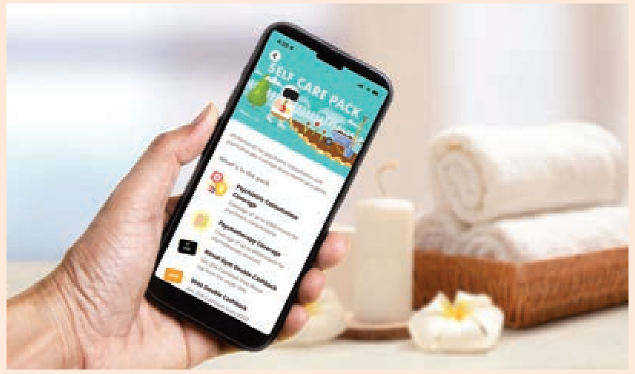
For the reporting period from 1 July 2022 to 31 December 2023

Commenced Operations as Income Insurance Limited on 1 September 2022

Following the successful transfer of NTUC Income Co-operative Limited's insurance business to Income Insurance Limited, the company now operates as a public non-listed company limited by shares. S&P Global Ratings continues to rate Income Insurance 'AA-' with a stable outlook, a credit rating that we have held since 2009. It marks the continued confidence in our financial strength, solid business position in Singapore and growth opportunities regionally.

Extended Protection for Mental Health with Star Secure Pro

With rising concern over poor mental health, Star Secure Pro, our whole life insurance product now offers a rider that provides coverage for mental conditions such as major depressive disorder, obsessive-compulsive disorder, schizophrenia, bipolar disorder, and Tourette syndrome. Such coverage is uncommon in this insurance category, which typically focuses on benefits for death, permanent disability, and critical illness.

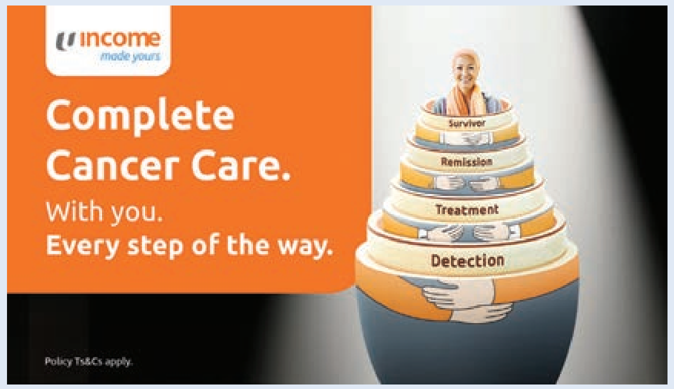


Enhanced Mental Health Protection with Innovative Insurance Subscription Plan

SNACK Self Care Pack is a groundbreaking subscription-based mental wellness plan that offers greater accessibility to professional help for mental health issues. The solution supports prevention and active recovery and offers flexible monthly payment that users can start and pause any time, while enabling an easy claims process via the SNACK mobile app.

Offered Peace of Mind with Guaranteed Post-cancer Cover

Complete Cancer Care goes beyond conventional coverage and uniquely guarantees post-cancer insurance coverage. The product supports active cancer treatment with monthly payouts and a premium waiver benefit, on top of conventional offerings, which offer lump sum payments upon diagnosis. It also offers a hospice care benefit to support patients during palliative care. To cater to our ageing population, the product offers the highest entry age at 74 years old and extends coverage up to 84 years old.



Corporate Highlights

For the reporting period from 1 July 2022 to 31 December 2023

Advocating a Zero-Waste Lifestyle through Income Eco Run 2023

How far will you go for a zero-waste lifestyle? Income Eco Run (IER) returned post-pandemic and challenged Singaporeans to run their preferred distance between three and 21.1 km in an unprecedented run concept to champion zero-waste practices and a sustainable lifestyle. Participants were asked to run in their own T-shirts, use only recyclable hydration cups, wear smaller bibs, accept e-certificates, and forego commemorative medals. IER also pledged $1/km clocked by participants and raised $40,000 for the Singapore Environment Council.

Inspired Singaporeans to Close Protection Gaps with The Rock Band, The Calling, and New Single, "Fallin' Apart"

We cut through the clutter with the emotive Rock anthem, "Fallin' Apart", that shed light on the upheaval of emotions and stress that came with life's challenges when one was inadequately protected during such tough times. The collaboration helped open conversations with Singaporeans and encouraged them to proactively assess their protection gaps and better plan for their future. We extended protection to 64% more customers compared to the previous year at the end of the campaign.

Singapore's First Resilience Study to Build Singaporeans' Collective Resilience

We partnered the Centre for Research on Successful Ageing at the Singapore Management University to establish baseline levels of mental, social, physical, and financial resilience among Singaporeans. We leveraged insights from this landmark study to establish a refreshed sustainability strategy and a sharper social impact framework. Through this science-based approach, we will continue to index the resilience levels of Singaporeans over the years and extend collaborations with like-minded partners and social stewardship programmes to build a stronger Singapore for our future generations.

Gaining Recognition as an 'Employer Of Choice'

Income Insurance was named among 'Singapore's Best Employers' by The Straits Times and was recognised as one of the 'Best Companies to Work for in Asia' by the HR Asia Awards in 2023. Additionally, Influential Brands named the company one of 'Singapore's Top Employer'. We also received the NS Mark for our support for National Service and Total Defence.

Expanded IFMIS to Students under Financial Assistance Schemes in MOE Kindergartens, Special Education & Independent Schools

Income Family Micro-Insurance Scheme (IFMIS) offers insurance protection, at no premium, to eligible underprivileged students by paying out $5,000 to families when a parent or guardian passes away or suffers total permanent disability.

The expansion of IFMIS to students under Financial Assistance Schemes (FAS) in the Ministry of Education (MOE) Kindergartens and Special Education and Independent Schools kickstarted from 1 July 2022. This added to eligible students studying at NTUC First Campus' My First Skool and MOE FAS recipients from local primary, secondary, pre-university and specialised schools in Singapore. As of 31 Dec 2023, IFMIS covered over 53,000 eligible students in Singapore. For more information, please visit www.income.com.sg/orangeaid/ifmis.

Held 50% More Customer Engagements to Sharpen Customer-centricity & Build Trust

We conducted about 300 hours of dialogue with our customers via 'Customer Connects' in 2023. This represented a 50% increase compared to last year. By deploying staff interviewers at these sessions, we gained more nuanced insights to steer customer-focused decisions in the way we work. This allows us to continuously enhance our customers' trust in us as their valued financial partner – one that fulfils their protection needs and builds their financial resilience for the long term. In 2023, we were named the most trusted insurer in Singapore by Nielsen and YouGov.

Explored Blockchain Technology to Reimagine the Future of Insurance via Hackathon

The inaugural regional FutureX Hackathon drew tertiary students from Southeast Asia to reimagine the future of insurance through blockchain technology, under the mentorship and guidance of industry leaders. Over 40 teams participated, and the event aimed to further our purpose of empowering better financial well-being through innovative products and services.

Board of Directors

The Board stands shoulder to shoulder with the Executive Committee and is committed to support Income Insurance to achieve sustainable growth and long-term success. Leveraging their diverse expertise and deep professional experience, the Board steers the Executive Committee by providing leadership and strategic direction to the company. It ensures that the company balances its risks and rewards by instilling transparency, integrity and accountability at all levels of the company.

- Two-thirds of the Board have deep expertise and are seasoned practitioners in the financial sector, while the rest have extensive experience in other related industries.
- All our Board members are non-executive directors and over two-thirds are independent directors.
- Our Board boasts a good mix of gender and backgrounds.

"On behalf of the Executive Committee, I would like to extend our heartfelt appreciation to our Board of Directors for their foresight and leadership, which have been pivotal in helping the company navigate challenges and to seize opportunities. Under their guidance and support, we are now better placed as a public non-listed company to access strategic growth options and operational flexibility to achieve long-term success, while safeguarding the interests of our stakeholders."

~ Andrew Yeo
Chief Executive Officer

Front row, seated from left to right:

Richard Koh, Director
Andrew Yeo, Chief Executive Officer
Ronald Ong, Chairman
Chew Sutat, Director

Back row, from left to right:

Neo Chin, Director
Mak Keat Meng, Director
Joy Tan, Director
Vincent Lien, Director
Adeline Sum, Deputy Chairman
Sim Hwee Hoon, Director
Chen Peng, Director
Craig Ellis, Director
Robert Charles, Director

Board of Directors

Ronald Ong
Chairman

Mr Ronald Ong was co-opted to the Board of NTUC Income Insurance Co-operative Limited on 23 August 2018 and formally elected as a non-independent non-executive director on 24 May 2019. He was appointed to the Board of Income Insurance Limited on 1 August 2022. He is the Chairman of the Board and Board Executive Committee.

Mr Ong is the Chairman and Chief Executive Officer (CEO), SE Asia, at Morgan Stanley. He has been with Morgan Stanley for over 20 years and has more than 30 years of experience as a banker with substantial experience in Mergers & Acquisitions and Financing as well as extensive client relationships in Singapore, Malaysia, Indonesia and Thailand.

Mr Ong is a Board Member of NTUC FairPrice Co-operative Limited and NTUC Enterprise Co-operative Limited as well as a Member of the Listings Advisory Committee, Singapore Stock Exchange.

Mr Ong graduated with a Bachelor of Business Administration from the University of Singapore in 1980 and was a Naval Officer with the Republic of Singapore Navy.

Adeline Sum
Deputy Chairman

Ms Adeline Sum was appointed as a non-independent non-executive director to the Board of Income Insurance Limited on 3 November 2023. She is the Deputy Chairman and a member of the Nominating, Human Capital and Remuneration Committee and Board Executive Committee.

Ms Sum is CEO of NTUC Enterprise Co-operative Limited. Since 1993, Ms Sum has served within the NTUC network of organisations. Up to 2001, she worked on key employment and employability issues to represent workers, including serving on the National Wages Council. She has gone on to helm several NTUC social enterprises, including chief executive positions at NTUC Childcare (now NTUC First Campus), NTUC Choice Homes and Mercatus.

Ms Sum was NTUC Enterprise' Deputy CEO from 2017 to 2023. Between 2016 and 2019, she was concurrently Managing Director of NTUC FairPrice, overseeing business strategy and talent development. In 2022, she led the set-up of Tangram Asia Capital, NTUC Enterprise's corporate venture arm, and currently serves as its Executive Director.

Ms Sum was a board member of ComfortDelgro Corporation between 2007 and 2023. Ms Sum holds a BA (Honours) in History from the National University of Singapore and started her career in the Singapore Government's Administrative Service. She also holds an MBA from the Nanyang Technological University, and Master of Public Administration from Harvard University. She was conferred the Public Service Medal at the 2014 National Day Award.

Joy Tan
Lead Independent Director

Ms Joy Tan was elected to the Board of NTUC Income Insurance Co-operative Limited as an independent non-executive director on 26 May 2017. She was appointed to the Board of Income Insurance Limited on 1 August 2022. She is a member of the Audit Committee, Nominating, Human Capital and Remuneration Committee, and Board Executive Committee. Ms Tan is also the lead independent director on the Board.

At WongPartnership LLP, Ms Tan is the Joint Head of the Commercial & Corporate Disputes Practice, the Corporate Governance & Compliance Practice and the Financial Services Regulatory Practice. She is a Fellow of the Chartered Institute of Arbitrators, and sits on the panels of various professional tribunals, including the panel of arbitrators of the Singapore International Arbitration Centre (SIAC), the Law Society Disciplinary Tribunal appointed by the Honourable Chief Justice under the Legal Profession Act, and the Complaints and Disciplinary Tribunal of the Accounting & Corporate Regulatory Authority (ACRA). She also sits on the Executive Board of the Singapore Chapter of the Association of Certified Anti-Money Laundering Specialists (ACAMS).

Ms Tan is a director and a member of the Audit Committee and Risk Committee of Singapore Health Services Pte Ltd, as well as an independent director of PEC Limited. Ms Tan also sits as Chair of the Appeals Board Committee of Council for Estate Agencies (CEA). In the not-for-profit sector, Ms Tan is the Chair of the Board of the Singapore Repertory Theatre, and is a director of the Singapore Chinese Cultural Centre.

Ms Tan graduated with First Class Honours from Cambridge University. In 1992, she was awarded the UK Council of Legal Education Prize at the Non-Vocational Bar Exam.

Sim Hwee Hoon
Director

Ms Sim Hwee Hoon was elected to the Board of NTUC Income Insurance Co-operative Limited as an independent non-executive director on 26 May 2017. She was appointed to the Board of Income Insurance Limited on 1 August 2022. She is the Chairperson of the Nominating, Human Capital and Remuneration Committee and a member of the Sustainability Committee and Board Executive Committee.

Ms Sim was the Regional Chief Operating Officer of Private Wealth Management Asia in Morgan Stanley from 2010 to 2016. She was also the CEO of Morgan Stanley Asia International Limited, Singapore Branch, and sat on the Board of Directors of Morgan Stanley Asia International Limited.

Before Morgan Stanley, Ms Sim spent 12 years with JPMorgan Private Bank Asia. Her appointments included being the Asia Regional Chief Financial Officer from 2006 to 2010 and Asia Head of Risk Management from 1998 to 2006. She also sat on the Board of Directors of JPMorgan International Bank Limited (UK incorporated) and JPMorgan Securities Asia Private Limited.

Ms Sim currently holds directorships at Singapore Labour Foundation and Stashaway. Ms Sim is also appointed to the Central Co-operative Fund Committee by the Ministry of Culture, Community and Youth. In the social arena, Ms Sim serves as the President of the Board of YWCA of Singapore.

Ms Sim holds a Master of Finance degree from the Royal Melbourne Institute of Technology and an Honours degree in Bachelor of Accountancy from the National University of Singapore.

Neo Chin
Director

Ms Neo Chin was co-opted to the Board of NTUC Income Insurance Co-operative Limited on 15 April 2019 and formally elected as an independent non-executive director on 24 May 2019. She was appointed to the Board of Income Insurance Limited on 1 August 2022. She is a member of the Sustainability Committee and Board Executive Committee.

Ms Neo has over 30 years of investment experience in the global asset management sector. She is currently the Chief Investment Officer at the Singapore University of Technology and Design. Prior to the Singapore University of Technology and Design, she spent more than 20 years in Government of Singapore Investment Corporation (GIC) and held various senior direct investment and portfolio management roles. Her investment experience spans across endowment asset allocation, global fixed income, global treasury management, alternative investments, and fund-of-funds asset management.

Ms Neo graduated with a Bachelor of Business Administration (Honours) from the National University of Singapore. She has been a Chartered Financial Analyst (CFA) charter holder since 1994.

Vincent Lien
Director

Mr Vincent Lien was co-opted to the Board of NTUC Income Insurance Co-operative Limited on 3 October 2019 and formally elected as an independent non-executive director on 26 June 2020. He was appointed to the Board of Income Insurance Limited on 13 October 2021. He is a member of the Audit Committee.

Mr Lien is currently Managing Director of Lien Properties Private Limited, and a director of Lien Ying Chow Private Limited, and Wah Hin & Company, among others. He has over 20 years' experience in banking, specialising in corporate finance and capital management in Hong Kong, the People's Republic of China, Singapore and South-east Asia. Prior to his retirement, he held various senior positions at major multinational banking institutions including Swiss Bank Corporation, Bankers Trust and ABN AMRO. He is a Council Member of the Lien Ying Chow Legacy Fellowship. He is also Income Insurance's nominee director on the boards of FFMC Holdings Pte Ltd and Fullerton Fund Management Company Ltd.

Mr Lien graduated with a Bachelor's degree in Business Administration from the University of New Brunswick in 1986. He was awarded an honorary Doctorate in Business Administration in 2018 by HyupSung University.

Board of Directors

Robert Charles
Director

Mr Robert Charles was elected as an independent non-executive director of NTUC Income Insurance Co-operative Limited on 26 June 2020. He was appointed to the Board of Income Insurance Limited on 1 August 2022. He is the Chairman of the Risk Management Committee and a member of the Digital & Technology Committee and Board Executive Committee.

Mr Charles is currently Head of Actuarial at Coherent, a global technology company originally founded in Hong Kong, that provides digital solutions to financial services companies. He is an actuary with a background in health, retirement, and investment. Mr Charles spent most of his career in consulting. He served as the Asia Pacific CEO of Towers Watson, a leading global risk and human capital management firm. He then built the Hong Kong business of CXA Group, a Singapore startup that provides insurance technology to employers and financial institutions.

Mr Charles obtained a First-Class Honours degree in Mathematics from the University of Oxford in 1987. He is a Fellow of the Institute of Actuaries, UK.

Mak Keat Meng
Director

Mr Mak Keat Meng was elected as an independent non-executive director of NTUC Income Insurance Co-operative Limited on 26 June 2020. He was appointed to the Board of Income Insurance Limited on 1 August 2022. He is the Chairman of the Audit Committee and a member of the Risk Management Committee.

Mr Mak has over 37 years of experience in auditing and advisory with Ernst & Young LLP. During this period, he has held various leadership positions such as Head of Audit for Singapore & ASEAN, Quality Enablement Leader, and Head of Japanese Business Services. Mr Mak has deep domain knowledge of the insurance business in Singapore and was previously the Chairman of the Insurance Committee of Institute of Singapore Chartered Accountants (ISCA). Mr Mak is also an independent director of Mapletree Pan Asia Commercial Trust.

Mr Mak graduated with a Bachelor of Commerce from the University of Auckland in 1982. He also holds a Master of Business Administration from International Management Centre (UK). He is a Fellow of Chartered Accountants, Australia and New Zealand, a Fellow of the Association of Chartered Certified Accountants, and a Fellow of ISCA. He was a recipient of the Pingat Bakti Masyarakat (PBM) in 2015 for his contribution to the public service in Singapore.

Chen Peng
Director

Dr Chen Peng was co-opted to the Board of NTUC Income Insurance Co-operative Limited on 21 September 2020 and was formally elected as an independent non-executive director on 28 May 2021. He was appointed to the Board of Income Insurance Limited on 1 August 2022. He is a member of the Risk Management Committee and Digital & Technology Committee.

Dr Chen was the Chief Executive Officer, Asia ex-Japan, of Dimensional Fund Advisors (DFA) from July 2012 to November 2019. He was responsible for all aspects of DFA's Asia business, overseeing business strategy and development, client servicing and portfolio management. Prior to joining DFA, he was with Morningstar where he held various roles over 15 years, including President of Morningstar Investment Management Division, Chief Investment Officer, and Head of Research and Consulting. His clients included insurance companies and pension funds (including manager selection for the Central Provident Fund).

Dr Chen's other appointments include Adjunct Professor at the Chinese University of Hong Kong and the Harbin Institute of Technology in China. He is a member of the Advisory Council of the Centre for Asset Management Research and Investments, National University of Singapore. He is also Income Insurance's nominee director on the boards of FFMC Holdings Pte Ltd and Fullerton Fund Management Company Ltd.

Dr Chen graduated with a Master of Science in Consumer Economics from the Ohio State University in 1995 and holds a PhD from the same university which he obtained in 1997.

Richard Koh
Director

Mr Richard Koh was elected as an independent non-executive director of NTUC Income Insurance Co-operative Limited on 28 May 2021. He was appointed to the Board of Income Insurance Limited on 1 August 2022. He is the Chairman of the Digital & Technology Committee and a member of the Risk Management Committee.

Mr Koh is currently the Chief Technology Officer of Microsoft ASEAN, Global Partner Solutions. In this role, he leads the technology strategy of the Microsoft ASEAN partners ecosystem, helping partners leverage relevant technology innovations for their digital transformation in creating new products and services with Microsoft technologies.

Mr Koh's career was built largely with HP and Microsoft, with a short stint with Singtel. His past professional experience spans the Asia and North America regions, as well as in multiple functional areas including R&D, IT, product management, marketing, business development and sales operations. He is deeply passionate about the promises that the Internet, Cloud and AI can bring to communities and countries.

Mr Koh is currently also serving on the Board of Directors of Singapore's Ministry of Home Affairs' Home Team Science & Technology Agency (HTX), Ministry of Culture, and Community & Youth's National Heritage Board (NHB). He also serves on Sentosa Development Corporation's Digital Transformation Advisory Panel and was the past Chairman of SGTech's AI & HPC Chapter.

Mr Koh graduated from the National University of Singapore with a Bachelor of Science in Computer Science & Information Systems.

Craig Ellis
Director

Mr Craig Ellis was appointed to the Board of Income Insurance Limited as an independent non-executive director on 12 October 2022. He is a member of the Audit Committee and the Nominating, Human Capital and Remuneration Committee.

A Chartered Accountant, Mr Ellis has over 40 years of experience in the financial services industry, mainly in insurance covering general, life, and health, but also in banking. He brings substantial and broad international experience having worked in Australia, Europe, and Asia. He retired in December 2021 as the Chief Executive Officer of MSIG Insurance Singapore. From March 2020 to December 2021, Mr Ellis served as President of the General Insurance Association (GIA) of Singapore.

Prior to joining MSIG, Mr Ellis was the Chief Executive Officer of Charles Monat Associates Pte Ltd in Singapore. He commenced his career with KPMG before serving in a succession of increasingly senior positions with Bank of America, Allianz and Old Mutual International.

Mr Ellis is an independent non-executive Board member for the RACT Insurance Pty Ltd, an Australian company.

Mr Ellis graduated with a Bachelor of Commerce degree from the University of New South Wales and has participated in an executive leadership program by INSEAD.

Chew Sutat
Director

Mr Chew Sutat was appointed to the Board of Income Insurance Limited as an independent non-executive director on 21 October 2022. He is the Chairman of the Sustainability Committee and a member of the Board Executive Committee.

Mr Chew retired from Singapore Exchange (SGX) in July 2022. He was senior managing director and a member of SGX's executive management team for 14 years. On his watch the exchange transformed from an Asian Gateway to a global multi asset exchange. As Head of Global Sales and Origination, he led SGX's equity and debt capital market teams in developing private-to-public capital raising solutions for companies.

Prior to SGX, Mr Chew had senior roles at Standard Chartered Bank, OCBC Securities and DBS Bank, where he held varying portfolios in strategic planning and business development for institutional banking and private clients. He founded Shan De Advisors in September 2021 and serves as a non-exec board member of ADDX, a Fintech startup backed by Temasek and SGX, and NTUitive, the Innovation and Enterprise Company of Nanyang Technological University. He is also lead independent director of Singapore-listed YZJ Financial Holdings. He is a Fellow of Singapore Institute of Directors and the Institute of Banking and Finance Singapore (IBF) and was awarded Global Investor Asia Capital Markets Lifetime Achievement Award in 2021.

In the social arena, Mr Chew serves on the Board of National Council of Social Service (NCSS) and Chairman of Community Chest. He is Patron of Kaki Bukit Citizens' Consultative Committee with initial grassroots experience in 1996.

Mr Chew graduated with a Bachelor of Arts (First Class Honours) degree in Philosophy Politics & Economics (PPE) from Oxford University and holds a Master of Arts degree from Oxford.

Executive Committee

The Executive Committee executes the company's strategy and long-term goals, fosters innovation and cultivates a positive work culture that builds strong organisational health and synergies. It also ensures strategic alignment to the company's purpose to drive business performance and sustainable growth, while protecting the company's brand and reputation.

- Executive Committee members have over 27 years of experience on average.
- One in four of our Executive Committee members are female.

Andrew Yeo
Chief Executive Officer

Sean Yang
General Manager, Consumer Distribution

Susan Ong
General Manager, Corporate Business

Jeffrey Tan
General Manager Financial Management

Theresa Nai
Chief Operating Officer

Peter Tay
General Manager Digital Business

Angie Ng
Chief People Officer

Lau Sok Hoon
Chief Actuary

Chen Boon Khing
Chief Technology Officer

Ury Gan
Chief Financial Officer

Dhiren Amin
Chief Customer Officer

Andrew Ho
Chief Legal And Compliance Officer

Colin Chu
Chief Strategy Officer

Mark Shi
Chief Risk Officer

David Chua
Chief Investment Officer

INTRODUCTION

NTUC Income Insurance Co-operative Limited ("NTUC Income") was established in 1970 as the only insurance co-operative in Singapore to plug a social need for insurance. From 1 September 2022, NTUC Income continued its operations as a corporate entity, Income Insurance Limited, ("Income Insurance" or "the Company"), a public non-listed company limited by shares registered with the Accounting & Corporate Regulatory Authority ("ACRA"). This follows the successful transfer of the insurance business of NTUC Income to Income Insurance under a corporatisation exercise.

Income Insurance adopts a high standard of corporate governance consistent with best practices and aligned with the Guidelines on Corporate Governance ("CG Guidelines") issued by the Monetary Authority of Singapore ("MAS"), the Insurance (Corporate Governance) Regulations 2013 ("ICGR"), the Singapore Companies Act 1967, and the Constitution of the Company.

Income Insurance recognises the importance of having a set of well-defined corporate governance processes to enhance performance and accountability, sustain business integrity, and safeguard the interests of its stakeholders. The promotion of corporate transparency and accountability at all levels of the organisation is led by the Board and assisted by the senior management team.

BOARD GOVERNANCE

Board Role and Responsibilities

The Board of Directors oversees the affairs of the Company, including setting its strategic direction and long-term goals, and reviewing its performance.

Matters which require specific Board approval/endorsement include, but are not limited to, the following:

1. Reviewing and approving the Company's business plan and financial scorecard, and overseeing the delivery of the business plan.

2. Reviewing and approving the Company's risk appetite to ensure it is consistent with Income Insurance's business strategy, strategic decision-making, operating and regulatory environment.

3. Reviewing and approving the following policies:

    - Asset and Liability Management Policy
    - Capital Management Policy
    - Internal Governance Policy for the Participating Business
    - Investment Policy (including Strategic Asset Allocation of insurance funds)
    - Related Party Transactions Policy
    - Fit and Proper Policy

4. Approving Income Insurance's organisational structure and ensuring that adequate corporate governance frameworks and systems are in place.

5. Approving transactions with a related party and the write-off of related-party exposures exceeding specified amounts or otherwise posing special risks before such a transaction occurs.

The Board provides strategic direction to the Company towards achieving its objectives. It ensures that the Company adopts sound corporate governance practices, complies with applicable laws and regulations, and has the necessary measures in place to achieve its objectives. It provides oversight over senior management performance with emphasis on professionalism, and integrity in all dealings, and at all levels in the organisation to sustain the Company's image, and reputation.

Directors with a conflict of interest recuse themselves from discussions and decisions pertaining to such matters.

Board Composition

The Board comprises 12 members as follows:

Chairman	Mr Ronald Ong
Deputy Chairman	Ms Adeline Sum
Directors	Ms Joy Tan Ms Sim Hwee Hoon Ms Neo Chin Mr Vincent Lien Mr Robert Charles Mr Mak Keat Meng Mr Chen Peng Mr Richard Koh Mr Craig Ellis Mr Chew Sutat

Details of the Board members including their designation and roles can be found in our website at https://www.income.com.sg/about-us/corporate-information/board-of-directors.

Mr Craig Ellis and Mr Chew Sutat were appointed to the Board in October 2022. The following directors stepped down from the Board in 2023:

- Mr Kee Teck Koon (1 June 2023)
- Ms Pang Wai Yin (1 June 2023)
- Mr Seah Kian Peng (2 November 2023)

Mr Kee was appointed as the Board Advisor. Ms Adeline Sum was appointed as director and Deputy Chairman on 3 November 2023.

The Nominating, Human Capital & Remuneration Committee ("NHCRC") is of the view that diversity on the Board is important. In this regard, it considers diversity of background, qualifications, skills, experience, age, and gender among other factors for Board appointments. The NHCRC annually assesses the diversity of the directors' profiles and determines the collective skills required for the Board and the Board Committees to discharge their responsibilities effectively. Steps are taken to enhance the skills as necessary.

The desired competencies on the Board include but are not limited to accounting, actuarial science, finance, insurance, investments, legal, information technology, sustainability, human resource management and risk management. The current Board collectively possesses a wide spectrum of these competencies. There is a good mix of general business background and specialist skills. With their broad knowledge, expertise and experience from different industries, the Board provides valuable insights and advice to senior management.

Board Independence

The CG Guidelines and the ICGR advocate a strong and independent element on the Board so that it can exercise objective judgment independent from management and substantial shareholders. The NHCRC determines the independence of the directors prior to appointment and annually, based on criteria set out in the ICGR and CG Guidelines. Under the ICGR, an independent director of the Company is one who is independent from the substantial shareholders of the Company, and management and business relationships with the Company and its subsidiaries and has not served for more than nine years on the Board. The assessment is based on whether any relationship with the Company, its related companies or its officers could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment, and whether a director's length of service has affected his/her independence.

The NHCRC has assessed all but two directors to be independent. The non-independent directors are Mr Ronald Ong and Ms Adeline Sum. Mr Ong is a director of NTUC Enterprise Co-operative Limited ("NTUC Enterprise"), the Company's substantial shareholder. Mr Ong is also non-independent due to business relationship with the Company. He is a director of Morgan Stanley Investment Management Company with which the Company has a business relationship. Ms Sum is non-independent as she is the Chief Executive Officer of NTUC Enterprise.

The current Board meets the regulatory requirements on Board composition and independence under the ICGR. All Board members are non-executive directors. Ten out of twelve directors are independent directors, and majority of the directors are independent from management and business relationships with the Company and its subsidiaries.

The Board is of the view that its current size is adequate to facilitate robust discussion at meetings and effective decision-making.

Board Meetings and Attendance

The Board conducts five scheduled meetings a year and additional meetings are held when deemed necessary. At these meetings, the Board reviews the Company's business performance, corporate strategy, business plan, strategic operational issues as well as other significant matters. An annual Board Retreat is held for senior management to engage the Board on a strategic review of the Company's key business plans and initiatives. During the year, Board approvals are also obtained through circular resolutions. Directors participate actively at Board meetings and decisions are taken objectively in the interests of the Company and its stakeholders. The Chief Executive and senior management executives make presentations at Board meetings and address the queries that are raised. External consultants engaged for specific projects may also be invited to update the Board, where relevant.

The directors attend general meetings, Board meetings and meetings of the Board Committees on which they serve. All materials and necessary information are disseminated in a timely manner, in advance of meetings.

The number of Board meetings held during the reporting period and the attendance of the directors at these meetings are tabulated below.

	No. of Meetings Held@		No. of Meetings Attended	
Name of Director	**2022**	**2023**	**2022**	**2023**
Ronald Ong	3	**8**	3	**8**
Adeline Sum [(1)]	-	**1**	-	**1**
Sim Hwee Hoon	3	**8**	2	**8**
Tan Whei Mien Joy	3	**8**	3	**7**
Neo Chin	3	**8**	3	**7**
Lien Jown Jing Vincent	3	**8**	3	**6**
Robert Charles	3	**8**	3	**8**
Mak Keat Meng	3	**8**	3	**8**
Chen Peng	3	**8**	3	**8**
Richard Koh	3	**8**	3	**7**
Craig Ellis [(2)]	1	**8**	1	**7**
Chew Sutat [(3)]	1	**8**	1	**7**
Kee Teck Koon [(4)]	3	**5**	3	**5**
Pang Wai Yin [(4)]	3	**5**	3	**4**
Seah Kian Peng [(5)]	3	**7**	3	**7**

@ Number of meetings held during the period the director was a member of the Board
(1) Appointed to the Board on 3 November 2023
(2) Appointed to the Board on 12 October 2022
(3) Appointed to the Board on 21 October 2022
(4) Stepped down from the Board on 1 June 2023
(5) Stepped down from the Board on 2 November 2023

The first annual general meeting of the Company was held by way of Member's Resolution in writing on 14 December 2022. There was a no annual general meeting in 2023 as the Company's financial year was from 1 July 2022 to 31 December 2023.

Chairman and Chief Executive

There is no familial relationship between the Chairman and Chief Executive. The roles of the Chairman and Chief Executive are separate, with a clear division of responsibilities. This is consistent with ensuring a balance of authority. It also provides for greater accountability and facilitates independent decision-making.

The Chairman leads the Board and ensures its effectiveness in all aspects of its role. He promotes high standards of corporate governance and steers the Board towards making sound decisions. He ensures that there is active participation and robust discussions on all matters that are tabled to the Board and encourages positive relations between the Board and senior management to work towards achieving common goals in the interest of the Company.

The Chairman plays a key role at general meetings in fostering constructive dialogue between the shareholders of the Company, the Board, and senior management.

The Chief Executive assumes executive responsibility for the Company's business. He oversees the execution of the Company's corporate and business strategies and is overall responsible for managing its operations to achieve performance and business targets. He is assisted by a senior management team.

Lead Independent Director

As the Chairman is non-independent, Ms Joy Tan is the Lead Independent Director ("LID") on the Board. The LID provides independent leadership on the Board in situations where the Chairman may face potential conflicts and acts as a sounding board for the Chairman. The LID leads the independent directors during Board meetings to raise relevant questions and ensures that there is a check and balance between the Board and senior management.

The independent directors meet at least annually without the presence of the other directors. The LID chairs the meeting and provides feedback to the Chairman.

Board Induction & Continuous Professional Development

The Company has an induction programme to provide new directors with structured training which includes briefings by senior management on the Company's structure, business lines, key performance measures, strategy, business plan and risk profile, among other key areas. In addition, the induction programme is tailored to include briefings on specific topics relevant to the Board Committee appointment taken on by the new director to provide an overview to the director and enable him/her to discharge his/her role effectively. The Company reviews the content of such briefings as necessary to incorporate new developments and changes that may be relevant.

The NHCRC has formalised an annual Continuous Professional Development ("CPD") programme for the directors to further equip them with the necessary skills to perform their roles effectively. The CPD programme comprises courses organised by professional bodies, presentations by invited speakers at Board and Board Committee meetings, and the training component from presentations on technical issues made at such meetings. The topics covered include matters relevant to the insurance industry, accounting and regulatory changes, and updates on major industry and market developments. The topics selected ensure that the directors are provided with up-to-date knowledge on salient matters. The CPD programme is reviewed annually.

A formal record of the training and development received by the directors is maintained and reviewed by the NHCRC twice a year. The CPD programme for the reporting period included the following topics:

- Talent Management and Capability Building
- Cyber Security landscape & Cyber Threat Intelligence
- Key Companies Act Obligations & Board Responsibilities on Corporate Governance
- Sustainability – Decarbonisation of Financed Emissions
- Tabletop Cyber Exercise
- Three Lines of Defence

Board Evaluation

The Board has implemented an annual evaluation process to assess the performance and effectiveness of the Board, Board Committees, and individual directors. All eligible directors participate in the evaluation which is conducted through confidential completion of an evaluation questionnaire. The purpose of the evaluation is to increase the overall effectiveness of the Board. It also serves as an opportunity to obtain feedback and suggestions from the directors. The evaluation results and feedback are presented to the NHCRC and Board for discussion.

In 2022 and 2023, Aon Solutions Singapore Pte Ltd ("Aon") was engaged to facilitate the Board evaluation exercise and provide the Board with an independent perspective of the Board's performance, as well as benchmarks and industry best practices. Aon is not related to the Company and the Company is not aware of any relationship between Aon and the Company's directors and senior management.

The evaluation exercises included individual director's peer assessment. The report was reviewed by the NHCRC Chair and the Board Chairman. As a best practice, each director's assessment was shared with the respective director. The respective reports were disseminated to the individual directors by Aon via confidential email.

ASSURANCE ON FINANCIAL RECORDS AND RISK

The Board has received assurance from:

- the CEO and the GM, Financial Management that the financial records have been properly maintained; and
- the CEO and other such key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

BOARD COMMITTEES

The Board has established six Board Committees to assist it in carrying out its oversight of the operations of the Company. The Board Committees comprise the Audit, Investment, Risk Management, Nominating, Human Capital and Remuneration, Digital and Technology, and Sustainability Committees. The Board has delegated authority to these Committees to monitor and exercise oversight over specific areas.

The composition of the Board Committees satisfies the independence requirements stipulated in the CG Guidelines and the ICGR, where applicable. The Board Committees are of an appropriate size, and comprise directors who, collectively as a group, provide the appropriate balance and mix of skills, knowledge, and experience.

Each Committee has its own clearly defined terms of reference which are approved by the Board and describe its objectives, composition, and key duties and responsibilities. The respective terms of reference are reviewed at least annually to ensure alignment to the Notices and Guidelines issued by the MAS, where applicable.

The minutes of Board Committee meetings are circulated to the Board.

Audit Committee

Under the ICGR, the Audit Committee (AC) is required to comprise at least three non-executive directors, all of whom are independent from management and business relationships and at least a majority of the directors (including the AC Chair) are independent directors. At least two members of the AC, including the AC Chair must have relevant accounting or related financial management experience or qualifications.

The members of the AC during the reporting period were as follows:

Chairperson	Mak Keat Meng
Members	Joy Tan Craig Ellis (from 12 Oct 2022) Sim Hwee Hoon (up to 30 Nov 2022) Pang Wai Yin (up to 1 Jun 2023)

All the members are non-executive and independent. The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, for as long as they have any financial interest in the auditing firm or auditing corporation.

The members of the AC are qualified to discharge their responsibilities. The AC operates within the Board-approved written terms of reference which set out the AC's authority and responsibilities. It keeps abreast of relevant developments through updates from the external auditor on changes to accounting standards and relevant matters.

The key duties and responsibilities of the AC are to:

- Review the financial statements, including allocation of charges and expenses to the participating fund, and tax related matters, of the Company with management and the external auditors.
- Review the effectiveness of material financial, operational, compliance and information technology controls, including the corporate fraud risk management policy/ framework and whistle-blowing arrangements which staff and other parties may in confidence raise concerns about possible improprieties relating to financial reporting, controls or any other matters.
- Assess the adequacy and effectiveness of the Internal Audit (IA) function in terms of its organisational independence, resources, capability, practices and work plans.
- Review the audit plan and results of external audits, as well as the independence and objectivity of external auditors, on both audit and non-audit services and recommend to the Board on the appointment, re-appointment, or removal of external auditors.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review all material related party transactions and keep the Board informed of such transactions.

Internal auditors, the Chief Executive and certain senior management executives attended these meetings. The external auditors attended all meetings.

The number of AC meetings held during the reporting period and the attendance of the directors at these meetings are tabulated below. Internal auditors, the Chief Executive and certain senior management executives as well as the external auditors attended these meetings.

	No. of Meetings Held@		No. of Meetings Attended	
Name of Director	2022	2023	2022	2023
Mak Keat Meng	1	**4**	1	**4**
Joy Tan	1	**4**	1	**4**
Craig Ellis (1)	1	**4**	1	**4**
Sim Hwee Hoon (2)	1	**-**	1	**-**
Pang Wai Yin (3)	1	**2**	1	**2**

@ Number of meetings held during the period the director was a member of the AC
(1) Appointed to the AC on 12 October 2022
(2) Stepped down from the AC on 30 November 2022
(3) Stepped down from the Board on 1 June 2023

During the reporting period, the AC reviewed with management the quarterly management reports, financial statements, significant accounting policies and estimates. The external auditors' audit plan, the management letter and management's response were presented to the AC and discussed with both the management and the external auditors. The AC also reviewed the internal audit plan, scope of internal audit activities, reports of internal audits and follow up reviews performed by internal audit. The AC ensures that there are processes in place for ensuring that recommendations made by internal audit, external audit and the MAS are effectively dealt with on a timely manner.

The AC reviewed its terms of reference and the IA Charter to ensure they are adequate and relevant. Income Insurance has a whistle-blowing policy whereby staff could raise concerns about possible improprieties in matters of financial reporting or other matters in confidence. The AC reviewed the arrangements in place for independent investigation of such matters and for appropriate follow-up action.

Corporate Governance
For the reporting period from 1 July 2022 to 31 December 2023

The Chief Internal Auditor has a direct reporting line to the AC. The Internal Audit ("IA") function resides in-house and is independent of the activities it audits. An external quality assurance review is conducted periodically to ensure that IA's activity conforms to the International Standards for the Professional Practice of Internal Auditing. The AC is of the view that the IA function is independent, effective, and adequately resourced.

The Chief Legal & Compliance Officer helps ensure that the Company complies with all applicable laws and regulations on an ongoing basis.

On a quarterly basis, management reported to the AC significant related party transactions, contingent liabilities and regulatory compliance issues. In performing its functions, the AC had met up at least annually with the internal and external auditors without the presence of management.

Based on the internal controls that are put in place and review performed by the relevant Management and Board Committees, the Board with the concurrence of the AC, is of the view that the internal controls (including financial, operational, compliance and information technology controls and risk management systems) were adequate and effective for the reporting period. The AC believes that, in the absence of evidence to the contrary, the system of internal controls maintained by the Company's management provides reasonable, but not absolute, assurance against material financial misstatements or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices, and the identification and containment of financial risk. The AC notes that no system of internal controls can provide absolute assurance against the occurrence of loss especially arising from fraud or other irregularities.

Investment Committee

The members of the Investment Committee (IC) during the reporting period were as follows:

Chairperson	Neo Chin
Members	Vincent Lien Chen Peng Chew Sutat (from 21 Oct 2022) Kee Teck Koon (up to 1 Jun 2023) Andrew Yeo (Chief Executive) David Chua (Chief Investment Officer) Lau Sok Hoon (Appointed Actuary)

The IC exercises the authority delegated by the Board in ensuring the Company's investment activities are managed in a prudent manner.

The key duties and responsibilities of the IC are to:

- Review and endorse management's recommended Investment Policy and Strategic Asset Allocation (SAA) for approval by the Board.
- Approve allocation boundaries for each asset in which Tactical Asset Allocation can operate.
- Review the Investment Policy and performance on a regular basis so that it remains appropriate, recognising among other things, changes in business profile and the economic environment.
- Review the Investment Policy so that it is consistent with the asset-liability management strategies required to support new and existing products.
- Review the Investment Policy of the Participating Fund so that it is consistent with Income Insurance's bonus and dividend policy.
- Ensure resources dedicated to investment activities are sufficient to implement and manage the approved Investment Policy and any other activities requested by the Board.
- Determine the Key Performance Indicators (KPIs) for investment management and assess performance against the KPIs.
- Oversee the implementation and maintenance of adequate risk management systems and controls in respect of the Company's investment portfolios.
- Oversee all Investment-Linked Policies (ILP) funds and reviewing fund performance on a regular basis.
- Approve the limits and guidelines outlined in the Investment Policy, which have been delegated by the Board to the IC, subject to Income Insurance's overall risk limits set by the Risk Management Committee.
- Authorise investment decisions, which have been delegated by the Board to the IC, and report to the Board any transaction of material consequence.
- Review and approve the Responsible Investment Policy so that it supports the Sustainability Strategy and Vision at corporate level.

The IC is authorised to make all investment decisions as delegated by the Board. Property investments exceeding S$250 million in a single transaction would require the approval of the Board. The IC will report to the Board any transaction of material consequence. The IC has the discretion to refer to the Board for approval for transactions which may have wider implications beyond pure investment considerations.

The number of IC meetings held during the reporting period and the attendance of the directors at these meetings are tabulated below.

Name of Director	No. of Meetings Held@ 2022	2023	No. of Meetings Attended 2022	2023
Neo Chin	1	4	1	3
Lien Jown Jing Vincent	1	4	1	4
Chen Peng	1	4	1	4
Chew Sutat (1)	1	4	1	4
Kee Teck Koon (2)	1	2	1	2

@ Number of meetings held during the period the director was a member of the IC
(1) Appointed to the IC on 21 October 2022
(2) Stepped down from the Board on 1 June 2023

The IC reviewed and endorsed the strategic asset allocation for the Board's approval as part of a yearly requirement. The IC approved several major investment activities, including the build-out of diversified strategies for the investment programme of a product. The IC also had discussions with management and promoted increased traction in the incorporation of material ESG considerations in investments as part of the strategic steer on the new Responsible Investment Strategy.

Risk Management Committee

The Risk Management Committee (RMC) shall comprise at least three directors, the majority of whom, including the RMC Chair, shall be non-executive. The members of the RMC, including the Chair, shall have relevant insurance or risk management experience. At least two members shall have the relevant technical financial sophistication in risk disciplines or business experience, as the Board interprets such qualification in its judgment.

The members of the RMC during the reporting period were as follows:

Chairperson	Robert Charles Pang Wai Yin (up to 1 Jun 2023)
Members	Chen Peng Mak Keat Meng Richard Koh

The Company has not appointed any non-director to its Risk Management Committee.

The Board delegates its oversight function to the RMC while retaining ultimate authority and responsibility. The RMC oversees the effectiveness of the risk management framework and policies, covering all material risks including market, credit, insurance, operational, liquidity, environmental, reputational and technology risks.

The key duties and responsibilities of the RMC are to:

- Set the tone from the top to inculcate the appropriate risk culture in the organisation to promote risk awareness, effective risk management and sound risk taking within the risk appetite approved by the Board.
- Review and approve or endorse for the Board's approval, the Company's risk management framework, key policies, risk appetite, tolerance limits and key risk indicators, which provide the structure for effective risk management.
- Review and endorse for the Board's approval the Company's solvency and capital management strategies.
- Review the adequacy and effectiveness of the enterprise-wide risk management system and processes for identifying, measuring, managing, monitoring and reporting of risks.
- Review and advise the Board on the current and emerging risk profiles of the Company and the quality of response to managing these risks including those from stress test scenarios.
- Review the adequacy of risk management resources and the independence of the risk management function.
- Highlight to the Board issues of concern on key risks.

The RMC works closely with the NHCRC on the appointment of the Chief Risk Officer. The Chief Risk Officer reports directly to the Chief Executive Officer and has direct access to the RMC. In addition, the RMC works closely with the IC on investment risk matters and the AC in respect of regulatory risk matters.

The number of RMC meetings held during the reporting period and the attendance of the directors at these meetings are tabulated below.

Name of Director	No. of Meetings Held@ 2022	2023	No. of Meetings Attended 2022	2023
Robert Charles	1	4	1	4
Mak Keat Meng	1	4	1	4
Chen Peng	1	4	1	4
Richard Koh	1	4	1	4
Pang Wai Yin (1)	1	2	1	2

@ Number of meetings held during the period the director was a member of the RMIC
(1) Stepped down from the Board on 1 June 2023

Amongst others, the RMC reviewed the management initiatives to promote risk culture and refreshed the risk appetite and tolerance limits as part of the annual exercise to be in line with Board approved business strategy. It has also sharpened the risk focus by prioritising risks and extensively discussed with management the Company's strategies for navigating the volatility of financial markets during the year. The RMC reviewed and was satisfied with the management's response to Income Insurance's Own Risk and Solvency Assessment (ORSA) during the year. The RMC also approved Income Insurance's Environmental Risk Management Framework. A review of the Company's capital management framework was conducted, and the recommendations were endorsed by the RMC for the Board's approval. On risk culture, Income Insurance has rolled out a programme to systematically assess the design and effectiveness of internal controls and conducted activities to elevate risk awareness.

Nominating, Human Capital and Remuneration Committee (previously known as Nominating and Human Resource & Remuneration Committee)

The Nominating, Human Capital and Remuneration Committee (NHCRC) shall comprise at least three directors, all of whom shall be non-executive directors, and the majority of whom shall be independent. The Lead Independent Director, if any, should be a member of the NHCRC.

The members of the NHCRC during the reporting period were as follows:

Chairperson	Sim Hwee Hoon
Members	Joy Tan Craig Ellis (from 21 Nov 2022) Seah Kian Peng (up to 2 Nov 2023) Adeline Sum (from 3 Nov 2023)

The key duties and responsibilities of the NHCRC are:

- Determining the criteria to be applied in identifying suitable candidates, and reviewing nominations and re-nominations for appointments to the Board and Board Committees.
- Reviewing and recommending to the Board a framework for determining the remuneration for the Board and external advisor to the Board, and the specific remuneration packages for each director.
- Recommending to the Board on the development of a process for the annual evaluation of the performance of the Board, Board Committees, and directors.
- Assessing the skills of the directors on an annual basis and identifying steps to improve the effectiveness of the Board and Board Committees.
- Determining the independence of each director at the time of appointment and on an annual basis prior to every annual general meeting, based on the definition and criteria set out in the provisions of the prevailing ICGR, including any amendment thereto. The NHCRC may make an alternate assessment of independence that a director who is not considered independent from business relationship or not considered independent from the substantial shareholder shall nonetheless be considered independent if the NHCRC is satisfied that the director's independent business judgment and ability to act in the interest of the insurer will not be impeded despite the relationship.
- Reviewing the adequacy of Board training and education and implementing an annual continuous Professional Development programme for the directors.
- Leading the process of appointing the key position holders with the approval of the Board.
- Reviewing and approving a framework for determining remuneration based on the factors set out in the ICGR.
- Reviewing and approving the remuneration plans and actual pay-out for senior management and for the Chief Executive Officer (CEO).
- Reviewing appointments and terminations of senior management.
- Reviewing the talent management framework and progress, and the succession plans for the executive team and key roles such as the CEO.
- Ensuring that remuneration plans and talent planning take into account the organisation's culture and conduct framework.
- Oversight of Income Insurance's implementation of the MAS Individual Accountability and Conduct Guidelines and ongoing review of compliance with the Guidelines.

Corporate Governance
For the reporting period from 1 July 2022 to 31 December 2023

The NHCRC assists the Board to evaluate the suitability of candidates for appointment to the Board by ensuring that competent and qualified individuals capable of contributing to the success of the Company are considered. The NHCRC may engage external search consultants to source for potential candidates. Proposals for the appointment of new directors are reviewed by the NHCRC. The latter meets with short-listed candidates to assess their suitability and commitment. Competent individuals are assessed on their suitability taking into consideration, amongst others, their professional qualifications, integrity, financial and commercial business experience, and field of expertise relevant to the Company, potential to contribute to the effectiveness of the Board and to complement the expertise and experience of the Board.

In addition, the NHCRC determines the proposed candidate's independence under the ICGR and ensures that the appointment of the proposed candidate would satisfy the criteria under the regulations, and that he/she is a fit and proper person for the office, considering his/her track record, age, experience, capabilities, skills and other relevant factors as may be determined by the Board. Such reviews are also conducted on an annual basis to ensure that each Director remains qualified for office based on the above criteria. The NHCRC recommends all director appointments for the Board's endorsement. In keeping with good corporate governance, all directors are subject to re-nomination and re-appointment once every three years. All new nominations to the Board require the prior approval of the MAS.

The NHCRC is mindful that directors who serve on multiple boards may be faced with competing time commitment. Although the NHCRC has not imposed a formal limit on the number of directorships which a director may hold, it requires each director to declare annually that he/she is able to devote sufficient time and attention to the Company and to adequately discharge his/her duties as director. The NHCRC has reviewed and is satisfied that directors who currently hold multiple board representations are able to devote adequate time and attention to discharge their duties effectively. The key directorships and principal commitments of each director are included in the write-up on the Board in our website at www.income.com.sg/about-us/corporate-information/board-of-directors.

The NHCRC also leads the process of appointing the key executive positions with the approval of the Board and reviews the resignations of such key executives. The Chief Risk Officer, Tan Siew Yen, resigned on 1 August 2022 and her successor, Mark Shi, was appointed on 1 February 2023.

The number of meetings held during the reporting period and the attendance of the directors at these meetings are tabulated below.

	No. of Meetings Held@		No. of Meetings Attended	
Name of Director	2022	2023	2022	2023
Sim Hwee Hoon	1	**6**	1	**6**
Adeline Sum [1]	-	**1**	-	**1**
Tan Whei Mien Joy	1	**6**	1	**6**
Craig Ellis [2]	-	**6**	-	**6**
Seah Kian Peng [3]	1	**5**	1	**4**

@ Number of meetings held during the period the director was a member of the NHCRC
(1) Appointed to the NHCRC on 3 November 2023
(2) Appointed to the NHCRC on 21 November 2022
(3) Stepped down from the Board on 2 November 2023

In relation to the Board, the key areas reviewed included the assessment of new Board candidates, the skills and competencies required on the Board, the composition of the Board Committees, independence of directors, and Board evaluation results. In relation to the organisation, the key areas reviewed were the remuneration framework and remuneration of the senior management team, talent management framework and development plans for the senior management, the organisation's conduct and culture, as well as succession plans for the executive team and key position holders.

The NHCRC monitors the effectiveness of remuneration policies. It has reviewed the Company's compensation practices ensuring that compensation is aligned with prudent risk-taking and is market competitive.

In 2022, Willis Towers Watsons ('WTW") provided independent advisory services on the senior management compensation framework. WTW is not related to the Company and the Company is not aware of any relationship between WTW and the Company's directors and senior management. The review covered the entire scope of remuneration including, job evaluation, market benchmark and competitiveness, to ensure greater alignment of remuneration policies and practices with market standards. Additionally, in September 2023, WTW was engaged to conduct a review on Income Insurance's performance measures, incentive structure and mechanism against market practices and to ensure conformance to prevailing regulatory requirements.

In 2023, the NHCRC commissioned KPMG to conduct an independent annual review of Income Insurance's Remuneration Framework to assess the compliance of the framework with relevant regulations and guidelines to ensure good governance and practices within its policies and framework.

Digital & Technology Committee

The Digital & Technology Committee (DTC) shall comprise at least three non-executive members, including the Chair. External members may be appointed to the DTC based on relevant expertise and experience. The members of the DTC, including the Chair, shall have relevant business, digital and/or technology innovation experience. At least two members shall have the relevant technical knowledge or business experience, as the Board interprets such qualification in its judgment.

The members of the DTC during the reporting period were as follows:

Chairperson	Richard Koh (previously member up to 31 May 2023)
Members	Robert Charles (previously Chairperson up to 31 May 2023) Seah Kian Peng (up to 2 Nov 2023) Han Soon Lang* Lim Kuo Siong* Chak Kong Soon* (up to 24 May 2023)

* external member

The key duties and responsibilities of the DTC, as delegated by the Board, are to:

- Provide oversight on major Information Technology (IT) programmes and investment.
- Provide advice on strategies related to digital transformation, technology architecture and technology-related innovations.
- Monitor and review emerging trends in digitisation and technologies that may affect Income Insurance's strategy, including new developments in fintech and insurtech.
- Review specific technology risks as requested by the RMC. These will include cyber security, IT resilience, and IT security. The outcome of the review will be updated to the RMC.
- Highlight and bring to the attention of the Board any matters as the DTC deems appropriate.

The number of meetings held during the reporting period and the attendance of the directors at these meetings are tabulated below.

	No. of Meetings Held@		No. of Meetings Attended	
Name of Director	2022	2023	2022	2023
Richard Koh	1	**5**	1	**3**
Robert Charles	1	**5**	1	**5**
Seah Kian Peng [1]	1	**3**	1	**3**

@ Number of meetings held during the period the director was a member of the DTC
(1) Stepped down from the Board on 2 November 2023

The DTC is the key driver for the enterprise core replacement programme to modernise the capabilities and functions for Income Insurance's business and operations. DTC also continues to support Income Insurance in the insurtech space as Income Insurance expands its digital footprint locally as well as the region.

Sustainability Committee

Established on 1 June 2023, the Sustainability Committee (SC) was constituted by the Board in fulfilling its statutory and fiduciary responsibilities in sustainability-related matters by providing effective oversight, review and challenge to the Executive Committee in the implementation of the Company's sustainability strategy, communication of its sustainability activities with its stakeholders and to provide input to the Board and other Board Committees on related matters.

The SC comprises at least three directors, including the Chairperson who is an Independent Director and appointed by the Board. The members of the SC shall have sustainability-related experience, relevant expertise and business experience as the Board interprets such qualification in its judgment.

The SC comprises three members as follows:

Chairperson	Chew Sutat
Members	Sim Hwee Hoon Neo Chin

The key duties and responsibilities of the SC, as delegated by the Board, are to:

- Maintain oversight of the Company's execution of its sustainability strategy based on the identified priorities, actions, metrics and targets, as well as all relevant matters and issues, regulations and public disclosure requirements and incentive arrangements linked to sustainability.
- Review, make recommendations, and approve the Company's sustainability strategy, position statements, frameworks, ambition, policies, related sustainability matters, initiatives or activities, as well as escalating issues.
- Maintain oversight, review and approve the Company's disclosures relating to sustainability, including but not limited to its annual Sustainability Report, and provide information and advice to support the Board and Audit Committee in relation to those disclosures, as required.

The number of meetings held during the reporting period and the attendance of the directors at these meetings are tabulated below.

Name of Director	No. of Meetings Held@		No. of Meetings Attended	
	2022	2023	2022	2023
Chew Sutat	-	**3**	-	**3**
Sim Hwee Hoon	-	**3**	-	**3**
Neo Chin	-	**3**	-	**3**
Seah Kian Peng [(1)]	-	**2**	-	**1**

@ Number of meetings held during the period the director was a member of the SC

(1) Stepped down from the Board on 2 November 2023

The SC is the key driver of sustainability performance at Income Insurance as it continues to provide strategic inputs to drive the Company's progress in Environmental, Social and Governance (ESG) and to deliver positive social impact in Singapore.

RELATED PARTY TRANSACTIONS POLICY AND PROCESS

The Related Party Transactions Policy of the Company provides guidance and direction on the identification and approval of related party transactions. The policy prohibits all related party transactions, unless approved or ratified by the Board, or considered pre-approved as outlined in the policy. On a quarterly basis, the management reports to the AC and Board any material related party transactions that are identified, and these transactions are reviewed at the AC and Board meetings.

Please refer to the Annual Report for Related Party Transactions disclosures.

REMUNERATION POLICY

Employees' Remuneration

The Company's policy is to remunerate its employees at competitive and appropriate levels, commensurate with their performance and contribution. It seeks to attract, motivate, reward, and retain quality employees and foster a performance-oriented culture across the organisation. The total compensation package for employees comprises basic salary, fixed and variable bonuses, as well as other staff benefits. The approximate mix of remuneration of fixed and variable is, on average, 84% - 16% for employees and managers. For senior management, the approximate mix is about 56% - 44%. In addition, a retention plan is provided for eligible senior management members. To ensure that its remuneration package is competitive, the Company regularly reviews its base salary ranges and benefits package versus market data. Each job is graded, and base salary ranges are established (by using the market median as a midpoint guide) for each respective grade.

There are currently no employee share schemes.

Corporate Governance
For the reporting period from 1 July 2022 to 31 December 2023

Remuneration of Non-Executive Directors

The director fee payable to non-executive directors for 2022 and 2023 was approved as follows:

Base Fee	**$45,000**
Appointment Fee	
Chairman of Board	**$45,000**
Deputy Chairman, Chairperson of Audit Committee, Investment Committee, Risk Management Committee, Digital & Technology Committee, Nominating and Human Resource & Remuneration Committee	**$40,000**
Member of Audit Committee, Investment Committee, Risk Management Committee	**$28,500**
Member of Digital & Technology Committee, Nominating and Human Resource & Remuneration Committee	**$20,000**

Each director is paid a fee based on the base fee and the two highest appointments he or she holds, regardless of the number of appointments. The director's fee is pro-rated for new directors who are appointed to the Board, based on the period of service.

Name of Director	1 Jul - 31 Dec 2022	1 Jan - 31 Dec 2023	Total - 1 Jul 2022 - 31 Dec 2023
Ronald Ong	$32,733.32	$90,000.00	$122,733.32
Adeline Sum [(1)]	NA	$16,972.60	$16,972.60
Joy Tan	$33,900.00	$93,500.00	$127,400.00
Sim Hwee Hoon	$38,729.45	$85,000.00	$123,729.45
Neo Chin	$30,816.68	$85,000.00	$115,816.68
Vincent Lien	$26,650.00	$73,500.00	$100,150.00
Robert Charles	$41,150.00	$108,516.44	$149,666.44
Mak Keat Meng	$41,150.00	$113,500.00	$154,650.00
Chen Peng	$36,983.32	$102,000.00	$138,983.32
Richard Koh	$33,900.00	$105,226.02	$139,126.02
Craig Ellis [(2)]	$18,557.54	$93,500.00	$112,057.54
Chew Sutat [(3)]	$14,498.63	$73,500.00	$87,998.63
Kee Teck Koon [(4)]	$29,204.80	$30,406.85	$59,611.65
Pang Wai Yin [(4)]	$41,150.00	$47,265.75	$88,415.75
Seah Kian Peng [(5)]	$43,621.47	$88,027.40	$131,648.87

(1) Appointed to the Board on 3 November 2023

(2) Appointed to the Board on 12 October 2022

(3) Appointed to the Board on 21 October 2022

(4) Stepped down from the Board on 1 June 2023

(5) Stepped down from the Board on 2 November 2023

Immediate Family Member of Substantial Shareholder and Directors

The Company did not employ any immediate family member of a director, the CEO or substantial shareholder for the period from 1 July 2022 to 31 December 2023. There is no employee who is a substantial shareholder of the Company.

Remuneration of Key Executives

The Corporate Governance Guidelines recommend that the remuneration of at least the top five key executives be disclosed within bands of $250,000. After careful consideration, the Board has decided not to disclose information on the remuneration of the top five key executives as the disadvantages to the Company's business interests would far outweigh the benefits of such disclosure in view of the disparities in remuneration in the industry and the competitive pressures that are likely to result from such disclosure.

COMMUNICATION WITH SHAREHOLDERS

Shareholders of the Company can access relevant information on the Company at its website at www.income.com.sg. The corporate website is one of the means used to engage shareholders.

Shareholders are also given the opportunity to participate actively at the Company's general meetings where they can ask questions and communicate their views. The directors, senior management, and external auditors are present at these meetings to address queries and concerns raised by shareholders.

Shareholders can also send in their enquiry to the Company via www.income.com.sg/contact-us/customer-enquiry-form.

MANAGEMENT OF STAKEHOLDER RELATIONSHIPS

The Company adopts an inclusive approach in management and engagement of stakeholders such as regulators, customers, employees, shareholders business and community partners as part of its overall responsibility to ensure that the interest of the Company is served. The Sustainability Report FY 2023 sets out the Company's approach and key areas of focus in relation to managing its stakeholder relationships. The report is available at www.income.com.sg/sustainability.

ENTERPRISE RISK MANAGEMENT

The Risk Management Strategy, as advised and endorsed by the RMC and approved by the Board, serves to ensure that the risk management framework is in place to identify, measure, manage, monitor, and report material risks consistently across all business activities.

Enterprise Risk Management Framework

The Enterprise Risk Management (ERM) Framework at the Company level involves the overall assessment of risks to which Income Insurance can be exposed, at present as well as over the reasonably foreseeable future, and its integration with capital management.

Income Insurance's enterprise-wide Risk Appetite Statement articulates, quantitatively and qualitatively, the level of risk that the Company is ready to accept and tolerate and provides the basis for oversight and governance.

The foremost principle underlying the Income Insurance's ERM Framework is that all risk management activities are aimed at facilitating the achievement of its stated corporate objectives and social priorities, in a manner consistent with Income Insurance's aims of financial stability and serving the community, whilst protecting and enhancing the reputation and standing of the Company.

Within the ERM Framework, Income Insurance operates a "Three Lines of Defence" model for the management of the risks facing the business. The first line of defence comprises the various business units who are the ultimate owners of the risks. They have responsibility to identify, measure, manage and monitor the risks in their respective areas. The second line of defence comprises the Risk Management and Compliance functions. They provide a review and challenge of the processes and controls in the first line business activities and propose risk limits and polices for approval by the RMC or Board. The third line of defence comprises the Internal Audit function which provides independent assurance that the risks are being managed effectively.

Risk Management Principles

Risk is a key part of the Company's business and is defined as events which have a range of probabilistic outcomes, some of which have a negative impact on the organisation.

The risk management framework ensures that risks are properly measured, managed, and monitored. The framework is tailored to the organisation and business structure to ensure that it is relevant and effective. A review of the framework is performed regularly to ensure that it remains fit for purpose and that it provides the safeguards and assurances that the business is soundly run.

Under the risk management framework, risks are classified under eight broad categories which are most central to the business:

1. **Market Risk**

   Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, exchange rates, and others that may be only indirectly observable such as volatilities and correlations.

   This risk is managed in accordance with the Market Risk Policy, which requires exposure limits and risk indicators to be established in line with the Income Insurance's risk appetite. Market risk is factored into the design of the asset-liability management strategy, investment management process, and product design and pricing.

2. **Insurance Risk**

   Insurance risk refers to the uncertainty of claims paid by Income Insurance upon contingent, uncontrollable, events in return for premiums. Taking insurance risk to earn an economic profit is Income Insurance's core business. This risk is managed through the combination of underwriting and pricing.

   The Insurance Risk Policy sets out the types of risks that are acceptable to Income Insurance, the limits of retention, and how new risks are to be evaluated and approved.

3. **Credit Risk**

   Credit risk is the risk arising from the uncertainty of an obligor's ability to fulfil its contractual obligations to the Group. The risk gives rise to financial losses as a result of default of an obligor or deterioration in its credit quality. The obligors include security issuers, derivatives transactional counterparties, policyholders, reinsurers, brokers and other intermediaries such as exchange/clearing houses.

   Income Insurance's Credit Risk Management Policy provides guidance on the measures for managing credit risk. The Company has put in place a robust process whereby credit exposures are managed through exposure limits set according to the credit worthiness of the obligors and Income Insurance's risk appetite. Other measures include regular review of credit exposures and evaluation of different sources of credit risk.

4. **Liquidity Risk**

   Liquidity risk is the risk of being unable to meet obligations in a timely manner and at a reasonable cost as they fall due. Liquidity risk could arise through uncertainties in the value and timing of our obligations, and/or bad publicity or adverse market conditions leading to unexpected cash demands.

   The risk is mitigated through effective asset-liability matching and holding sufficient and good quality liquid assets on the balance sheet. There is a robust process in place to maintain a level of operational cash to finance business operations and to mitigate the effects of fluctuations in cash requirements, as well as monitoring of liquidity risk indicators to manage the risk appetite.

5. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational risks are managed through:

- Establishing and executing enterprise-wide risk management strategies for specific operational risks that could materially impact the ability to do business or impact reputation.
- Risk and Control Self-Assessment

  Heads of Business Units and/or appointed Risk Champions and Representatives are accountable for the day-to-day management of the operational risks inherent in their operations. They identify and assess key risks and controls, and design controls and action plans to manage operational risks as part of their overall portfolio of risk, to achieve an effective internal control environment.
- Use of appropriate operational risk management tools, methodology and mitigation strategies to identify, measure and monitor key operational risk exposures.
- Risk reviews by the Risk Management function on specific areas of concern to identify areas for improvements and to close gaps or weaknesses.

In particular, there are policies, processes and controls in place:

- to protect the Company from risks associated with money laundering and terrorist financing, which include regular monitoring and screening activities.
- to protect customers, Income Insurance and related third parties from fraud risks.

6. Reputational Risk

Income Insurance's business relies on its reputation and the trust its policyholders place in it for their financial security. Income Insurance is committed to continue to earn this trust by reinforcing fair and ethical practices, supported by strong compliance and corporate governance structures and processes.

7. Environmental Risk

Environmental risk arises from the potential adverse impact of changes in the environment on economic activities and human well-being. Environmental issues can result from climate change, loss of biodiversity, pollution, and changes in land use. These issues are inter-linked, and the current focus is on climate change, as the most serious environmental risk locally and globally.

The Company has in place an Environmental Risk Management Policy to address physical and transition risk considerations arising from climate change.

8. Technology Risk

Technology risk refers to risk related to any adverse outcome, damage, loss, disruption, violation, irregularity, or failure arising from the use of or reliance on computer hardware, software, electronic devices, networks, and telecommunication systems.

Technology risks are managed in accordance with the Technology Risk Policy, which provides guidance on identification, measurement, management, monitoring and reporting of technology risks that could have material impact to Income Insurance. There are processes and controls in place to manage cyber risks and technology risks relating to data loss/leakage, system security vulnerabilities, system breakdown and availability, privileged access misuse and technology obsolescence.

Corporate Governance
For the reporting period from 1 July 2022 to 31 December 2023

ASSET LIABILITY MANAGEMENT

The Company adopts a rigorous and dynamic Asset Liability Management (ALM) approach that drives the Company's Strategic Asset Allocation (SAA). The ALM process does not focus only on addressing interest rate risk of the Company's Assets and Liabilities but rather, a 'balance sheet approach' is adopted with consideration of liability requirements and liquidity needs, supported by well-articulated risk appetite boundaries for the achievement of the Company's long-term return objectives.

The overall ALM approach in setting of the SAA is premised upon a prudent philosophy guided by the risk appetite.

The asset pool backing guaranteed liabilities is invested in fixed income assets with a conservative mix of Singapore government and investment grade corporate bonds. The duration of the assets is driven by the profile of the liabilities, targeting good cash flow matching to minimise the fund's liquidity and interest rate risks.

The asset pool backing surpluses consists of assets backing capital requirements and surplus capital. Assets backing capital requirements are invested in a conservative mix of fixed income assets while surplus capital assets are invested in return seeking assets such as equities, physical properties and alternative assets to achieve optimal asset diversification benefit.

ALM METHODOLOGY

Studies are conducted annually to determine the optimal SAA to be adopted by the Company.

A range of financial models, such as interest rate models and multi-factor models, is used to develop economic scenarios. Each scenario contains forward looking views on interest rates, credit spreads, equity returns, and property returns, which are used to simulate the possible changes in both the value of the liabilities and the value of a portfolio of assets.

Several portfolio assets are run through the economic scenarios to determine their risk and return characteristics. The SAA is chosen as the portfolio that generates sufficient returns to meet fund objectives while staying within the Company's risk appetite.

Statement by Directors

For the financial period from 1 July 2022 to 31 December 2023

We are pleased to present this annual report to the members together with the audited consolidated financial statements of Income Insurance Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial period from 1 July 2022 to 31 December 2023.

In our opinion,

(a) the consolidated financial statements set out on pages 54 to 163 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 and changes in equity of the Company for the financial period ended on that date in accordance with the provisions of the Singapore Companies Act 1967 ("the Act") 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:

Ong Whatt Soon Ronald	(Appointed on 1 Aug 2022)
Sum Wai Fun Adeline	(Appointed on 3 Nov 2023)
Tan Whei Mien, Joy	(Appointed on 1 Aug 2022)
Sim Hwee Hoon	(Appointed on 1 Aug 2022)
Neo Chin	(Appointed on 1 Aug 2022)
Lien Jown Jing Vincent	(Appointed on 13 Oct 2021)
Robert James Charles	(Appointed on 1 Aug 2022)
Mak Keat Meng	(Appointed on 1 Aug 2022)
Chen Peng	(Appointed on 1 Aug 2022)
Koh Chin Kiong	(Appointed on 1 Aug 2022)
Craig Anthony Ellis	(Appointed on 12 Oct 2022)
Chew Sutat	(Appointed on 21 Oct 2022)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during the financial period, 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.

Statement by Directors
For the financial period from 1 July 2022 to 31 December 2023

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interest of directors holding office at the end of the financial period in the shares in, or debentures of, the Company and related corporations are as follows:

	Holdings	
Name of director and corporation in which interests are held	As at 31 December 2023	As at 1 July 2022 or date of appointment
Direct and deemed interest in ordinary shares of Income Insurance Limited		
Neo Chin	5,210	-
Sim Hwee Hoon	5,150	-
Direct and deemed interest in ordinary shares of NTUC Income Insurance Co-operative Limited		
Neo Chin	-	5,210
Sim Hwee Hoon	-	5,150

Except as disclosed in this statement, no director holding office at the end of the financial period had interests in shares in, or debentures of, the Company or any related corporations either at the beginning of the financial period, date of appointment, or the end of the financial period.

SHARE OPTIONS

The Company does not have any share option scheme in place.

AUDITORS

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

On behalf of the Board of Directors

Ronald Ong
Chairman

Mak Keat Meng
Director

Singapore, 27 March 2024

MEMBERS OF THE COMPANY
INCOME INSURANCE COMPANY LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Income Insurance Limited ('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 statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 54 to 163.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period 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.

Other matters

The financial statements for the period ended 30 June 2022 were unaudited. The Company had applied the exemption from duty to prepare financial statements and was exempted from audit under Section 201A and Section 205B of the Act respectively for the period ended 30 June 2022.

On 19 December 2022, the Company obtained approval from the Accounting and Corporate Regulatory Authority to change its financial year end from 30 June to 31 December. The change of financial year results in the second financial year covering period from 1 July 2022 to 31 December 2023.

Independent Auditors' Report
For the financial period from 1 July 2022 to 31 December 2023

Key audit matters

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

Valuation of insurance contract provisions
(Refer to Note 4, 5(a), 5(b), and 17 to the consolidated financial statements)

The key audit matter

The Group's insurance business comprises life and general insurance contracts. The Group has significant insurance contract provisions representing more than 92% of its total liabilities. Valuation of insurance contract provisions is inherently judgemental and subjective. The methodologies and assumptions adopted are crucial to the valuation of the insurance contract provisions so that sufficient amounts are held to meet expected obligations.

i) Life insurance contract provisions

Economic assumptions such as investment return and interest rates, and non-economic assumptions such as mortality, morbidity and policyholder persistency are some of the key bases used to estimate the Group's life insurance contract liabilities.

In addition to historical experience, management judgement is involved in the application of these assumptions. Changes in the assumptions used could result in a material impact to the valuation of the life insurance contract liabilities and the related movements in the consolidated statement of comprehensive income.

How was the matter addressed in our audit

We used our internal actuarial specialists to assist us in performing audit procedures including:

- Evaluated the reasonableness of the actuarial valuation methodologies used by comparing them against regulatory requirements and industry practices, as applicable;
- Evaluated the reasonableness of key assumptions by comparing them against historical trends and experience. Where applicable, we benchmarked the assumptions to those applied by other insurers with similar insurance contracts;
- Assessed the relevant experience investigations to verify that the assumptions applied are consistent with the Group's experience;
- Assessed the reasonableness of the movement analysis of provisions to understand the key drivers of the changes during the year; and
- Assessed the reasonableness of the disclosures in the consolidated financial statements.

Findings

Based on our above procedures, we considered the methodologies and assumptions used in the valuation of the life insurance contract provisions to be in accordance with relevant requirements. We tested management's evaluation of the economic and non-economic assumptions in arriving at their justification of the key assumptions which have been tested for sensitivity and retrospective review. We also found that the disclosures on the valuation methodologies and assumptions applied and sensitivity analysis (Note 4) and the insurance risk management note (Note 5(a)) to be in accordance with relevant requirements.

Valuation of insurance contract provisions
(Refer to Note 4, 5(a), 5(b), and 17 to the consolidated financial statements)

ii) General insurance contract provisions

General insurance contract provisions include the provision for claims and loss adjustment expenses and the provision for unexpired risk. These are determined based on historical claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Estimates have to be made for both the expected ultimate cost of claims reported at the reporting date, and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the reporting date.

The estimation of general insurance contract liabilities is sensitive to various assumptions applied including most significantly the assumed loss ratio. Management judgement is applied in setting these assumptions. Changes in these assumptions used could result in a material impact to the valuation of the general insurance contract liabilities and the related movements in the consolidated statement of comprehensive income.

How was the matter addressed in our audit

We used our internal actuarial specialists to assist us in performing audit procedures including:

- Evaluated the reasonableness of the actuarial valuation methodologies used against regulatory requirements and industry practices, as applicable;
- Evaluated the reasonableness of key assumptions with reference to historical trends and experience. Where applicable, we benchmarked the assumptions to those used by other insurers with similar insurance contracts;
- Assessed the reasonableness of the movement analysis of provisions to understand the key drivers of the changes over the year;
- Re-computed the insurance contract provisions for all classes of business, using management's selected methodologies and assumptions to ascertain the accuracy of the calculation;
- Analysed independently all key classes of general insurance business using our internal actuarial selected methodology and assumptions to determine a reasonable range of best estimates, and compared the Group's calculated result against that range; and
- Assessed the reasonableness of the disclosures in the consolidated financial statements.

Findings

Based on our above procedures, we considered the methodologies and assumptions used in the valuation of the general insurance contract provisions were in accordance with relevant requirements. We tested management's evaluation in arriving at their justification of the key assumptions which have been tested for sensitivity and retrospective review. We also found that the disclosures on the valuation methodologies and assumptions applied and sensitivity analysis (Note 4) and the insurance risk management note (Note 5(b)) to be in accordance with relevant requirements.

Valuation of other financial assets classified as Level 3 under the fair value hierarchy
(Refer to Note 5(f), 12 and 33 to the consolidated financial statements)

The key audit matter

The Group's investment portfolio represents more than 86% of its total assets. Of the financial instruments that are carried at fair value in the Group's consolidated financial statements as at 31 December 2023, the areas that involved significant judgement were the valuation of unquoted funds, debt and equities, representing approximately 13% of the Group's total investments.

These financial instruments are classified as Level 3 in the fair value hierarchy, where their fair values are measured using significant unobservable inputs such as the net asset value of the investee funds or companies.

How was the matter addressed in our audit

We assessed whether fair values of the Level 3 financial instruments are reasonable by performing the following procedures:

- Understand from management on their valuation approaches for these Level 3 instruments to assess the appropriateness of the basis of valuations;
- Considered management's sensitivity analysis in respect of the key assumptions used to assess the impact, if any, to the valuation;
- Obtained independent confirmations to ascertain the reliability of inputs used in the valuations;
- Evaluated the reliability of valuation approaches used in the valuation of Level 3 instruments by performing look-back procedures to compare prior year inputs to the investees' audited financial statements; and
- Assessed the reasonableness of the disclosures in the consolidated financial statements on the fair value measurement basis.

Findings

The valuation methods applied are in line with generally accepted market practices and the valuations are consistent with external net assets valuation reports. We also found that the disclosures on fair value measurement (Note 5(f)) to be in accordance with relevant requirements.

Valuation of investment properties
(Refer to Note 5(f) and 8 to the consolidated financial statements)

The key audit matter

The Group owns a portfolio of investment properties comprising commercial properties. These investment properties are carried at fair values as determined by independent professional valuers.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are sensitive to key assumptions applied such as the capitalisation rates and discount rates; where a change in the assumptions can have a significant impact to the valuation.

How was the matter addressed in our audit

We assessed whether the fair values of the investment properties are reasonable by performing the following procedures:

- Inquired and assessed management's basis of determining fair values of investment properties;
- Evaluated the competency and objectivity of the independent property valuers;
- Assessed the appropriateness and reasonableness of the valuation methodologies and key assumptions used by the independent property valuers such as the capitalisation rates, discount rates, rental growth rates and estimated rental rates;
- Assessed management's computation and accounting treatment of fair value changes; and
- Assessed the reasonableness of the disclosures in the consolidated financial statements in describing the inherent degree of subjectivity and key assumptions in the estimates.

Findings

The Group has a process in appointing valuers, and in reviewing, challenging and accepting their valuations. A valuation was performed by the valuers on the Group's portfolio of investment properties at the reporting date. The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are within the range of market data. We also found that the disclosures on the fair value measurement (Note 5(f)) to be in accordance with relevant requirements.

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 consolidated financial statement and our auditors' report thereon.

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.

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

- 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current financial period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report
For the financial period from 1 July 2022 to 31 December 2023

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 Ms. Fan Yuanling Pamela.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 March 2024

Statements of Financial Position

As at 31 December 2023

	Note	Group 31 December 2023 $'000	Company 31 December 2023 $'000	Company 30 June 2022 $'000 (Unaudited)
ASSETS				
Property, plant and equipment	6	**34,374**	**32,691**	-
Intangible assets	7	**188,894**	**188,088**	-
Investment properties	8	**1,185,770**	**1,185,770**	-
Investment in subsidiaries	9	**-**	**147,986**	-
Investment in joint ventures	10	**636,826**	**636,826**	-
Investment in associated companies	11	**150,931**	**30,712**	-
Other financial assets	12	**37,163,488**	**37,141,985**	-
Loans	14	**645,485**	**645,485**	-
Derivative financial instruments	15	**572,352**	**572,352**	-
Reinsurers' share of insurance contract provisions	17	**109,551**	**109,551**	-
Insurance and other receivables	18	**434,289**	**430,850**	*
Cash and cash equivalents	19	**1,915,675**	**1,912,725**	-
Total Assets		**43,037,635**	**43,035,021**	-
LIABILITIES				
Insurance contract provisions	17	**36,872,713**	**36,872,713**	-
Deferred tax liabilities	16	**38,294**	**38,294**	-
Derivative financial instruments	15	**131,574**	**131,574**	-
Borrowings	20	**825,925**	**824,602**	-
Insurance and other payables	21	**1,993,432**	**1,999,969**	-
Total Liabilities		**39,861,938**	**39,867,152**	-
NET ASSETS		**3,175,697**	**3,167,869**	*
SHARE CAPITAL AND RESERVES				
Share capital	22	**3,203,821**	**3,203,821**	*
Fair value reserve		**(93,651)**	**(105,322)**	-
Retained earnings		**57,699**	**69,370**	-
Shareholders' Equity		**3,167,869**	**3,167,869**	*
Non-controlling interest		**7,828**	**-**	-
Total equity		**3,175,697**	**3,167,869**	*

* less than $1,000

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the financial period from 1 July 2022 to 31 December 2023

	Note	Period from 1 July 2022 to 31 December 2023 $'000	Period from 13 October 2021 to 30 June 2022 $'000 (Unaudited)
Gross premiums		**4,857,797**	-
Reinsurance premiums		**(324,019)**	-
Net premiums		**4,533,778**	-
Fee and other income	24	**46,357**	-
Net investment income and fair value gains	25	**1,504,193**	-
Total income		**6,084,328**	-
Benefits and claims			
Gross claims, surrenders and annuities		**(5,179,909)**	-
Bonus to policyholders		**(330,719)**	-
Decrease in insurance contract provisions		**103,649**	-
Increase in reinsurers' share of insurance benefits and claims		**258,159**	-
Net insurance benefits and claims		**(5,148,820)**	-
Expenses			
Interest expenses	20	**(34,229)**	-
Selling expenses		**(358,837)**	-
Management expenses	26	**(446,189)**	-
Total claims and expenses		**(5,988,075)**	-
Share of results of joint ventures (net of tax)	10	**(53)**	-
Share of result of associated companies (net of tax)	11	**2,481**	-
Share of profit of equity-accounted investees (net of tax)		**2,428**	-
Profit before tax		**98,681**	-
Tax expense	16	**(38,294)**	-
Profit after tax		**60,387**	-
Attributable to:			
Shareholders		**59,923**	-
Non-controlling interest		**464**	-
		60,387	-
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Fair value gain of available-for-sale financial assets		**184,615**	-
Change in insurance contract provisions arising from available-for-sale movement		**(280,052)**	-
Total comprehensive loss		**(35,050)**	-
Total comprehensive loss attributable to:			
Shareholders		**(33,728)**	-
Non-controlling interests		**(1,322)**	-
		(35,050)	-

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the financial period from 1 July 2022 to 31 December 2023

		Attributable to equity holders of the Company					
	Note	Share Capital $'000	Fair Value Reserve $'000	Retained Earnings $'000	Total $'000	Non-Controlling Interests $'000	Total Equity $'000
Group							
At 1 July 2022		*	-	-	-	-	-
Transfer of business from Co-operative at 1 September 2022	32	-	-	-	-	**9,150**	**9,150**
Comprehensive income for the financial period							
Profit for the financial period		-	-	**59,923**	**59,923**	**464**	**60,387**
Other comprehensive income							
Fair value gain/(loss) of available-for-sale financial assets		-	**186,401**	-	**186,401**	**(1,786)**	**184,615**
Change in insurance contract provisions arising from available-for-sale movement		-	**(280,052)**	-	**(280,052)**	-	**(280,052)**
Total comprehensive income for the financial period		-	**(93,651)**	**59,923**	**(33,728)**	**(1,322)**	**(35,050)**
Transactions with owners, recognised directly in equity							
Share issuance	22	**3,246,821**	-	-	**3,246,821**	-	**3,246,821**
Capital reduction	22	**(43,000)**	-	-	**(43,000)**	-	**(43,000)**
Indemnification to shareholder	23	-	-	**(2,224)**	**(2,224)**	-	**(2,224)**
Total transactions with owners		**3,203,821**	-	**(2,224)**	**3,201,597**	-	**3,201,597**
At 31 December 2023		**3,203,821**	**(93,651)**	**57,699**	**3,167,869**	**7,828**	**3,175,697**

* less than $1,000

The accompanying notes form an integral part of the consolidated financial statements.

Statement of Changes in Equity

For the financial period from 1 July 2022 to 31 December 2023

	Note	Share Capital $'000	Fair Value Reserve $'000	Retained Earnings $'000	Total Equity $'000
Company					
At 1 July 2022		*	-	-	-
Comprehensive income for the financial period					
Profit for the financial period		-	-	**71,594**	**71,594**
Other comprehensive income					
Fair value gain of available-for-sale financial assets		-	**175,894**	-	**175,894**
Change in insurance contract provisions arising from available-for-sale movement		-	**(281,216)**	-	**(281,216)**
Total comprehensive (loss)/income for the financial period		-	**(105,322)**	**71,594**	**(33,728)**
Transactions with owners, recognised directly in equity					
Share issuance	22	**3,246,821**	-	-	**3,246,821**
Capital reduction	22	**(43,000)**	-	-	**(43,000)**
Indemnification to shareholder	23	-	-	**(2,224)**	**(2,224)**
Total transactions with owners		**3,203,821**	-	**(2,224)**	**3,201,597**
At 31 December 2023		**3,203,821**	**(105,322)**	**69,370**	**3,167,869**

* less than $1,000

The accompanying notes form an integral part of the consolidated financial statements.

Statement of Changes in Equity

For the financial period from 1 July 2022 to 31 December 2023

	Note	Share Capital $'000	Fair Value Reserve $'000	Retained Earnings $'000	Total Equity $'000
Company					
At 13 October 2021 (date of incorporation)		-	-	-	-
Comprehensive income for the financial period					
Profit/(Loss) for the financial period		-	-	-	-
Other comprehensive income					
Fair value gain/(loss) of available-for-sale financial assets		-	-	-	-
Change in insurance contract provisions arising from available-for-sale movement		-	-	-	-
Total comprehensive income for the financial period		-	-	-	-
Transactions with owners, recognised directly in equity					
Share issuance	22	*	-	-	-
At 30 June 2022		*	-	-	-

* less than $1,000

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the financial period from 1 July 2022 to 31 December 2023

	Note	Period from 1 July 2022 to 31 December 2023 $'000	Period from 13 October 2021 to 30 June 2022 $'000
			(Unaudited)
Cash flows from operating activities			
Profit after tax		**60,387**	-
Adjustments for:			
Tax expense		**38,294**	-
Depreciation of property, plant and equipment	6	**14,469**	-
Amortisation of intangible assets	7	**46,690**	-
Amortisation of intangible assets arising from an associated company	11	**8,337**	-
Write-offs of property, plant and equipment	6	**172**	-
Write-offs of intangible assets	7	**3,804**	-
Interest income	25	**(1,144,168)**	-
Dividend income	25	**(445,875)**	-
Interest expenses		**34,229**	-
Change in fair value of other financial assets	25	**240,181**	-
Change in fair value of derivatives	25	**(303,052)**	-
Change in fair value of investment properties	25	**(18,715)**	-
Impairment made during the year	18,25	**44,342**	-
Bonus to policyholders		**330,719**	-
Increase in reinsurers' share of insurance contract provision		**(30,266)**	-
Decrease in insurance contract provisions		**(307,888)**	-
Share of results of joint venture companies	10	**53**	-
Share of results of associated companies	11	**(2,481)**	-
Operating cash flows before changes in working capital		**(1,430,768)**	-
Changes in working capital:			
Insurance and other receivables		**1,077,413**	-
Insurance and other payables		**(869,831)**	-
Cash generated from operations		**(1,233,186)**	-
Net cash flows used in operating activities		**(1,233,186)**	-
Cash flows from investing activities			
Purchase of property, plant and equipment	6	**(3,219)**	-
Purchase of intangible assets	7	**(120,086)**	-
Increase in investment properties	8	**(2,384)**	-
Interest received		**1,142,891**	-
Dividend received		**450,675**	-
Increase in other financial assets and derivative financial instruments		**(1,035,364)**	-
Increase in loans		**(10,648)**	-
Net cash flows from investing activities		**421,865**	-

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the financial period from 1 July 2022 to 31 December 2023

	Note	Period from 1 July 2022 to 31 December 2023 $'000	Period from 13 October 2021 to 30 June 2022 $'000
			(Unaudited)
Cash flows from financing activities			
Payment for capital reduction	22	**(43,000)**	-
Payment of lease liabilities	20	**(7,718)**	-
Interest paid	20	**(25,820)**	-
Net cash flows used in financing activities		**(76,538)**	-
Net increase in cash and cash equivalents		**(877,859)**	-
Cash and cash equivalents as at 1 July 2022/ 13 October 2021 (date of incorporation)		**-**	-
Cash and cash equivalents transferred at 1 September 2022	32	**2,793,534**	-
Cash and cash equivalents at 31 December 2023/30 June 2022	19	**1,915,675**	-

The accompanying notes form an integral part of the consolidated financial statements.

Notes to the Financial Statements

For the financial period from 1 July 2022 to 31 December 2023

These notes form an integral part of and should be in conjunction with the financial statements.

1. GENERAL

Income Insurance Limited (the "Company") is domiciled in Singapore and constituted under the Companies Act 1967 ("the Act"). The address of the Company's registered office is 75 Bras Basah Road, Income Centre, Singapore 189557.

The Company was incorporated as a company limited by shares on 13 October 2021 as Income Insurance Private Limited with $1 share capital held by NTUC Income Insurance Co-operative Limited ("Co-operative"). On 27 December 2021, the Company was converted to a public company and thus correspondingly changed its name to Income Insurance Limited.

On 1 September 2022, there was a transfer of the entire insurance business, including all its assets and liabilities, of the Co-operative to the Company, pursuant to a scheme of transfer under Section 117 of the Insurance Act 1966 and other agreements (refer to Note 32).

The principal activities of the Company consist of the underwriting of life and general insurance business and carrying out investment activities incidental to its business. The principal activities of its subsidiaries are investment holding and financial advisory services.

On 19 December 2022, the Company obtained approval from the Accounting and Corporate Regulatory Authority to change its financial year end from 30 June to 31 December. The change of financial year end results in the second financial year covering period from 1 July 2022 to 31 December 2023.

The Company was exempted from preparing and presenting audited financial statements under Section 201A and Section 205B of the Act for its first financial year covering period from 13 October 2021 (date of incorporation) to 30 June 2022.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s"). This is the first year that the Company is required to present consolidated financial statements under SFRS(I) 10 *Consolidated Financial Statements* as the Company acquired subsidiaries, joint ventures and associated companies on 1 September 2022 (refer to Note 32). The consolidated financial statements are presented for the first time in accordance with SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

The assets and liabilities of the Company which relate to the insurance business carried on in Singapore are subject to the requirements of the Insurance Act 1966 ("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 Company continues to be able to meet the solvency requirement of Section 17 of the Insurance Act.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which are stated at fair value: investment properties, and certain financial instruments designated at fair value through profit or loss and available for sale investments.

2. BASIS OF PREPARATION (CONTINUED)

(c) Functional and presentation currency

The financial statements are presented in Singapore Dollars (SGD or $) which is the functional currency of the Company and all values are rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are made are disclosed in Note 3.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3 – classification of insurance contracts
- Note 5(f) – fair value measurements
- Note 8 – classification of investment properties

(e) New accounting 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 or after 1 July 2022:

- Amendment to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendment to SFRS(I) 16: *Covid-19-Related Rent Concessions beyond 30 June 2021*
- Amendment to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendment to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

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

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently throughout the financial period.

(a) Insurance contracts

(i) Product classification

Insurance contracts are those contracts that transfer significant insurance risk. An insurance contract is a contract under which the Group (the insurer) accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Such contracts may also transfer financial risks. As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 5% more than the benefits payable if the insured event did not occur. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

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

Disclosures on various insurance contracts are classified into the principal components as follows:

Life insurance contracts, comprising:

- *Life Participating Fund contracts*

  These are the contracts that contain a discretionary participating feature ("DPF"). This feature entitles the policyholders to receive additional benefits in the form of annual and terminal bonuses. The amount or timing of the bonus declaration is not guaranteed and is at the sole discretion of the Group.

- *Life and Health Non-Participating Fund contracts*

  These include health insurance and group term insurance businesses and non-participating life insurance contracts, including the IncomeShield plans and ElderShield Supplement Scheme.

- *Investment-Linked Fund contracts*

  These are the contracts that transfer only insurance risk from policyholders to the Group/Company. Policyholders of such contracts use their premium to purchase units of available investment funds. The amount of benefits is directly linked to the performance of these investment funds. A fixed level of benefit may also be payable upon a claim event in addition to unit account value. Units are deducted from the unit-linked account balances for mortality and morbidity insurance charges, asset management and policy administration fees. The net investment returns derived from the variety of investment funds as selected by the policyholders accrue directly to the policyholders.

- *General insurance contracts*

  These contracts cater to the protection needs of individuals and business owners through a wide range of general insurance products.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Insurance contracts (continued)

(ii) Recognition and measurement

Life Insurance Contracts

Premium revenue

Premiums from life insurance contracts, including annuities, are recognised as revenue when they fall due or when the policy is issued which approximates due date. The outstanding premiums are included in "Insurance and other receivables" in the statement of financial position.

Premiums received in advance before the due dates are not recognised as revenue. They are recorded as advance premiums and included in "Insurance and other payables" in the statement of financial position until they are recognised as revenue when they fall due or when the policy is issued.

Claims

Claims include maturities, annuities, surrenders and death claims. Maturity and annuity claims are recognised as an expense when due for payment. Surrender claims are recognised when paid. Death claims are recognised when notified.

Bonuses to policyholders

All participating life insurance contracts have discretionary participating features. These features entitle the policyholders to receive, as a supplement to guaranteed benefits, additional benefits or bonuses. Reversionary bonuses and cash dividends declared are based on the results of annual actuarial valuations in accordance with Insurance Regulations as advised by the Appointed Actuary. The amount or timing of the bonus declaration is not guaranteed and is at the sole discretion of the Group and Company. The Board of Directors approves the amount of bonus declared to policyholders of participating plans every year.

Insurance contract provisions

The valuation of insurance contract liabilities is determined in accordance with MAS Notice 133 *Valuation and Capital Framework for Insurers* for life insurance funds. The measurement basis for investment-linked insurance contracts and contracts with discretionary participation features issued by the Group all reflect changes in the fair value of the investments backing the contracts. Changes in the value of all insurance contract liabilities are included in profit or loss.

(i) Life Insurance Par Contracts

Provision for future participating and certain non-participating benefits in the life insurance par contracts are established using a discounted prospective cash-flow method. It includes the current best estimate of future contractual premiums, expected claims, provisions for adverse deviation and the costs of maintaining the contracts and future renewal expenses. The liability in respect of the life insurance par contract is the highest of the gross premium valuation method, the minimum condition liability or the value of policy assets of the fund.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Insurance contracts (continued)

(ii) Recognition and measurement (continued)

Life Insurance Contracts (continued)

(ii) Life Insurance Non-Par Contracts

Insurance contract provisions in the life insurance non-par contracts include provisions for future non-participating benefits, claims and loss adjustment expenses, provisions for adverse deviation and unexpired risks. Provision for future non-participating benefits is established using a discounted prospective cash-flow method. It includes the current best estimate of future contractual premiums, expected claims, provisions for adverse deviation and the costs of maintaining the contracts and future renewal expenses. Provisions for claims and loss adjustment expenses and unexpired risks are established based on the same approach used in the general insurance contracts.

(iii) Investment-Linked Contracts

Provision for investment-linked insurance contracts is based on the carrying amount of the net assets of the investment-linked contract at the reporting date. Provisions for future non unit liabilities are based on the same approach used in the life insurance non-par contracts.

General Insurance Contracts

Premium revenue

Premiums are recognised as written from the commencement date of insurance cover. Written premiums are reported in the consolidated financial statements on a gross basis, inclusive of commission payable to intermediaries.

Premiums received in advance before commencement date of insurance cover are not recognised as revenue. They are recorded as advance premiums and included in "Insurance and other payables" in the statement of financial position until they are recognised as revenue when insurance cover commences.

Claims

Claims incurred comprise claims paid during the financial period, net of salvage and subrogation recoveries, and changes in provision for insurance claims.

Salvage and subrogation reimbursements

Some insurance contracts permit the Group to sell salvaged property (salvage) or sue liable third parties (subrogation) in recovering the cost of losses.

Reasonable estimates of the salvage recoveries or subrogation reimbursements are included as an allowance in the measurement of the insurance liability for claims, and recognised in other assets when the liability is settled.

The provision for unearned premiums represents premiums written for risks that have not yet expired. The provision is recognised when contracts are entered into and premiums are charged. The provision is released over the term of the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Insurance contracts (continued)

(ii) Recognition and measurement (continued)

General Insurance Contracts (continued)

Insurance contract provisions

The valuation of insurance contract liabilities is determined in accordance with MAS Notice 133 *Valuation and Capital Framework for Insurers* for general insurance funds.

Provision for unexpired risks

Provision for unexpired risks includes provision for unearned premiums and a provision for premium deficiency.

Additional provision for premium deficiency is made where the expected future claim costs and expenses and a provision for adverse deviation exceed the provision for unearned premiums.

Provision for insurance claims

Provision is made for all outstanding claims as at the reporting date. This provision includes all unpaid claims, claims incurred but not reported, the anticipated direct and indirect costs of settling these claims and a provision for adverse deviation.

(iii) Embedded derivatives in insurance contracts

The Group does not need to separately measure at fair value the policyholder's option to surrender an insurance contract for a fixed amount (or for an amount based on a fixed amount and an interest rate), even if the exercise price differs from the carrying amount of the host insurance liability. This is in accordance with SFRS(I) 4 *Insurance Contracts*.

Options and guarantees inherent in some insurance contracts which are closely related to the host contract issued by the Group are not required to be separated and measured at fair value.

All revenue, benefit payments, expenses and valuation of future benefits payments including investment components are recognised in profit or loss.

(iv) Impact on unrealised gains or losses on available-for-sale assets on liabilities from insurance contracts

Changes in life participating insurance contract liabilities, which are due to the unrealised gains or losses arising from available-for-sale assets, are recognised directly in the fair value reserve to match the corresponding unrealised gains or losses arising from available-for-sale assets.

(v) Reinsurance

The Group enters into reinsurance contracts in the normal course of business to diversify its risks and limit its net loss potential. Assets, liabilities, income and expense arising from the reinsurance contracts and co-insurance arrangements are presented separately from the assets, liabilities, income and expense from the related insurance contracts.

Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence that the Group may not recover all amounts due from the reinsurers. The impairment loss is charged to profit or loss in the statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Insurance contracts (continued)

(vi) Liability adequacy tests

At each reporting date, liability adequacy tests are performed to assess the adequacy of the insurance liabilities estimates. Current best estimates of future contractual cash flows, expected future claims handling, acquisition and administration costs, if any, are projected at best estimate assumptions, and discounted at rates that are close to the Group prospective investment return. Any deficiency is charged to profit or loss in the statement of comprehensive income.

(b) Revenue

Gross premium

The accounting policy for the recognition of gross premium is disclosed in Note 3(a)(ii).

Fee and other income

Fee and other income comprises reinsurance commission income (including reinsurance profit commission income) and management and other fees.

Reinsurance commission income is recognised as revenue on a basis that is consistent with the recognition of the costs incurred on the acquisition of underlying insurance contracts (see Note 3(a)).

Reinsurance profit commission income is recognised based on the terms of the underlying reinsurance contract, and when the amount of revenue and related cost of the reinsurance transaction can be reliably measured.

Management and other fees comprise fund management fees, mortality fees, policy fees and fund switch fees relating to Investment-Linked contracts.

Management and other fees are recognised as revenue on a straight-line basis over the period the service is provided.

Net investment income/(losses) and fair value gains/(losses)

Investment income comprises rental income from investment properties, dividend and interest income from financial assets and interest income on loans and bank deposits, and gains or losses on sale of investments.

Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the operating lease.

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

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

Gains or losses on sale of investments are derived from the difference between net sales proceeds and the purchase or amortised cost. They are recognised on trade date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Employee compensation

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund Board on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. These contributions to defined contribution plans are expensed as the related service is provided.

Short-term employee benefits

Short-term employee benefits are recognised for the amount expected to be paid under short-term cash bonus 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.

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 the employees up to the reporting date.

(d) Income tax

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

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.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for tax 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; and
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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 taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profit will be available against which they can be utilised. 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 profit improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will be available against which they can be used.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currency transactions and balances

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

Changes in fair values of available-for-sale debt securities denominated in foreign currencies are analysed into foreign exchange differences on the amortised cost of the securities and other changes; the foreign exchange differences on the amortised cost are recognised in profit or loss and the other changes are recognised in the fair value reserve.

Changes in fair values of available-for-sale equity securities are recognised in the fair value reserve, together with the related foreign exchange differences.

Foreign exchange differences on investments designated at fair value through profit or loss, are reported as part of the fair value gain or loss.

(f) Basis of consolidation

(i) Subsidiaries

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

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. This is shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of financial position.

Total comprehensive income is attributed to the non-controlling interests based on their respective interests in the subsidiary, even if this results in non-controlling interests having a deficit balance.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Basis of consolidation (continued)

(i) Subsidiaries (continued)

Business combinations

The acquisition method in accordance with SFRS(I) 103 *Business Combinations* is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(ii) Joint ventures

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities. The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed, plus costs directly attributable to the acquisition. Goodwill on joint ventures represents the excess of the cost of acquisition of the joint ventures over the Group's share of the fair value of the identifiable net assets of the joint ventures and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income directly. These post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in joint ventures equals or exceeds its interest in the joint ventures, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has legal or constructive obligations or has made payments on behalf of the joint ventures. If the joint ventures subsequently report profits, the Group resumes recognising its share of those profits only after its share of losses not recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Basis of consolidation (continued)

(ii) Joint ventures (continued)

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Gains or losses arising from partial disposal or dilution in investment in joint ventures are recognised in profit or loss.

The accounting policies of joint ventures are aligned where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Associated companies

Associated companies are entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated companies over the Group's share of the fair value of the identifiable net assets of the associated companies and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income directly. These post-acquisition movements and distributions are adjusted against the carrying amount of the investments.

When the Group's share of losses in an associated companies equals or exceeds its interest in the associated companies, the Group does not recognise further losses, unless it has legal or constructive obligations or has made payments on behalf of the associated companies. If the associated companies subsequently report profits, the Group resumes recognising its share of those profits only after share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the assets transferred.

Accounting policies of associated companies have been aligned where necessary to ensure consistency with the accounting policies adopted by the Group.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is re-measured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value and any proceeds on partial disposal is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Basis of consolidation (continued)

(iv) Business combinations involving entities under common control

The assets and liabilities acquired through business combinations with entities that are under the shareholder that controls the Group are recognised at the carrying amounts recognised previously in the consolidated financial statements of the Group. The presumption is that no acquisition has occurred and the risks and benefits that existed prior to the business combination continues with the controlling party.

(v) Subsidiaries, joint ventures and associates in the separate financial statements

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are initially recognised at cost, which includes transaction costs. After initial recognition, any changes in fair values are recognised in the fair value reserves. Where an indication of impairment exists, the carrying amount of investment is assessed and written down to its recoverable amount. Impairment losses are recognised in profit or loss in the year in which it is determined.

(g) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Included in the property, plant and equipment are right-of-use assets presented as properties class of asset.

Depreciation on property, plant and equipment is calculated on a straight-line basis to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Properties	2 to 10 years
Office equipment	5 years
Furniture and fittings	5 years
Computer equipment	3 to 5 years
Motor vehicles	5 years

In the case of properties which are right-of-use assets, estimated useful lives are determined by reference to the lease term.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. 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 Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred. On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Intangible assets

(i) Computer software

Intangible assets include cost of computer software acquired. Acquired computer software licenses 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 expenditures 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 computer software are expensed off when incurred. Computer software licenses are subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

(ii) Customer contracts

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives are as follow:

	Useful lives
Computer software	5 years
Customer contracts	5 to 15 years

(iii) Goodwill

Goodwill that arises upon the acquisition of a subsidiary is included in intangible asset. For the measurement of goodwill at initial recognition, see Note 3 (f)(i).

Subsequent measurement

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

(i) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

(j) Investment properties

Investment properties are initially recognised at cost and subsequently carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent professional valuer. Changes in fair values are recorded in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Investment and other financial assets

Non-derivative investments and other financial assets are classified into the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The designation of financial assets at fair value through profit or loss is irrevocable.

(i) Investments at fair value through profit or loss

Certain investments held by the Group are designated on initial recognition at fair value through profit or loss. This designation eliminates or significantly reduces measurement inconsistency that would otherwise arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term or that it has designated at fair value through profit or loss. Loans and receivables include cash and cash equivalents, insurance and other receivables and loans.

(iii) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

(iv) Recognition, measurement, derecognition and disclosure

Purchases and sales of 'regular way' financial instruments are recognised on trade date, which is when the Group commits to purchase or sell the assets. Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or when the financial assets have been transferred, together with substantially all the risks and rewards of ownership.

On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in other comprehensive income relating to that asset is reclassified to profit or loss.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

After initial recognition, the Group measures financial assets, designated at fair value through profit or loss, and as available-for-sale, at fair value.

Loans and receivables are measured at amortised cost using the effective interest method.

Changes in the fair value of financial assets at fair value through profit or loss are included in profit or loss in the period in which they arise, including interest income and dividend income from such assets.

Interest and dividend income on available-for-sale financial assets are recognised separately in investment income. Changes in the fair value of available-for-sale debt securities denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in fair value of available-for-sale equity securities are recognised in the other comprehensive income, together with the related currency translation differences.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Investment and other financial assets (continued)

(v) Derivative financial instruments

Derivative financial instruments are categorised as held for trading measured at initial recognition, and subsequently, at fair value and changes in fair value are recognised in profit or loss. Transaction costs incurred in buying and selling derivative instruments are recognised in the profit or loss account when incurred.

All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

(vi) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(l) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Group considers all of its investments in other funds to be investments in unconsolidated structured entities. The Group invests in funds whose objectives range from achieving medium to long term capital growth. The funds are managed by unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives.

Unitised funds finance their operations by issuing redeemable shares/units which entitle the holder to a proportional stake in the respective fund's net assets. The Group holds redeemable shares/units in such funds. The change in fair value of the funds is included in the statement of comprehensive income in "net investment income/(losses) and fair value gains/(losses)".

The Group also has interests in funds registered as partnership structures. The funds are financed via capital commitments, which entitle the partners to a proportional share of income distributions from such funds. The change in fair value of the funds is included in fair value gain/(loss) through reserve in the statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of assets

Financial assets carried at amortised costs

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulty of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 3(m)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the equity available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

Impairment of non-financial assets

Intangible assets, property, plant and equipment and investments in subsidiaries, joint ventures and associated companies are reviewed for impairment at each reporting date to determine whether there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (“CGU”) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

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 for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Insurance and other receivables

Insurance and other receivables include outstanding premiums, trade receivables, accrued interest receivable from fixed deposits with banks and other receivables. These are recognised initially at fair value and subsequently measured at amortised cost less accumulated impairment losses.

(o) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and fixed deposits held with banks which are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

(p) Financial liabilities

Borrowings

Borrowings within the scope of SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement* are recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. The Group determines the classification of its borrowings at initial recognition.

Borrowings are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue of the borrowing.

After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A borrowing is derecognised when the obligation under the borrowing is extinguished. When an existing borrowing is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as an extinguishment of the original borrowing and the recognition of a new borrowing. The difference between the carrying amount of a borrowing extinguished shall be recognised in profit or loss.

Insurance and other payables

Insurance and other payables are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method.

(q) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(r) Dividends to the Company’s shareholders

Dividends to the Company’s shareholders as disclosed are recognised when the dividends are approved for payment during the Annual General Meeting.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Other provisions

Provisions other than insurance contract provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably measured.

(t) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are shown in Note 31, including factors used to identify the reportable segments and the measurement basis of segment information.

(u) 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.

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 lease 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 (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of 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 ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU 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, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 3(j).

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 lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Leases (continued)

As a lessee (continued)

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

- fixed payments, including in-substance fixed payments;
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of 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 payment arising from a change in 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 ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

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

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognised the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

As a lessor

At inception 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 their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group recognises lease payments received from investment properties under operating leases as income on straight-line basis over the lease term as part of net investment income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Deferral of SFRS(I) 9 Financial Instruments

The Group has decided to apply the temporary exemption from SFRS(I) 9 permitted under the Amendments to SFRS(I) 4 Insurance Contracts, and defer its implementation of SFRS(I) 9 until SFRS(I) 17 *Insurance Contracts* that replaces SFRS(I) 4 is effective. The Group assessed that it has qualified for the temporary exemption as the carrying amount of its liabilities arising from contracts within the scope of SFRS(I) 4 is significant compared to the total carrying amount of all its liabilities; and that the total carrying amount of its liabilities connected with insurance is above 90% of its total liabilities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Insurance contract provisions for life insurance

The insurance contract provisions for life insurance are computed in accordance with the applicable regulatory principles using a prospective approach.

The provisions comprise the following liabilities:

- expected future net payments for guaranteed benefits
- expected future net payments for non-guaranteed benefits (if any)
- provision for adverse deviation from the expected experience

Valuation methodology

Assumptions

Liabilities are computed using the prospective cash flow method. Assumptions are set by the Group's Appointed Actuary and the areas where assumptions have been applied are:

- Mortality and morbidity (if applicable)
- Persistency
- Discount rate
- Management expenses

Mortality and Morbidity

A detailed review of the Group's mortality and morbidity experience by significant risk is conducted annually. Based on the results of the review, the Group's Appointed Actuary formed an opinion with regard to the expected future mortality and/or morbidity experience. The Group also uses industry/reinsurance mortality and/or morbidity tables for plans that have no historical experience. A provision for adverse deviation ("PAD") is also made based on the types of product.

Persistency

A detailed review of the Group's persistency experience by plan type is conducted annually. The Group tries to balance past experience and future conditions by setting best-estimate assumptions in line with expected long term average persistency levels. For new plans with no historical experience, the Group uses the experience on similar plan type as a basis to set the best-estimate assumptions.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Insurance contract provisions for Life Insurance (continued)

Valuation methodology (continued)

Discount Rates

The discount rates used in the Life Insurance Non-Par contracts are derived from the yields of Singapore Government Securities. The discount rates used in the Life Insurance Par contracts are derived based on the expected prospective long-term investment return. This is based on strategic asset allocation of the Par contracts and it is determined in conjunction with the risk and investment managers and the Investment Committee.

Expenses

The Group reviews and determines the management expense assumptions regularly based on past experience and future business direction of the Group. Expense inflation assumption is the weighted expected inflation rate and the inflation rate published by the Monetary Authority of Singapore ("MAS").

Effect of changing assumptions

For the valuation as at 31 December 2023, the Group has updated the liability valuation assumptions as compared to 1 September 2022 (date of transfer).

The impact of assumption changes to the insurance contracts provisions is listed in the following table:

	Group and Company
Insurance Contracts	Change in assumptions relating to insurance contract provisions $'000
Par	**-**
Non-Par	**11,023**
Investment-Linked	**(11,883)**

Insurance contract provisions for General Insurance

The insurance contract provisions for General Insurance comprise claims and premium liabilities and are computed in accordance with sound actuarial principles and regulatory guidelines.

These liabilities comprise:

- best estimate of the premium liabilities;
- best estimate of the claims liabilities; and
- margins for adverse deviation to ensure a minimum 75% probability of adequacy.

Valuation methodology

Standard actuarial techniques are used to project the provision for claims and loss adjustment expenses and provision for unexpired risk ("claim liabilities and premium liabilities"). These methods include the Chain-ladder and Bornhuetter-Ferguson model.

The valuation process involves using the Group's claims and policy data to estimate future claims experience.
These insurance liabilities have been derived on a gross basis and are subsequently adjusted for reinsurance recoveries for a net basis.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Insurance contract provisions for General Insurance (continued)

Assumptions

The key assumptions of the actuarial valuation models include:

- chain ladder claim development factors
- loss ratios
- expense ratios
- reinsurance recovery ratios

These assumptions are derived based on the Group's historical and emerging underwriting experience.

Effect of changing assumptions used for General Insurance

Changes	Group and Company Change in gross claim liability ($'000)
Change in assumptions and experience	**(17,893)**

The table above summarises the effect of changing assumptions has on 2022 and prior accident years claim liabilities where comparisons can be made to the liability valuation on 1 September 2022 (date of transfer). The claim liabilities are gross of reinsurance recoveries and it is inclusive of claims handling expenses and provision for adverse deviation.

Margins for adverse deviation

In accordance with the insurance regulations, the insurance liabilities include a risk margin to ensure a minimum 75% probability of adequacy.

The risk margin is determined to allow for the uncertainty, volatility of the claims experience and diversification.

Discounting

The general insurance liabilities are not discounted.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Insurance contract provisions for General Insurance (continued)

Development and movement of general insurance claim liabilities

Below is the summary of the development of past years' gross claims liabilities:

Claims development table 2023

Accident year	2014 $'000	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	Total $'000
End of accident year	217,330	224,563	245,677	259,533	272,379	273,346	218,313	212,603	256,309	299,803	
1 year later	204,892	206,268	230,753	244,141	260,548	276,280	229,486	221,775	248,689		
2 years later	172,741	180,470	214,483	220,667	260,803	267,655	202,355	214,309			
3 years later	149,658	169,599	203,070	218,555	253,001	263,103	195,506				
4 years later	139,066	162,520	200,236	212,676	245,131	258,334					
5 years later and beyond	134,339	160,682	194,714	210,854	241,784						
Estimate of gross cumulative claims	134,339	160,682	194,714	210,854	241,784	258,334	195,506	214,309	248,689	299,803	2,159,014
Cumulative claim payments	134,137	156,296	188,722	196,096	210,185	208,708	143,564	147,056	167,382	100,274	1,652,420
Estimate of gross claim liabilities	202	4,386	5,992	14,758	31,599	49,626	51,942	67,253	81,307	199,529	506,594
Claims handling expenses	10	220	300	739	1,583	2,486	2,602	3,370	4,074	9,997	25,381
Estimate of gross claim liability before recoveries	212	4,606	6,292	15,497	33,182	52,112	54,544	70,623	85,381	209,526	531,975
Estimate of gross claim liabilities for prior accident years											1,638
Recoveries and other adjustments											(4,119)
Provisions for adverse deviation											63,910
Gross claim liabilities											593,404

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Insurance contract provisions for General Insurance (continued)

Development and movement of general insurance claim liabilities (continued)

Below is the summary of the development of past years' net claims liabilities:

Claims development table 2023

Accident year	2014 $'000	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	Total $'000
End of accident year	204,499	209,542	227,849	241,377	247,778	242,580	193,541	191,196	230,759	251,985	
1 year later	191,188	191,300	214,611	222,091	231,223	244,930	206,379	199,668	209,024		
2 years later	160,206	167,845	195,111	195,831	231,209	240,705	182,183	180,128			
3 years later	139,189	154,281	180,214	193,755	227,526	236,876	164,323				
4 years later	126,506	144,229	177,515	191,262	220,695	217,130					
5 years later and beyond	119,219	142,450	175,108	189,835	203,221						
Estimate of net cumulative claims	119,219	142,450	175,108	189,835	203,221	217,130	164,323	180,128	209,024	251,985	1,852,423
Cumulative net claim payments	119,049	138,763	170,072	177,431	176,662	175,420	120,666	123,601	140,685	84,280	1,426,629
Estimate of net claim liabilities	170	3,687	5,036	12,404	26,559	41,710	43,657	56,527	68,339	167,705	425,794
Claims handling expenses	10	220	300	739	1,583	2,486	2,602	3,370	4,074	9,997	25,381
Estimate of net claim liability before recoveries	180	3,907	5,336	13,143	28,142	44,196	46,259	59,897	72,413	177,702	451,175
Estimate of net claim liabilities for prior accident years											1,389
Recoveries and other adjustments											5,994
Provisions for adverse deviation											54,050
Net claim liabilities											512,608

The claims development tables include periods prior to the transfer of insurance business from NTUC Income Insurance Co-operative Limited which are still relevant to the Group.

Fair value of financial instruments and investment properties

The majority of the Group's financial instruments reported at fair value are based on quoted and observable market prices or on service providers' internally developed models that are based on independently sourced market parameters, including interest rate yield curves, option volatilities and currency rates. Investment properties are carried at fair values as determined by independent professional valuers.

The Group's fair value policies are approved by the Investment Committee with oversight by the Board. Management exercises judgement in determining the risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors used in the valuation process. Judgement may also be applied when less readily observable external parameters are used in fair value estimation. The valuation techniques and unobservable inputs used by management in the valuation process are detailed in Note 5(f).

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

(a) Life Insurance Contracts Risk Management

Insurance Risk

The Group is exposed to life insurance risk when it signs a contract with the insured party for a premium amount and in return promises to pay a sum of money if a specified event occurs within the time frame stipulated in the contract. The terms of acceptance of the risks by the Group are generally long term in nature (except when they are group or health insurance plans, which are usually on an annual basis). These risks accepted by the Group are mortality risk, morbidity risk and longevity risk.

In general, payment occurs upon death, occurrence of specific morbidity, or survival of the policyholder, depending on the type of policy.

For Participating policies, the eventual payment to the policyholders typically consists of a guaranteed amount (the sum assured) and a non-guaranteed component distributed via annual reversionary (if any) and final terminal bonuses (if any). Once declared, annual bonuses become a fully guaranteed liability, although the Group has the discretion to reduce future reversionary and terminal bonuses if experience is unfavourable.

Objectives of managing life insurance risks and the policies for mitigating risks

To manage insurance risk, the Group has implemented underwriting and claims management guidelines and procedures. It also limits overall risk exposure for mortality and longevity risk by using reinsurance coverage and keep risk levels within its risk appetite.

Insurance risks are selected through underwriting and appropriate premiums are charged based on the level of risks that the applicants bring in. The insurance risk assumptions used are based on the Group's best estimates from experience studies conducted annually. The risk levels are determined by age, gender, and underwriting experience. For mortality, longevity and morbidity risks, the Group transfers insurance risk in excess of its retention limit to its appointed reinsurers on a per life basis.

To manage the concentration of mortality risks as a result of a single event, the Group obtains catastrophic reinsurance that limits its maximum overall exposure up to a limit.

Insurance risk is managed through appropriate claim management systems that help to identify fraudulent claims. The results of yearly experience reviews of mortality, longevity, morbidity and persistency are used to decide on the basis for reserving, pricing and development of products.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

(a) Life Insurance Contracts Risk Management (continued)

Sensitivity Analysis

To understand the risks undertaken by the Group, the following sensitivity analysis is done to measure the impact on the value of Group's life insurance contract provisions, and hence on the Statement of Comprehensive Income.

Assumption	Change	Group Impact on Profit/(Loss) after Tax $'000
Mortality & morbidity	+10%	(48,071)
	-10%	15,156
Lapses	+10%	7,005
	-10%	(8,079)
Expenses	+10%	(6,068)
	-10%	6,012
Interest Rate	+1%	88,992
	-1%	(2,130,568)

(b) General Insurance Contracts Risk Management

General Insurance Risks

Insurance contracts transfer risk to the Group by indemnifying the policyholders against adverse effects arising from the occurrence of specified uncertain future events. The insurance risks arise from the fluctuations in the timing, frequency and severity of claims, as well as the adequacy of premiums and reserves.

The majority of the general insurance business is motor insurance. Other insurance business includes personal accident, worker's compensation, fire, marine and other miscellaneous classes.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(b) General Insurance Contracts Risk Management (continued)

Terms and Conditions of General Insurance Contracts

The General Insurance contracts written by the Group are mostly on an annual coverage and annual premium basis, with the exception of short-term policies such as travel Insurance which cover only the travel period and marine cargo which covers the duration in which the cargo is being transported. Some of the more common policies which make up a large part of the general insurance portfolio are briefly described as follows:

Motor insurance policies cover private cars, commercial vehicles, motorcycles, buses and taxis. Private car insurance, the largest portion of the motor insurance portfolio, covers losses or damages to the insured vehicle, death or injuries to third parties, damages to third party property and personal accident.

Personal accident policies cover death, disablement, medical expenses and emergency evacuation expenses due to accident, hijacking, murder, assault, strike, riot, civil commotion, act of terrorism and natural disasters such as earthquake and flood.

Workmen compensation policies cover two legal liabilities. Firstly, the "Act" provides compensation to workers or their dependants for specified occupational diseases, personal injuries or deaths caused by accidents arising out of and in the course of employment. Secondly, "Common Law" covers an employer's liability under common law by his workers, due to negligence leading to an accident resulting in death or injury.

Fire insurance policies insure properties against physical losses or damages by fire and lightning and extraneous perils such as riot & strike, malicious damage, explosion, aircraft damage, impact damage, bursting & overflowing of water pipes, flood, earthquake, volcanic eruption, hurricane, cyclone, typhoon or windstorm.

Objectives of managing risks and policies for mitigating risks

The objectives of managing insurance risks are to enhance the long-term financial performance of the business and limit any excessive variability of the insurance results.

Underwriting insurance contracts involves the pooling of a large number of uncorrelated risks to reduce relative variability. The Group adopts the following measures to manage the general insurance risks:

- underwriting standards – to select risks and control exposure in accordance to established guidelines.
- claims control – to pay claims fairly and control claim wastage or fraud.
- pricing and reserving standards – to ensure adequate pricing for risks and valuation of insurance liabilities.
- reinsurance protection – to limit exposure to large insurance contracts and large claims.

Concentration risk is particularly relevant in the case of natural disasters and other catastrophes. The Group's insurance contracts mostly cover perils and risks in Singapore. As such, the Group's concentration risk is negligible as Singapore is hardly exposed to natural disasters.

Perils like floods, epidemics and terrorism do present a level of variability and correlation in the future claim experience but these concentration of risks are protected by event excess of loss reinsurance. In addition, these risks are not material given the likelihood of such events.

Geographically, the Group's risks are concentrated in Singapore. Concentration risk arising from natural catastrophes is negligible as the exposure to natural disasters in Singapore is minimal from historical experience. About 66% of the Group's general insurance portfolio is motor insurance with risks well diversified across private cars, commercial vehicles, motorcycles, buses and taxis.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(b) General Insurance Contracts Risk Management (continued)

Sensitivity analysis

Given the uncertainty in establishing insurance liabilities, it is likely that the final outcome will be different from the estimation. The table below gives an indication of the sensitivity of the insurance liabilities (unexpired risk reserves and claim liabilities), and the corresponding impact amount to Statement of Comprehensive Income.

Assumption	Change	Group and Company Impact on Profit/(Loss) after Tax $'000
Assumed loss ratio for Bornhuetter-Ferguson method and Unexpired Risk reserve	+20%	(104,675)
	-20%	104,675

(c) Financial risk

The Group has to meet substantial long term liabilities to policyholders for claims and maturity payments and to ensure that adequate liquidity is available to meet short term claims, solvency margin and capital adequacy for existing and new business. The Group invests in a variety of market instruments such as bonds and quoted and unquoted equities which expose the Group to a number of risks such as liquidity, market and credit risks.

The management of these risks lies with the Risk Management and Investment Committees. The Risk Management Committee sets the policy and framework for the risk management function and reviews its appropriateness regularly. The administration of the financial risk management process is delegated to the senior management of the Group. Primarily, the risk management process focuses on mitigating the risks due to uncertainties of the financial market to minimise the adverse impact of these risks on the financial performance of the Group. A key aspect of risk management is matching the timing of cash flows from assets and liabilities. The Investment Committee sets the strategic asset allocation that is consistent with the asset/liability management strategies and approves investment guidelines and limits.

The Group's investment objective is to ensure that it is able to meet future liabilities associated with the insurance products that it underwrites and produce stable and sustainable medium to long term returns on investments, while at the same time, preserving the solvency of the Group.

Disciplined risk control is an integral part of the Group's investment process. Well established and liquid market indices are employed as the benchmarks to ensure diversification across geography, sector, industry and security. In addition, the Group makes use of limits and guidelines to control the risks in the areas of country, sector, duration, currency, credit quality and single security exposure.

Investment-Linked Fund's liabilities are fully matched by the assets held in the respective investment-linked policies sub-funds. Financial risk is wholly borne by the policyholders.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(c) Financial risk (continued)

(i) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc., which may have significant impact on the value of the investments.

The Group's investments are substantially dependent on changes in interest rates and equity prices.

The Group regularly monitors its exposure to different asset classes to satisfy itself that its exposure to equities, debt securities, and other risk assets are within the Group's self-imposed risk tolerance limits.

The Group distinguishes market risk as follows:

(a) Equity price risk
(b) Interest rate risk
(c) Foreign exchange risk

(a) Equity price risk

The Group is exposed to equity price risk arising from listed investments held which are classified as fair value through profit or loss and available-for-sale.

The Group monitors equity exposure against a benchmark set and agreed by the Investment Committee, and has a process in place to manage the exposure. This process includes monitoring the country, sector, single security exposure of the portfolio against the limits set.

The Group also formulates equity risk management strategy taking into account the full range of the Group's equity holdings. The Group's investments in equities are substantially in Asia.

The statistical risk analytic tools used by the Group to monitor price risk exposures are the volatility of the benchmark and beta of the portfolio. In this analysis, equity and index exposures are grouped by appropriate market indices, as determined by the Group, and the net beta adjusted exposures to each market index are calculated.

The Group has chosen the Morgan Stanley Capital International Index ("MSCI") Singapore, MSCI Asia Ex-Japan and MSCI Global indices as representative market indices for all the equities held at the reporting date. In addition, the Group makes adjustments or assumptions where it determines this to be necessary or appropriate. Historical statistics used in the model may not accurately estimate future changes particularly in periods of market turmoil. Actual results may differ substantially from these estimates.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(c) Financial risk (continued)

(i) Market risk (continued)

(a) Equity price risk (continued)

Sensitivity analysis for changes in risk variable that was reasonably possible at 31 December 2023 is as follows:

		Group	
		Impact on profit/(loss) after tax $'000	Impact on equity $'000
MSCI Singapore	+10%	78,073	6,922
	- 10%	(78,073)	(6,922)
MSCI Asia Ex-Japan	+10%	171,851	-
	- 10%	(171,851)	-
MSCI Global Equities	+10%	289,935	-
	- 10%	(289,935)	-
MSCI China Equities	+10%	65,386	-
	- 10%	(65,386)	-

(b) Interest rate risk

The Group is exposed to interest rate risk primarily through investments in fixed income securities by the insurance funds and policy liabilities in those funds which are guaranteed.

The presence of interest rate risk is the result of not holding assets that match policy liabilities fully. The interest rate risk arising from asset-liability tenure mismatch is actively managed and monitored by the Investment Committee.

Interest rate risk are managed by the Group on an ongoing basis with the primary objective of limiting the extent to which solvency can be affected by an adverse movement in interest rates.

The Group reduces interest rate risk through the close matching of assets and guaranteed liabilities of insurance funds. In this respect, the Group is able to use derivative instruments, including interest rate and cross currency swaps, to manage interest rate risk with the aim of facilitating efficient portfolio management.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(c) Financial risk (continued)

(i) Market risk (continued)

(b) Interest rate risk (continued)

The long duration of policy liabilities in the insurance funds and the uncertainty of the cash flows of the said funds mean interest rate risk cannot be completely eliminated, except to match guarantees as much as possible.

The Group's approach is to extend the duration of assets to better match the duration of liabilities. This is achieved by allocating assets to long-dated bonds. The entire fixed income portfolio is consolidated into a single pool to be matched in principle against the minimum condition liability of the Par Fund, allowing greater investment flexibility.

The remaining liabilities are backed by equities, fixed income securities, loans and investment properties with a view to maximise long term returns subject to acceptable volatility in market value.

Shareholders' fund has exposure to fixed income investments, which will be subject to mark-to-market valuation.

A study of fixed income securities' yield movement during the previous periods has been undertaken and a 100bps change in yield across the different curves is considered to be a reasonable basis for interest rate sensitivity analysis.

The table below summarises the impact on net operating surplus and equity based on a 100bps parallel shift in the yield curves:

		Group	
		Impact on profit/(loss) after tax $'000	Impact on equity $'000
Parallel shift in yield curves	+100% bps	(1,086,276)	(8,772)
	- 100% bps	1,234,807	27,040

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(c) Financial risk (continued)

(i) Market risk (continued)

(b) Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

On 30 June 2023, Singapore Dollar Swap Offer Rate ("SOR") and USD London Interbank Offer Rate ("USD LIBOR") benchmarks were discontinued. However, one-, three- and six-month USD dollar LIBOR settings will continue to be published using a synthetic methodology until September 2024 to help facilitate the transition.

Singapore Overnight Rate Average ("SORA") has been identified by The Association of Banks in Singapore, Singapore Foreign Exchange Market Committee and the Steering Committee for SOR & SIBOR Transition as the alternative to SOR. SORA is the volume-weighted average rate of overnight, unsecured borrowing transactions between banks in the Singapore cash market.

Secured Overnight Financing Rate ("SOFR") has been selected by Alternative Reference Rates Committee as the preferred alternative reference rate for USD LIBOR. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities in the repurchase agreement (repo) market.

The Group's main IBOR exposure as at 31 December 2023 was indexed to SOR and USD LIBOR.

<u>Non-derivative financial assets</u>

The Group's IBOR exposures to non-derivative financial assets as at 31 December 2023 were debt investments indexed to SOR and USD LIBOR.

<u>Non-derivative financial liabilities</u>

The Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2023 is unsecured bond issues indexed to SOR.

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

(c) Foreign currency risk

The Group operates mainly in Singapore, with over 99% of its insurance liabilities denominated in Singapore Dollars.

The Group mitigates the potential foreign currency risks arising from its investment in financial assets through hedging. The potential foreign currency risks arising from the investment in foreign currency denominated securities are managed using foreign exchange forward contracts and cross currency swaps.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(c) Financial risk (continued)

(i) Market risk (continued)

(c) Foreign currency risk (continued)

The following table presents the Group and Company's exposures to major foreign currencies, presented in Singapore Dollars equivalent amounts as at 31 December 2023 (30 June 2022: nil):

	USD $'000	EUR $'000	HKD $'000	GBP $'000	JPY $'000	Others $'000
Assets						
Investments						
- Equities	2,345,825	352,954	470,502	180,147	5,693	1,607,880
- Debt securities	8,741,233	1,284,967	-	213,358	3,103	18,482
- Funds	4,395,875	631,536	7,714	7,750	426,854	74,159
- Investment receivables	109,561	647	12,538	35	8	833
Cash and cash equivalents	233,710	171,240	(6,980)	2,831	1,505	16,738
Liabilities						
- Investment creditors	(302,021)	-	(9,676)	-	-	(994)
Total	15,524,183	2,441,344	474,098	404,121	437,163	1,717,098
Less:						
Derivative contracts (net currency exposure)	(14,946,475)	(2,414,589)	(479,642)	(398,646)	(251,744)	(939,663)
Net foreign currency risk exposure	577,708	26,755	(5,544)	5,475	185,419	777,435

The Group's foreign currency risk exposure is closely tracked and the net exposure is minimised through monthly rebalancing.

Based on monthly volatilities, management estimates ±2% change in the relevant currency risk to be reasonably possible at the reporting date.

Sensitivity for changes in risk variable that was reasonably possible is as follows:

		Impact on profit/(loss) after tax $'000		Impact on equity $'000	
Currency		2023	2022 (Unaudited)	2023	2022 (Unaudited)
USD	2% strengthening	(66,016)	-	77,570	-
	2% weakening	66,016	-	(77,570)	-
EUR	2% strengthening	(13,106)	-	13,641	-
	2% weakening	13,106	-	(13,641)	-
HKD	2% strengthening	(123)	-	12	-
	2% weakening	123	-	(12)	-
GBP	2% strengthening	(398)	-	507	-
	2% weakening	398	-	(507)	-
AUD	2% strengthening	(4,818)	-	8,526	-
	2% weakening	4,818	-	(8,526)	-

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(c) Financial risk (continued)

(ii) Credit risk

Credit risk is the risk arising from the uncertainty of an obligor's ability to fulfil its contractual obligations to the Group. The risk gives rise to financial losses as a result of default of an obligor or deterioration in its credit quality. The obligors include security issuers, derivatives transactional counterparties, policyholders, reinsurers, brokers and other intermediaries such as exchange/clearing houses.

Credit risk management is incorporated in the management of the Group's investments and business activities, and entails credit quality controls, credit risk limits and active monitoring of exposures against these limits with ongoing effort to manage breaches or deviations.

The Risk Management Committee approves and reviews on a regular basis the credit risk management framework including the limits and methodology, and provides oversight of credit risk taken by the Group to ensure it is consistent with the investment and business strategies approved by the Board.

Evaluation of an issuer's or counterparty's credit risk is undertaken by credit origination business units. Monitoring of credit and concentration risk is carried out by Risk Management. Overall investment limits monitoring is put in place at various levels to ensure that all investment activities are aligned with the Group's risk management principles and philosophies.

The loans in the portfolio are generally unsecured. Evaluation and monitoring of credit risk arising from such loans is undertaken by the Investment Department. The carrying amount of past due or impaired corporate loans on 31 December 2023 is nil (30 June 2022: nil).

The consumer loan portfolio as at 31 December 2023 amounts to $3,212,000 net of impairment (30 June 2022: nil). This is made up of secured and unsecured loans of which about 99% are secured loans.

For the management of credit risk of secured consumer loans, the Group regularly performs a valuation exercise to derive the fair value of the collaterals. The purpose of this exercise is to monitor the Loan to Valuation Ratio. For some loans, the Group may repossess the collateral when the loan defaults.

The Group's credit policy to monitor the default risk on unsecured loans is to engage an external agent to regularly inform the Group if any of the borrowers are currently facing legal actions by other creditors.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(c) Financial risk (continued)

(ii) Credit risk (continued)

The following table provides information regarding the carrying value of financial assets that have been impaired and the ageing of financial assets that are past due but not impaired as at 31 December 2023 (30 June 2022: nil):

	Group					
		Financial assets that are past due but not impaired				
	Neither past due nor impaired $'000	Up to 3 months $'000	3 months to 1 year $'000	Greater than 1 year $'000	Financial assets that have been impaired $'000	Total $'000
Debt securities	23,451,929	-	-	-	-	23,451,929
Loans	645,411	70	-	4	8	645,493
Derivatives with positive fair values	572,352	-	-	-	-	572,352
Reinsurers' share of insurance contract provisions	109,551	-	-	-	-	109,551
Insurance and other receivables	325,715	88,325	20,249	-	7,495	441,784
Cash and cash equivalents	1,915,675	-	-	-	-	1,915,675

	Company					
		Financial assets that are past due but not impaired				
	Neither past due nor impaired $'000	Up to 3 months $'000	3 months to 1 year $'000	Greater than 1 year $'000	Financial assets that have been impaired $'000	Total $'000
Debt securities	23,451,929	-	-	-	-	23,451,929
Loans	645,411	70	-	4	8	645,493
Derivatives with positive fair values	572,352	-	-	-	-	572,352
Reinsurers' share of insurance contract provisions	109,551	-	-	-	-	109,551
Insurance and other receivables	322,024	88,577	20,249	-	7,480	438,330
Cash and cash equivalents	1,912,725	-	-	-	-	1,912,725

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(c) Financial risk (continued)

(ii) Credit risk (continued)

The table below provides information regarding the credit risk exposure of the Group as at 31 December 2023 (30 June 2022: nil) by classifying assets according to the rating buckets:

	Group			
	Investment Grade (AAA to BBB-) $'000	Below Investment Grade (Below BBB-) $'000	Non-rated $'000	Total $'000
Debt securities	22,506,500	795,002	150,427	23,451,929
Loans	-	-	645,485	645,485
Derivatives with positive fair values	-	-	572,352	572,352
Cash and cash equivalents	1,915,675	-	-	1,915,675

	Company			
	Investment Grade (AAA to BBB-) $'000	Below Investment Grade (Below BBB-) $'000	Non-rated $'000	Total $'000
Debt securities	22,506,500	795,002	150,427	23,451,929
Loans	-	-	645,485	645,485
Derivatives with positive fair values	-	-	572,352	572,352
Cash and cash equivalents	1,912,725	-	-	1,912,725

The carrying amount of assets included on the statement of financial position represents the maximum credit exposure.

Substantial portion of non-rated debt securities are in Singapore Government and government-related organisations.

Cash and cash equivalents and derivative transactions are carried out with banks and financial institutions: (i) which are regulated by the MAS and other regulators overseas; and (ii) whose credit are rated investment grade by the rating agencies.

Ceded reinsurance contains credit risk, and such reinsurance assets are reported after deductions for known insolvencies and uncollectible items. The Group monitors the financial condition of its reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically. When selecting its reinsurers, the Group considers their relative financial security. The security of the reinsurer is assessed based on public rating information.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(c) Financial risk (continued)

(iii) Liquidity risk

The Group is exposed to liquidity risk when it is unable to meet its obligations at a reasonable cost. The liquidity risk could arise through bad publicity or adverse market conditions leading to unexpected cash demands and huge amount of surrenders. As a result, the Group may have to sell off assets to provide the cash lump sum payment.

The Group maintains a level of cash and cash flow deemed adequate by management to finance its operations and to mitigate the effects of fluctuations in cash requirements. Liquidity management requires the Group to maintain a liquid position at all times to meet unexpected claims payments when they fall due and simultaneously holding an asset mix which meets the Group's target return. The Group monitors liquidity risk through the monthly tracking of the liquidity position of each insurance fund and through the performance of liquidity stress tests based on the S&P rating standards.

The table below shows the gross liability including both guaranteed and non-guaranteed benefits (before reinsurance) as at 31 December 2023 (30 June 2022: nil) based on estimated timing of net cash outflows.

	Group and Company			
	Total $'000	Within 1 year $'000	1 - 5 years $'000	Over 5 years $'000
Insurance contracts	36,872,713	2,875,220	10,001,909	23,995,584

The table below shows the undiscounted contractual cash flows in relation to derivative instruments, borrowings and other payables as at 31 December 2023 (30 June 2022: nil):

	Group			
	Total $'000	Within 1 year $'000	1 - 5 years $'000	Over 5 years $'000
Derivative financial instruments	(133,391)	(130,136)	(2,886)	(369)
Insurance and other payables	(1,993,432)	(1,934,706)	(37,933)	(20,793)
Borrowings (include interest)	(1,210,729)	(24,868)	(124,068)	(1,061,793)
Lease liabilities	(29,987)	(6,407)	(23,580)	-

	Company			
	Total $'000	Within 1 year $'000	1 - 5 years $'000	Over 5 years $'000
Derivative financial instruments	(133,391)	(130,136)	(2,886)	(369)
Insurance and other payables	(1,999,969)	(1,941,243)	(37,933)	(20,793)
Borrowings (include interest)	(1,210,729)	(24,868)	(124,068)	(1,061,793)
Lease liabilities	(28,664)	(6,102)	(22,562)	-

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(d) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 12 and Note 15 to the consolidated financial statements presented as fair value, except for the following:

	Group	Company	
	31 December 2023 $'000	31 December 2023 $'000	30 June 2022 $'000
Loans and receivables	2,995,449	2,989,060	-
Financial liabilities	2,819,357	2,824,571	-

(e) Capital management

Capital management policy and framework

The Group's capital management policy is to manage its capital by balancing the required capital for the Group's strategic intent, business objectives, solvency requirements and dividend distribution to the shareholders in accordance with the Group's risk appetite.

The Group's capital management framework includes processes to manage the use of capital and ensure generation of surplus. This is achieved through bonus distribution strategies, investment strategies, product pricing and development strategies and risk management. The Group sets pricing standards to ensure that its products are priced on a profitable basis to generate surpluses and bolster capital.

Under the Group's capital management framework, the Group manages various forms of capital. These include, but are not limited to, shareholders' equity, Tier 2 subordinated debt, allowance for provision for non-guaranteed benefits expected to be paid to participating policyholders, and other adjustments as specified in MAS Notice 133. The total financial resources of the Group as at 31 December 2023 amounted to $14.1 billion.

Solvency requirements

The Group strives to manage its capital and fund solvency such that they are adequate at all times and in compliance with the Capital Adequacy Requirements as stipulated by the Monetary Authority of Singapore ("MAS") for insurers. This is set out below.

Under the Insurance (Valuation and Capital) Regulations 2004 ("Regulations"), insurers are required to maintain minimum solvency ratios above the solvency requirements as specified in MAS Notice 133. The solvency requirements are determined by applying a risk-based approach to capital adequacy based on the ratios of the available capital to the sum of the aggregate of the total risk requirements.

The total risk requirements consist of three components: the insurance risk requirement, asset risk requirement comprising mainly asset specific and asset/liability duration mismatch charge and operational risk requirement.

The Group's capital management focuses on three key relevant capital ratios: the Capital Adequacy Ratio ("CAR"), the Participating Fund Solvency Ratio ("Par FSR") and the Tier 1 Capital Ratio ("Tier 1 Ratio"). The CAR, Par FSR and Tier 1 Ratio of the Group remains well above the solvency requirements.

Capital and solvency positions are regularly monitored and reported as part of the Group's risk management and reporting process.

The above describes the Group's approach to capital management which was adopted during the current financial period with the transfer of the insurance business from NTUC Income Insurance Co-operative Limited.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(f) Fair value measurements

The following table presents our financial assets and liabilities measured at fair value as at 31 December 2023 (30 June 2022: nil) and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) 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 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Group			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investments designated at fair value through profit or loss				
- Equities	6,011,951	-	-	6,011,951
- Funds	2,790,259	65,955	-	2,856,214
- Debt securities	22,889,265	264	-	22,889,529
Available-for-sale investments				
- Equities	69,174	21,503	21,442	112,119
- Funds	35,438	-	4,695,837	4,731,275
- Debt securities	562,400	-	-	562,400
	32,358,487	87,722	4,717,279	37,163,488
Derivative financial instruments	102,784	469,568	-	572,352
	32,461,271	557,290	4,717,279	37,735,840
Liabilities				
Derivative financial instruments	(12,070)	(119,504)	-	(131,574)

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(f) Fair value measurements (continued)

	Company			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investments designated at fair value through profit or loss				
- Equities	6,011,951	-	-	6,011,951
- Funds	2,790,259	65,955	-	2,856,214
- Debt securities	22,889,265	264	-	22,889,529
Available-for-sale investments				
- Equities	69,174	-	21,442	90,616
- Funds	35,438	-	4,695,837	4,731,275
- Debt securities	562,400	-	-	562,400
	32,358,487	66,219	4,717,279	37,141,985
Derivative financial instruments	102,784	469,568	-	572,352
	32,461,271	535,787	4,717,279	37,714,337
Liabilities				
Derivative financial instruments	(12,070)	(119,504)	-	(131,574)

The fair value of Level 1 financial instruments, which are traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the last traded price for equity investments and bid prices for fixed income investments.

The fair value of Level 2 financial instruments, which are not traded in an active market (for example, over-the-counter derivatives) is 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. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in Level 3.

The Group and Company recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. There were no transfers between Level 1 and Level 2 in either direction during the financial period.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(f) Fair value measurements (continued)

The following table presents the changes in Level 3 instruments:

	Group and Company		
	Available-for-sale investments		
	Unquoted funds $'000	Unquoted equities $'000	Total $'000
At 1 July 2022	-	-	-
Transfer of business (Note 32)	4,653,660	19,524	4,673,184
Sales of Level 3 securities	(431,861)	-	(431,861)
Purchases of Level 3 securities	959,482	-	959,482
Revaluation reserve	(534,921)	1,918	(533,003)
Gains or losses recognised in profit or loss	72,487	-	72,487
Impairment	(23,010)	-	(23,010)
At 31 December 2023	4,695,837	21,442	4,717,279

During the financial period ended 31 December 2023, there was no transfer of investments in and out of Level 3 of the fair value hierarchy.

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investments categorised under Level 3 of the fair value hierarchy which involves significant unobservable inputs:

	Group and Company			
Assets	Fair value $'000	Classification	Valuation technique	Unobservable Input
Unquoted funds	4,695,837	AFS[1]	**Net Asset Value**	**Net asset value of investment vehicles**
Unquoted equities	21,442	AFS[1]	**Net Asset Value**	**Net asset value of investment entities**
Total	4,717,279			

[1] AFS denotes financial instruments classified as available-for-sale

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(f) Fair value measurements (continued)

Valuation processes of the Group

Valuation of debt securities classified as Level 3 assets is determined based on quotes from dealers, adjusted for liquidity provision.

Valuation of unquoted funds were based on net asset value reports as at 30 September 2023, adjusted for the net cash flows movement from 1 October until 31 December 2023.

Valuation of unquoted equities were valued based on net asset value from their latest management accounts.

Investment properties

Investment properties (see Note 8) are carried at fair values at the reporting date as determined by independent professional valuers.

Fair value hierarchy

	Fair value measurements at 31 December 2023 using		
	Quoted prices in active markets for identical assets (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000
Group and Company			
Recurring fair value measurements			
Investment properties	-	-	**1,185,770**

During the financial period ended 31 December 2023, there was no transfer of investments between Level 1 and 2, and in and out of Level 3 of the fair value hierarchy.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(f) Fair value measurements (continued)

Investment properties (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy which involves significant unobservable inputs:

Description	Fair value at 31 December 2023 ($'000)	Valuation techniques	Unobservable inputs[1]	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed Investment properties	1,185,770	Income Capitalisation Approach	Estimated rental rate	Retail: $5.50 to $14.85 per square foot per month Office/Industrial: $2.08 to $7.80 per square foot per month	The higher the rental value per square foot, the higher the fair value.
			Capitalisation rate	3.25% to 6%	The higher the capitalisation rate, the lower the fair value.
		Discounted Cash Flow Approach	Rental growth rate	2% to 3%	The higher the rental growth rate, the higher the fair value.
			Discount rate	6% to 7.5%	The higher the discount rate, the lower the fair value.
		Direct Comparison Approach	Valuation per square foot	Retail: $1,088 to $5,002 per square foot Office/Industrial: $432 to $2,970 per square foot	The higher the valuation per square foot, the higher the fair value.

[1] There were no significant inter-relationships between unobservable inputs.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

(f) Fair value measurements (continued)

Investment properties (continued)

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair values of the Group's investment properties at the end of every financial year based on the properties' highest and best use.

In the Income Capitalisation Approach, gross rental income (net of GST) is estimated at a mature maintainable occupancy level from which total expenses have been deducted and net income capitalised at an appropriate rate.

The Discounted Cash Flow Approach involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with the current market requirements.

The Direct Comparison Approach involves analysis of recent transactions of comparable properties within the vicinity and elsewhere in Singapore. Necessary adjustments have been made for the differences in location, tenure, size, shape, design and layout, age and condition of buildings, date of transactions and the prevailing market and prevailing condition amongst other factors affecting their values.

Financial asset/liabilities not carried at fair value

Loans

The fair value of consumer loans of Group and Company is based on cash flows discounted at the weighted average interest rate of the Company's subordinated debts (Note 20) and are classified as Level 3. The fair value and interest rates used as at 31 December 2023 (30 June 2022: nil) are as follow:

	Carrying value $'000	Fair value $'000	Interest rate used
Consumer loans	3,212	2,916	3.10%

Insurance and other payables

The fair values of insurance and other payables are based on cash flows discounted at the weighted average interest rate of the Company's subordinated debt (Note 20) and are classified as level 3. The fair values and interest rates used as at 31 December 2023 (30 June 2022: nil) are as follow:

	Group and Company		
	Carrying value $'000	Fair value $'000	Interest rate used
Outstanding claims	30,037	20,597	3.10%
Investments and other payables	28,689	26,913	3.10%
Total	58,726	47,510	

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

6. PROPERTY, PLANT AND EQUIPMENT

		Group					
	Note	Properties $'000	Office equipment $'000	Furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Cost							
At 1 July 2022		-	-	-	-	-	-
Transfer of business	32	52,167	2,692	29,394	25,156	1,017	110,426
Additions		2,037	140	1,179	1,900	-	5,256
Re-measurement of right-of-use asset		2,776	-	-	-	-	2,776
Derecognition of ROU asset		(1,195)	-	-	-	-	(1,195)
Disposals/Write-offs		-	(25)	(182)	(3,117)	(5)	(3,329)
At 31 December 2023		55,785	2,807	30,391	23,939	1,012	113,934
Accumulated depreciation							
At 1 July 2022		-	-	-	-	-	-
Transfer of business	32	22,706	2,245	25,897	17,875	720	69,443
Charge for the year		8,373	233	2,173	3,554	136	14,469
Derecognition of ROU asset		(1,195)	-	-	-	-	(1,195)
Disposal/Write-offs		-	(17)	(179)	(2,956)	(5)	(3,157)
At 31 December 2023		29,884	2,461	27,891	18,473	851	79,560
Carrying amount							
At 31 December 2023		25,901	346	2,500	5,466	161	34,374

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Company					
		Properties $'000	Office equipment $'000	Furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Cost/Accumulated depreciation							
At 13 October 2021 (unaudited)		-	-	-	-	-	-
Additions/Charge for the year		-	-	-	-	-	-
Write-offs		-	-	-	-	-	-
At 30 June 2022 (unaudited)		-	-	-	-	-	-
At 1 July 2022		-	-	-	-	-	-
Transfer of business	32	50,972	2,637	28,870	24,935	1,017	108,431
Additions		334	135	1,032	1,851	-	3,352
Re-measurement of right-of-use asset		2,776	-	-	-	-	2,776
Write-offs		-	-	-	(3,075)	(5)	(3,080)
At 31 December 2023		54,082	2,772	29,902	23,711	1,012	111,479
Accumulated depreciation							
At 1 July 2022		-	-	-	-	-	-
Transfer of business	32	21,539	2,214	25,714	17,697	720	67,884
Charge for the year		7,893	224	2,054	3,526	136	13,833
Write-offs		-	-	-	(2,924)	(5)	(2,929)
At 31 December 2023		29,432	2,438	27,768	18,299	851	78,788
Carrying amount							
At 31 December 2023		24,650	334	2,134	5,412	161	32,691

Depreciation expense is included in "Management expenses" in the statement of comprehensive income.

Property, plant and equipment comprise right-of-use assets of $25,901,000 and $24,650,000 (2022: nil) related to leased properties for Group and Company respectively.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

7. INTANGIBLE ASSETS

	Note	Group		
		Computer software $'000	Customer contracts $'000	Total $'000
Cost				
At 1 July 2022		-	-	-
Transfer of business	32	309,448	850	310,298
Additions		120,086	-	120,086
Write-offs		(13,442)	-	(13,442)
At 31 December 2023		416,092	850	416,942
Accumulated amortisation				
At 1 July 2022		-	-	-
Transfer of business	32	190,374	622	190,996
Charge for the year		46,462	228	46,690
Write-offs		(9,638)	-	(9,638)
At 31 December 2023		227,198	850	228,048
Carrying amount at 31 December 2023		188,894	-	188,894

	Note	Company		
		Computer software $'000	Customer contracts $'000	Total $'000
Cost/Accumulated amortisation				
At 13 October 2021 (unaudited)		-	-	-
Additions/Charge for the year		-	-	-
Write-offs		-	-	-
At 30 June 2022 (unaudited)		-	-	-
At 1 July 2022		-	-	-
Transfer of business	32	307,942	-	307,942
Additions		119,870	-	119,870
Write-offs		(13,442)	-	(13,442)
At 31 December 2023		414,370	-	414,370
Accumulated amortisation				
At 1 July 2022		-	-	-
Transfer of business	32	189,840	-	189,840
Charge for the year		46,080	-	46,080
Write-offs		(9,638)	-	(9,638)
At 31 December 2023		226,282	-	226,282
Carrying amount at 31 December 2023		188,088	-	188,088

Amortisation expense is included in "Management expenses" in the statement of comprehensive income.

8. INVESTMENT PROPERTIES

	Note	Group and Company 31 December 2023 $'000	Company 30 June 2022 $'000 (Unaudited)
At 1 July 2022/13 October 2021		**-**	-
Transfer of business	32	**1,164,671**	-
Additions		**2,384**	-
Change in net fair value recognised in profit or loss		**18,715**	-
At 31 December 2023/30 June 2022		**1,185,770**	-

Investment properties comprise a number of commercial properties that are leased to third parties. The lease contracts are non-cancellable.

Investment properties are carried at fair value at the reporting date as determined by independent professional valuers.

All properties are held as investment properties for investment purposes (rental yields and/or capital appreciation).

The following amounts are recognised in profit or loss.

	Group and Company Period from 1 July 2022 to 31 December 2023 $'000	Company Period from 13 October 2021 to 30 June 2022 $'000 (Unaudited)
Rental income	**84,685**	-
Direct operating expenses arising from investment properties that generated rental income	**(27,267)**	-

9. INVESTMENT IN SUBSIDIARIES

The subsidiaries of the Company are all incorporated and have their place of business in Singapore. Their principal activities are as follow:

Name	Principal activities	Ownership interest 31 Dec 2023 %	Ownership interest 30 June 2022 %
NTUC Co-operatives Suzhou Investments Pte Ltd	Investment holding	**73**	-
Income Enterprises Pte Ltd	Dormant*	**100**	-
NTUC Income Holdings Pte. Ltd.	Investment holding	**100**	-
Infinitum Financial Advisory Pte. Ltd.	Financial Advisory	**100**	-

* In the midst of winding up

10. INVESTMENT IN JOINT VENTURES

Set out below are the joint ventures of the Group as at 31 December 2023 (30 June 2022: nil). The joint ventures have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also its principal place of business.

The Group has no commitment relating to its joint ventures. There are also no contingent liabilities relating to the Group's interest in the joint ventures.

Name of company	Country of incorporation	Principal activities	Ownership interest held by the Group 31 Dec 2023 %	Ownership interest held by the Group 30 June 2022 %
Street Square Pte. Ltd. ("Street Square") [a]	Singapore	Property investment holding	**50**	-
Parkway Parade Partnership Pte. Ltd. ("Parkway Parade") [a]	Singapore	Property investment holding	**50**	-
Davita Singapore Pte. Ltd. ("Davita") [a]	Singapore	Dialysis services, clinics and other general medical services	**49**	-

[a] Financial year ends on 31 December

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

Summarised financial information for joint venture company

Set out below is the summarised financial information of each of the Group's joint venture company based on the management accounts as of 30 November 2023 which is used for equity accounting, as this is the latest financial information available.

Summarised financial position

	Street Square $'000	Parkway Parade $'000	Davita $'000	Total $'000
As at 30 November 2023				
Non-current assets	1,221,377	1,376,932	5,134	2,603,443
Current assets	20,792	40,700	8,419	69,911
Non-current liabilities	(616,026)	(523,900)	(3,050)	(1,142,976)
Current liabilities	(211,959)	(42,200)	(2,232)	(256,391)
Net assets	414,184	851,532	8,271	1,273,987

Summarised statement of comprehensive income

	Street Square $'000	Parkway Parade $'000	Davita $'000	Total $'000
For the period from 1 September 2022 to 30 November 2023				
Revenue	65,741	92,799	8,725	167,265
Profit/(loss) from continuing operations [b]	(11,330)	53,443	155	42,268
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	(11,330)	53,443	155	42,268
Dividends paid	-	(42,369)	-	(42,369)
Share of results of joint ventures (net of tax)	(5,665)	5,536	76	(53)

[b] Includes:

- Fair value gain/(loss) on investment property:
  Street Square: ($5,154,000)
  Parkway Parade: $21,516,000
- Interest expenses of $49,528,000 (Street Square)
- Income tax expenses of $1,874,000 (Street Square)

10. INVESTMENT IN JOINT VENTURES (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented to the carrying amount of the Group's interest in the joint venture company, are as follows:

	Note	Street Square $'000	Parkway Parade $'000	Davita $'000	Total $'000
Net assets					
At 1 July 2022		-	-	-	-
Transfer of business	32	425,514	840,458	8,116	1,274,088
Profit/(loss) for the period		(11,330)	53,443	155	42,268
Other comprehensive income		-	-	-	-
Dividends paid		-	(42,369)	-	(42,369)
At 30 November 2023		414,184	851,532	8,271	1,273,987
Interest in joint ventures		207,092	425,681	4,053	636,826
Carrying amount of the Group's interest in joint ventures		207,092	425,681	4,053	636,826

11. INVESTMENT IN ASSOCIATED COMPANIES

Set out below are the associated companies of the Group as at 31 December 2023 (30 June 2022: nil). The associated companies have share capital consisting solely of ordinary shares, which are held directly by the Group and the Company; the country of incorporation is also its principal place of business.

The Group and the Company have no commitment relating to its associated companies. There are also no contingent liabilities relating to the Group's interest in the associated companies.

Name of company	Country of incorporation	Principal activities	Ownership interest held by the Group	
			31 Dec 2023 %	30 June 2022 %
Direct associate:				
NTUC Choice Homes Company Ltd ("Choice Homes") [a]	Singapore	Property development	**-**	-
SG Domain Pte. Ltd. ("SG Domain") [b]	Singapore	Holding investments	**20**	-
Indirect associate, held through fully-owned subsidiary:				
FFMC Holdings Pte. Ltd. ("FFMC") [a]	Singapore	Asset management	**49**	-

[a] Financial year ends on 31 December
[b] Financial year ends on 31 August

On 29 September 2022, the Group disposed all of its 25% equity holding in Choice Homes.

11. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

Summarised financial information for associated Company

Set out below is the summarised financial information of the Group's associated companies based on the management accounts as of 30 November 2023, which is used for equity accounting, as this is the latest financial information available.

Summarised financial position

	Choice Homes $'000	SG Domain $'000	FFMC $'000	Total $'000
As at 30 November 2023				
Non-current assets	**-**	**-**	**49,650**	**49,650**
Current assets	**-**	**153,696**	**146,420**	**300,116**
Non-current liabilities	**-**	**-**	**(19,910)**	**(19,910)**
Current liabilities	**-**	**(138)**	**(19,646)**	**(19,784)**
Net assets	**-**	**153,558**	**156,514**	**310,072**

Summarised statement of comprehensive income

	Choice Homes $'000	SG Domain $'000	FFMC $'000	Total $'000
For the period from 1 September 2022 (date of transfer) to 29 September 2022 [c]/ 30 November 2023				
Revenue	**-**	**37**	**131,585**	**131,622**
Profit from continuing operations [b]	**458**	**27**	**4,906**	**5,391**
Other comprehensive loss	**-**	**-**	**(86)**	**(86)**
Total comprehensive income	**458**	**27**	**4,820**	**5,305**
Dividends paid	**-**	**-**	**-**	**-**
Share of results of associated companies (net of tax)	**115**	**5**	**2,361**	**2,481**

[c] Choice Homes: For the period from 1 September 2022 to 29 September 2022 (date of disposal)
SG Domain & FFMC: For the period from 1 September 2022 to 30 November 2023

11. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented to the carrying amount of the Group's interest in the associated companies, are as follows:

	Note	Choice Homes $'000	SG Domain $'000	FFMC $'000	Total $'000
Net assets					
At 1 July 2022		-	-	-	-
Transfer of business	32	120,850	153,531	151,694	426,075
Profit for the year		458	27	4,906	5,391
Other comprehensive loss		-	-	(86)	(86)
Dividends paid		-	-	-	-
Disposal during the year		(121,308)	-	-	(121,308)
At 30 November 2023		-	153,558	156,514	310,072
Interest in associated companies		-	30,712	76,692	107,404
Goodwill		-	-	-	-
Intangible assets [d]		-	-	43,527	43,527
Carrying amount of the Group's interest in associated companies		-	30,712	120,219	150,931

[d] FFMC: Impairment of intangible assets amounting to $19,000,000 is made during the financial period.

Amortisation of intangible assets in relation to customer contracts amounting to $8,337,000 is included in "Management expenses" in the statement of comprehensive income.

On 29 September 2022, the Group disposed all of its 25% equity holding in Choice Homes for a consideration of $121,603,000. Accordingly, the information presented in the above tables includes the results of Choice Homes for the period from 1 September 2022 to 29 September 2022.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

12. OTHER FINANCIAL ASSETS

	Group	Company	
	31 December 2023 $'000	31 December 2023 $'000	30 June 2022 $'000
			(Unaudited)
Investments measured at fair value through profit or loss			
Quoted			
Equities	6,011,951	6,011,951	-
Funds	2,790,259	2,790,259	-
Debt securities	22,889,529	22,889,529	-
Unquoted			
Funds	65,955	65,955	-
Total investments measured at fair value through profit or loss	31,757,694	31,757,694	-
Available-for-sale investments			
Quoted			
Equities	69,174	69,174	-
Funds	35,438	35,438	-
Debt securities	562,400	562,400	-
Unquoted			
Equities	42,945	21,442	-
Funds	4,695,837	4,695,837	-
Total available-for-sale investments	5,405,794	5,384,291	-
Total investments	37,163,488	37,141,985	-
Debt Securities			
To be settled within 12 months	2,194,712	2,194,712	-
To be settled after 12 months	21,257,217	21,257,217	-
	23,451,929	23,451,929	-
Equities and Funds	13,711,559	13,690,056	-
Total	37,163,488	37,141,985	-

Of the total debt securities, 89% represents investments in fixed rate instruments.

13. INVESTMENT IN FUNDS

The funds invested by the Group may utilise a variety of financial instruments in their trading strategies, including equity and debt securities as well as an array of derivative instruments.

The Group's holding in a unitised fund, as a percentage of the fund's total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the fund level.

The Group's maximum exposure to loss from its interests in funds is equal to the total fair value of its investments and capital commitments contracted to the funds. Once the Group has disposed of its shares/units in a portfolio fund or withdrawn from its partnership contracts, the Group ceases to be exposed to any risk from that fund.

The Group's outstanding investment capital commitments are disclosed in Note 30.

The tables below summarises the fair value of the Group's holdings in funds by risk of concentration with respect to geographic region and industry focus of the funds.

	Group and Company		Company	
	% of the Investment in funds	Fair value $'000	% of the Investment in funds	Fair value $'000
	2023	2023	2022	2022
Industry focus				
Diversified financials	59%	4,508,321	-	-
Real estate	34%	2,579,943		
Information technology	5%	376,058		
Consumer discretionary	1%	78,559	-	-
Energy	1%	44,404	-	-
Industrials	*	147	-	-
Utilities	*	35	-	-
Telecommunication services	*	22	-	-
	100%	7,587,489	-	-
Geographic region				
Asia Pacific	36%	2,766,372	-	-
North America	26%	1,947,760		
Europe	7%	523,673		
Australia	6%	426,854	-	-
Others	25%	1,922,830	-	-
	100%	7,587,489	-	-

* less than 1%

14. LOANS

	Group and Company	Company
	31 December 2023 $'000	30 June 2022 $'000
		(Unaudited)
Term loan to joint venture		
- unsecured	81,251	-
Consumer loans	3,220	-
Loans on policies	561,022	-
Impairment loss	(8)	
	645,485	-
To be settled within 12 months	643,399	-
To be settled after 12 months	2,086	-
	645,485	-

At the reporting date, the carrying amounts of loans approximate their fair values, except for consumer loans (refer to Note 5(f)).

Interest bearing loan to a joint venture company

The balance of interest-bearing loan to a joint venture company as at the reporting date and the interest earned recognised in the statement of comprehensive income is as follows:

2023				
Loan Balance $'000	Interest Rate (%)	Interest Earned $'000	Scheduled Repayment Date	Type
81,251	7.00	7,604	On demand	Unsecured

Movements in allowance for impairment loss during the financial period are as follow:

	Note	Group and Company 2023 $'000	Company 2022 $'000
			(Unaudited)
At 1 July 2022/13 October 2021		-	-
Transfer of business	32	263	-
Allowance made		(255)	-
At 31 December 2023/30 June 2022		8	-

15. DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Company			
	Contract or Underlying Principal $'000	Positive Revaluation $'000	Negative Revaluation $'000	Net $'000
31 December 2023				
Forward foreign exchange	28,438,571	442,172	112,633	329,539
Futures	5,535,303	102,784	12,070	90,714
Cross currency swaps	598,867	23,192	5,318	17,874
Interest rate swaps	286,461	4,204	1,553	2,651
Total	34,859,202	572,352	131,574	440,778

	Company			
	Contract or Underlying Principal $'000	Positive Revaluation $'000	Negative Revaluation $'000	Net $'000
30 June 2022 (Unaudited)				
Forward foreign exchange	-	-	-	-
Cross currency swaps	-	-	-	-
Interest rate swaps	-	-	-	-
Futures	-	-	-	-
Total	-	-	-	-

At the reporting date, all derivative financial instruments balances are current, as they are classified as 'held for trading' in accordance with SFRS(I) 1-39 Financial Instruments: *Recognition and Measurement*.

The Group enters into master netting arrangements with counterparties. The credit risk associated with favourable contracts is reduced by the master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are settled on a net basis.

Master netting arrangements do not meet the criteria for offsetting of financial assets and liabilities on the statement of financial position, as the legal right to set off the transactions is conditional upon default.

15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

	Group and Company					
				Related amounts not set-off in the statement of financial position		
	Gross amounts of recognised financial assets $'000	Gross amounts of recognised financial liabilities set-off in the statement of financial position $'000	Net amounts of financial assets presented in the statement of financial position $'000	Financial Instruments $'000	Cash collateral $'000	Net amount $'000
31 December 2023						
Derivatives	469,568	-	469,568	47,629	231,911	190,028
30 June 2022 (Unaudited)						
Derivatives	-	-	-	-	-	-

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

	Group and Company					
				Related amounts not set-off in the statement of financial position		
	Gross amounts of recognised financial liabilities $'000	Gross amounts of recognised financial assets set-off in the statement of financial position $'000	Net amounts of financial liabilities presented in the statement of financial position $'000	Financial Instruments $'000	Cash collateral $'000	Net amount $'000
31 December 2023						
Derivatives	119,504	-	119,504	21,330	26,362	71,812
30 June 2022 (Unaudited)						
Derivatives	-	-	-	-	-	-

16. TAX

Deferred tax assets and liabilities

Deferred taxes are attributable to the following:

	Group and Company		
	Assets $'000	Liabilities $'000	Net $'000
31 December 2023			
Unutilised tax losses carried forward	(11,278)	-	(11,278)
Capital allowances for property, equipment and intangible assets	-	16,082	16,082
Tax on future distributions	-	33,490	33,490
Deferred tax (assets)/liabilities	(11,278)	49,572	38,294

	Company		
	Assets $'000	Liabilities $'000	Net $'000
30 June 2022 (Unaudited)			
Unutilised tax losses carried forward	-	-	-
Capital allowances for property, equipment and intangible assets	-	-	-
Tax on future distributions	-	-	-
Deferred tax (assets)/liabilities	-	-	-

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

Deferred tax assets and liabilities are non-current.

At 31 December 2023, the Group has unutilised tax losses and capital allowances ("tax loss items") of approximately $12,325,000 (30 June 2022: nil) that are available for offset against the future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

The use of these tax loss items is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation.

16. TAX (CONTINUED)

Tax expense

	Group	
	Period from 1 July 2022 to 31 December 2023 $'000	Period from 13 October 2021 to 30 June 2022 $'000
		(Unaudited)
Current tax expense		
Current year	-	-
Deferred tax expense		
Origination and reversal of temporary differences	38,294	-
Total tax expense	38,294	-

The Group has estimated its tax charge and tax provision based on the current tax legislation. These estimates may be different from the ultimate actual tax liability or refund, although the Group believes that the provision is appropriate.

Reconciliation of effective tax rate

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial period are as follows:

	Group	
	Period from 1 July 2022 to 31 December 2023 $'000	Period from 13 October 2021 to 30 June 2022 $'000
		(Unaudited)
Profit before tax	98,681	-
Tax expense on profit before tax at 17%	16,776	-
Adjustments:		-
Non-deductible expenses	19,017	-
Taxation relating to insurance funds	26,709	-
Effect of differences in taxation basis	(17,905)	-
Income not subject to taxation	(2,651)	-
Tax relief	(4,040)	-
Effects of results of joint ventures and associate companies presented net of tax	(393)	-
Deferred tax asset arising from tax losses not recognised	571	-
Others	210	-
Tax expense	38,294	-

17. INSURANCE CONTRACT PROVISIONS

	Group and Company 31 December 2023 $'000	Company 30 June 2022 $'000 (Unaudited)
Gross		
Life insurance contracts	36,069,402	-
General insurance contracts	803,311	-
Total insurance contract provisions, gross	36,872,713	-
Reinsurance		
Life insurance contracts	23,913	-
General insurance contracts	85,638	-
Total reinsurers' share of insurance contract provisions	109,551	-
Net		
Life insurance contracts	36,045,489	-
General insurance contracts	717,673	-
Total insurance contract provisions, net	36,763,162	-

Life insurance contracts

	Group and Company 31 December 2023 $'000	Company 30 June 2022 $'000 (Unaudited)
Life insurance par contracts	30,637,669	-
Life insurance non-par contracts	3,145,949	-
Investment-linked contracts	2,261,871	-
Total life insurance contract provisions, net	36,045,489	-

17 INSURANCE CONTRACT PROVISIONS (CONTINUED)

Movements in life insurance contract provisions (net)

	Note	Group and Company 31 December 2023 $'000	Company 30 June 2022 $'000 (Unaudited)
At 1 July 2022/13 October 2021		-	-
Transfer of business	32	36,042,453	-
Change in life insurance contract liabilities:			
Business movements		462,313	-
Discount rate change		2,196	-
Assumption and other changes		(3,056)	-
Other movements		(414,178)	-
Transfer to Shareholders' Fund		(10,749)	-
Provision for deferred tax on future policyholders' returns		(33,490)	-
At 31 December 2023/30 June 2022		36,045,489	-

General Insurance Fund

	Group and Company 31 December 2023 $'000	Company 30 June 2022 $'000 (Unaudited)
General insurance provision for unexpired risks	205,065	-
General insurance provision for claims and loss adjustment expenses	512,608	-
Total general insurance contract provisions, net	717,673	-

17 INSURANCE CONTRACT PROVISIONS (CONTINUED)

Movements in insurance contract provisions (net)

(a) Provision for unexpired risk

	Note	Group and Company 31 December 2023 $'000	Company 30 June 2022 $'000 (Unaudited)
At 1 July 2022/13 October 2021		-	-
Transfer of business	32	201,141	-
Increase in insurance provision for unexpired risk		3,924	-
At 31 December 2023/30 June 2022		205,065	-

(b) Provision for claims and loss adjustment expenses

	Note	Group and Company 31 December 2023 $'000	Company 30 June 2022 $'000 (Unaudited)
At 1 July 2022/13 October 2021		-	-
Transfer of business	32	527,003	-
Decrease in insurance provision for claims and loss adjustment expenses		(14,395)	-
At 31 December 2023/30 June 2022		512,608	-
At 31 December 2023 (a) + (b)		717,673	-

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

18. INSURANCE AND OTHER RECEIVABLES

	Group 31 December 2023 $'000	Company 31 December 2023 $'000	Company 30 June 2022 $'000 (Unaudited)
Outstanding premiums	115,906	115,906	-
Accrued interest receivable	2,254	2,254	-
Investment receivables	152,727	151,870	-
Investment receivables from related party	121,603	121,603	-
Trade receivables	8,684	6,864	-
Other receivables	40,610	39,833	*
	441,784	438,330	*
Less: Allowance for impairment losses	(7,495)	(7,480)	-
	434,289	430,850	*

* less than $1,000

At the reporting date, all insurance and other receivables are current, and the carrying amounts approximate their fair values.

Movements in allowance for impairment losses for the financial period are as follow:

	Note	Group 31 December 2023 $'000	Company 31 December 2023 $'000	Company 30 June 2022 $'000 (Unaudited)
At 1 July 2022/13 October 2021		-	-	-
Transfer of business	32	(5,163)	(5,163)	-
Movement during the year		(2,332)	(2,317)	-
At 31 December 2023/30 June 2022		(7,495)	(7,480)	-

19. CASH AND CASH EQUIVALENTS

	Group	Company	
	31 December 2023 $'000	31 December 2023 $'000	30 June 2022 $'000
			(Unaudited)
Fixed deposits with banks	307,608	306,000	-
Cash and bank balances	1,608,067	1,606,725	-
	1,915,675	1,912,725	-

20. BORROWINGS

	Group	Company	
	31 December 2023 $'000	31 December 2023 $'000	30 June 2022 $'000
			(Unaudited)
Lease liabilities	27,908	26,585	-
Subordinated notes	798,017	798,017	-
	825,925	824,602	-

Description	Issue Date	Maturity Date	Group $'000	Company $'000
$800 million 3.10% subordinated notes	20 July 2020	20 July 2050	798,017	798,107

$800 million subordinated notes, net of transaction costs ("Note") due 2050, callable from 2040, was transferred to the Company on 1 September 2022. The Note initially bear interest at the rate of 3.10% per annum, payable semi-annually on 20 January and 20 July of each calendar year up to 20 July 2040. If the Note is not redeemed or purchased and cancelled on 20 July 2040, the interest rate from that date will be reset at a fixed rate determined by an independent advisor, payable semi-annually in arrears.

The Note qualifies as Tier 2 capital for capital adequacy purposes.

At the reporting date, the fair value of the Note is $712,624,000.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

20. BORROWINGS (CONTINUED)

	Group	Company	
	31 December 2023 $'000	31 December 2023 $'000	30 June 2022 $'000
			(Unaudited)
Subordinated notes	798,017	798,017	-
Accrued bond interest	11,143	11,143	-
Liabilities related to subordinated notes	809,160	809,160	-

Reconciliation of movements of liabilities to cash flows arising from financing activities. There was no movement during the financial period ended 30 June 2022.

		2023		
	Note	Lease liabilities $'000	Subordinated notes $'000	Total $'000
At 1 July 2022		-	-	-
Transfer of business	32	30,979	800,751	831,730
Changes from financing cash flows				
Payment of lease liabilities		(7,718)	-	(7,718)
Interest paid		(1,022)	(24,798)	(25,820)
Total changes from financing cash flows		(8,740)	(24,798)	(33,538)
Other changes				
New leases		1,923	-	1,923
Re-measurement		2,724	-	2,724
Capitalised transaction costs		-	-	-
Interest expenses		1,022	33,207	34,229
		1,022	33,207	34,229
Total other changes		5,669	33,207	38,876
Balance at 31 December 2023		27,908	809,160	837,068

21. INSURANCE AND OTHER PAYABLES

	Group	Company	
	31 December 2023 $'000	31 December 2023 $'000	30 June 2022 $'000
			(Unaudited)
Outstanding claims	**98,241**	**98,241**	-
Insurance and reinsurance payables	**107,766**	**107,766**	-
Investments and other payables	**1,787,425**	**1,793,962**	-
	1,993,432	**1,999,969**	-
To be settled within 12 months	**1,934,706**	**1,941,243**	-
To be settled after 12 months	**58,726**	**58,726**	-
	1,993,432	**1,999,969**	-

At the reporting date, the carrying amounts of insurance and other payables approximate their fair value, except for outstanding claims and investments and other payables (refer to Note 5(f)).

22. SHARE CAPITAL

		Group+ and Company			
		No. of shares			
	Note	31 December 2023 '000	30 June 2022 '000	31 December 2023 $'000	30 June 2022 $'000
Issued and fully paid ordinary shares:					
At 1 July 2022/13 October 2021		*	-	*	-
Issued in relation to transfer of business	32	**107,192**	-	**3,246,821**	-
Issued on incorporation		**-**	*	**-**	*
Capital reduction		**-**	-	**(43,000)**	-
At 31 December 2023/30 June 2022		**107,192**	*	**3,203,821**	*

* Less than 1,000
\+ Group level is applicable for 2023 only

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and rank equally with regard to the Company's residual assets.

Capital Reduction

The Company undertook a capital reduction exercise to return capital of 40.115 cents per ordinary share amounting to $43,000,000 to shareholders without the cancellation of any shares, effective on 14 August 2023.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

23. RETAINED EARNINGS

Indemnity

As part of the Framework Agreement that governed the transfer of the business from NTUC Income Co-operative Ltd ("Co-operative") the Company provided an irrevocable undertaking to indemnify ('Indemnity') the Co-operative for any obligations enforceable by a third-party. During the period the Company incurred $2,224,000 in respect of this Indemnity to fund the Co-operative's obligation to shareholders of the Co-operative that redeemed Co-operative shares after the transfer of the business on 1 September 2022 and prior to the closing period for redemptions on 15 November 2022.

Dividends

There are no dividends paid during the financial period.

The Directors have proposed a one-tier exempt dividend of 33.4 cents per ordinary share, amounting to $35,802,000 to be paid in respect of the financial period ended 31 December 2023.

Additionally, the Directors have proposed a one-tier exempt special dividend of 31.3 cents per ordinary share, amounting to $33,551,000 to be paid in respect of the financial period ended 31 December 2023.

The consolidated financial statements will reflect this dividend payable as distributions to shareholders in the financial year ending 31 December 2024 after approval is obtained during the Annual General Meeting.

24. FEE AND OTHER INCOME

	Group	
	Period from 1 July 2022 to 31 December 2023 $'000	Period from 13 October 2021 to 30 June 2022 $'000
		(Unaudited)
Reinsurance commission	**28,766**	-
Other income	**17,591**	-
	46,357	-

25. NET INVESTMENT INCOME AND FAIR VALUE GAINS

	Group	
	Period from 1 July 2022 to 31 December 2023 $'000	Period from 13 October 2021 to 30 June 2022 $'000
		(Unaudited)
Interest income		
- cash and cash equivalents	**27,762**	-
- loans	**45,548**	-
- debt securities	**1,070,858**	-
	1,144,168	-
Dividend income	**445,875**	-
Net rental income:		
- rental income	**84,685**	-
Less:		
- Investment properties maintenance	**(27,267)**	-
	57,418	-
Realised loss on sale of available-for-sale investments	**(12,861)**	-
Net gain/(loss) and changes in fair value of:		
- investments designated as fair value through profit or loss	**(227,959)**	-
- derivatives	**303,052**	-
- investment properties	**18,715**	-
	93,808	-
Investment expenses	**(187,077)**	-
Impairment written back/(made) on:		
- loans	**255**	-
- available-for-sale investments	**(23,010)**	-
- Investment in subsidiaries/joint ventures/associates	**(19,000)**	-
	(41,755)	-
Loans written off	**(222)**	-
Others	**4,839**	-
Net investment income and fair value gains	**1,504,193**	-

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

26. MANAGEMENT EXPENSES

The following items are included in management expenses:

	Group	
	Period from 1 July 2022 to 31 December 2023 $'000	Period from 13 October 2021 to 30 June 2022 $'000
		(Unaudited)
Staff costs		
- Salaries, bonuses and staff benefits	**208,090**	-
- Employer's contribution to defined contribution plan	**19,264**	-
Advertising and promotion	**33,156**	-
Depreciation and amortisation	**60,610**	-
Printing, postage and stationery	**3,822**	-
Rental expenses	**7,202**	-

27. IMMEDIATE AND ULTIMATE HOLDING ENTITY

During the period, as a result of the transfer of business and distribution-in-specie of ordinary shares (Note 32), the Company's immediate holding entity was changed to NTUC Enterprise Co-operative Limited, registered in Singapore (2022: NTUC Income Insurance Co-operative Limited, registered in Singapore).

The Company's ultimate holding entity is NTUC Enterprise Co-operative Limited (2022: NTUC Enterprise Co-operative Limited).

28. RELATED PARTY TRANSACTIONS

For the purposes of these consolidated financial statements, parties are considered to be related to the Group and Company if the Group and Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or entities.

In addition to the related party information shown elsewhere in the consolidated financial statements, the following significant related party transactions took place between the Group and Company and related parties during the financial period on terms agreed by the parties concerned:

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Sales and purchases of goods

	Group Period from 1 July 2022 to 31 December 2023 $'000	Group Period from 13 October 2021 to 30 June 2022 $'000 (Unaudited)
Insurance related transactions with		
- Immediate and ultimate holding entity	**2**	-
- Subsidiaries	**(7,844)**	-
- Joint ventures	**3**	-
- Associated companies	**45**	-
- Other related parties	**1,912**	-
	(5,882)	-
Investment related transactions with		
- Subsidiaries	**(1,250)**	-
- Joint ventures	**29,787**	-
- Associated companies	**(242,864)**	-
- Other related parties	**130,540**	-
	(83,787)	-
Purchases of goods/rental/management services with		
- Subsidiaries	**189**	-
- Associated companies	**(41,158)**	-
- Other related parties	**(12,105)**	-
	(53,074)	-

Other related parties comprise mainly entities which are members of the NTUC Enterprise Co-operative Limited group.

(b) Transfers under finance arrangements

	Note	Group Period from 1 July 2022 to 31 December 2023 $'000	Group Period from 13 October 2021 to 30 June 2022 $'000 (Unaudited)
Capital reduction distributions to			
- Immediate entity	22	**(31,285)**	**-**

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Settlement of liabilities

	Group Period from 1 July 2022 to 31 December 2023 $'000	Group Period from 13 October 2021 to 30 June 2022 $'000 (Unaudited)
Settlement of liabilities on behalf of		
- Immediate entity	**(2,224)**	-

(d) Key management personnel compensation

	Group Period from 1 July 2022 to 31 December 2023 $'000	Group Period from 13 October 2021 to 30 June 2022 $'000 (Unaudited)
Salaries and other benefits	**17,253**	-
Employer's contribution to defined contribution plan	**307**	-
Directors' fees	**1,813**	-
	19,373	-

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all Directors, Chief Executive and Senior Management Team of the Group.

29. LEASES

Leases as lessee (SFRS(I) 16)

The Group leases retail, office and industrial spaces. The leases typically run for a period of 1 to 10 years, with an option to renew the lease after that date. Lease payments are renegotiated upon renewal to reflect market rentals.

Right-of-use assets Lease under SFRS(I) 16

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (Note 6).

	Properties $'000	Office equipment $'000	Total $'000
Group			
At 1 July 2022	-	-	-
Transfer of business (Note 32)	29,461	19	29,480
Depreciation charge for the year	(8,373)	(7)	(8,380)
Additions to right-of-use assets	2,037	-	2,037
Re-measurement to right-of-use assets	2,776	-	2,776
Balance at 31 December 2023	25,901	12	25,913
Company			
At 1 July 2022	-	-	-
Transfer of business (Note 32)	29,433	-	29,433
Depreciation charge for the year	(7,893)	-	(7,893)
Additions to right-of-use assets	334	-	334
Re-measurement to right-of-use assets	2,776	-	2,776
Balance at 31 December 2023	24,650	-	24,650
At 13 October 2021 (unaudited)	-	-	-
Depreciation charge for the year	-	-	-
Additions to right-of-use assets	-	-	-
Re-measurement to right-of-use assets	-	-	-
Balance at 30 June 2022 (unaudited)	-	-	-

29. LEASES (CONTINUED)

Amounts recognised in profit or loss

	Lease under SFRS(I) 16		
	Group	Company	Company
	Period from 1 July 2022 to 31 December 2023 $'000	Period from 1 July 2022 to 31 December 2023 $'000	Period from 13 October 2021 to 30 June 2022 $'000
			(Unaudited)
Interest on lease liabilities	1,022	920	-
Expenses relating to short-term leases	13	13	-
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	41	41	-

Amount recognised in statement of cash flows

	Group	Company	Company
	Period from 1 July 2022 to 31 December 2023 $'000	Period from 1 July 2022 to 31 December 2023 $'000	Period from 13 October 2021 to 30 June 2022 $'000
			(Unaudited)
Total cash outflow for leases	8,740	8,313	-

Extension options

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant events or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in undiscounted lease liability of $20,277,000.

29. LEASES (CONTINUED)

Leases as lessor

The Group leases out retail and commercial space from their investment properties under non-cancellable operating leases (see Note 8). The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Operating leases under SFRS(I) 16

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group and Company	Company
	31 December 2023 $'000	30 June 2022 $'000
		(Unaudited)
Less than one year	48,586	-
One to two years	30,254	-
Two to three years	19,002	-
Three to four years	7,023	-
Four to five years	3,320	-
More than five years	11	-
Total	**108,196**	-

30. COMMITMENT

Outstanding investment commitments (Note 13) are as follow:

	Group and Company	Company
	31 December 2023 $'000	30 June 2022 $'000
		(Unaudited)
Outstanding investment commitments	2,271,317	-

31. SEGMENTAL INFORMATION

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products for the different markets. The Group's principal operations are organised into Life Insurance, General Insurance and Corporate segments. The results of these segments are reported separately in internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

a. Life Insurance Segment

The Life Insurance segment includes different types of life insurance contracts, comprising life participating fund, life and health non-participating fund and investment linked fund contracts as those described in the summary of significant accounting policies in Note 3.

b. General Insurance Segment

The General Insurance segment includes all general insurance contracts that cater to the protection needs of individuals and business.

c. Corporate Segment

The Corporate segment comprises activities not related to the core business segments and includes general corporate income and expense items.

<u>Segment Accounting Policies and Allocation Basis</u>

The accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 3(t).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

31. SEGMENTAL INFORMATION (CONTINUED)

	Group			
	Life Insurance $'000	General Insurance $'000	Corporate $'000	Consolidated $'000
Gross premiums	4,210,574	647,223	-	4,857,797
Reinsurance premiums	(262,987)	(61,032)	-	(324,019)
Net premiums	3,947,587	586,191	-	4,533,778
Fee and other income	4,659	21,002	20,696	46,357
Net investment income and fair value gains	1,424,997	47,988	31,208	1,504,193
Total income	5,377,243	655,181	51,904	6,084,328
Benefits and claims				
Gross claims, surrenders and annuities	(4,854,569)	(325,340)	-	(5,179,909)
Bonus to policyholders	(330,719)	-	-	(330,719)
Decrease in insurance contract provisions	89,253	14,396	-	103,649
Increase in reinsurers' share of insurance benefits and claims	242,922	15,237	-	258,159
Net insurance benefits and claims	(4,853,113)	(295,707)	-	(5,148,820)
Expenses				
Interest expenses	(17,120)	(277)	(16,832)	(34,229)
Selling expenses	(212,548)	(125,246)	(21,043)	(358,837)
Management expenses	(225,845)	(104,520)	(115,824)	(446,189)
Total claims and expenses	(5,308,626)	(525,750)	(153,699)	(5,988,075)
Share of results of joint ventures (net of tax)	(129)	-	76	(53)
Share of result of associated companies (net of tax)	5	-	2,476	2,481
Share of profit of equity-accounted investees (net of tax)	(124)	-	2,552	2,428
Profit/(loss) before tax	68,493	129,431	(99,243)	98,681
Tax credit/(expense)	(24,380)	(17,711)	3,797	(38,294)
Profit/(loss) after tax	44,113	111,720	(95,446)	60,387
Other material items				
Interest income	1,083,609	31,206	29,353	1,144,168
Staff costs	(128,951)	(60,095)	(38,308)	(227,354)
Non-cash items				
Depreciation and amortisation	(21,164)	(9,020)	(30,207)	(60,391)
Changes in fair value of investments through equity	241,061	(40,673)	(15,773)	184,615
Change in insurance contract provisions arising from available-for-sale movement	(280,052)	-	-	(280,052)

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

31. SEGMENTAL INFORMATION (CONTINUED)

	Group				
	Life Insurance $'000	General Insurance $'000	Corporate $'000	Adjustment and Elimination $'000	Consolidated $'000
Assets and liabilities					
Total segment assets	40,145,441	1,433,760	1,484,964	(26,530)	43,037,635
Total segment liabilities	38,085,243	908,601	894,624	(26,530)	39,861,938
Other segment information					
Investment in joint ventures	632,773	-	4,053	-	636,826
Investment in associates	30,712	-	120,219	-	150,931
Additions to non-current assets:					
- Property, plant and equipment	30,818	-	3,556	-	34,374
- Intangible assets	59,117	2,705	127,072	-	188,894
- Investment properties	1,185,770	-	-	-	1,185,770

32. TRANSFER OF BUSINESS FROM CO-OPERATIVE TO THE COMPANY

As part of corporatisation exercise, the Co-operative transferred its entire insurance business and undertakings and all rights and obligations to the Company on 1 September 2022 pursuant to scheme of transfer under Section 117 of the Insurance Act 1966 of Singapore (the "Scheme") and other transfer agreements.

Under the terms of the Scheme (which excludes investment properties as well as property, plant and equipment), the consideration for the Scheme is equivalent to the net book value of the insurance business transferred under the Scheme on 1 September 2022 ("Net Book Value"). The Co-operative and the Company agreed that the Net Book Value is $1,952,934,000, which was wholly satisfied by (i) the issuance of one fully-paid paid up ordinary share in the capital of the Company at an issue price of $1,545,922,000 and (ii) the issue of a subordinated note by the Company with a variable principal amount of $407,012,000 (the "Note").

There were some assets that were excluded from the Scheme ("Non-Scheme Assets"), which comprised investment properties and all property, plant and equipment under separate transfer agreements with total purchase considerations payable equivalent to a total net book value of $1,293,887,000, satisfied by a promissory note of equivalent amount issued by the Company to the Co-operative ("Company P-Note") on the same date as effective date of the Scheme on 1 September 2022.

Separately, on the same date, the Co-operative subscribed for one fully paid-up ordinary share in the Company at an issue price of $1,293,887,000, which was satisfied by a promissory note issued by the Co-operative to the Company ("Co-operative P-Note"). As the aggregate value of Company P-Note and Co-operative P-Note were the same, both parties' P-Notes were set off against each other and cancelled.

32. TRANSFER OF BUSINESS FROM CO-OPERATIVE TO THE COMPANY (CONTINUED)

On 14 December 2022, the Note was converted into one fully paid-up ordinary share at an issue price equivalent to the principal amount of $407,012,000. Following the conversion of the Note, the Company consolidated all the ordinary shares held by the Co-operative into one ordinary share which was subsequently subdivided into 107,192,000 ordinary shares, matching the number of shares in the Co-operative to enable a one-for-one distribution-in-specie of ordinary shares upon liquidation of the Co-operative.

On 6 April 2023, pursuant to the distribution of assets upon the winding up of the Co-operative, all shareholders of the Co-operative were issued shares of the Company on one-for-one basis, and their Co-operative shares were cancelled.

Quantitative impact of assets, liabilities, share capital and number of ordinary shares of each event:

		Group			
	Note	Transfer of business $'000	Variable note conversion $'000	Shares subdivision $'000	Total $'000
ASSETS					
Property, plant and equipment (excluding ROU assets)	6	11,522	-	-	11,522
Intangible assets	7	119,302	-	-	119,302
Investment properties	8	1,164,671	-	-	1,164,671
Right-of-use ("ROU") assets	6	29,461	-	-	29,461
Investment in joint ventures	10	636,879	-	-	636,879
Investment in associated companies	11	296,750	-	-	296,750
Other financial assets		36,682,008	-	-	36,682,008
Loans		634,837	-	-	634,837
Derivative financial instruments		156,348	-	-	156,348
Reinsurers' share of insurance contract provisions	17	79,285	-	-	79,285
Insurance and other receivables		1,398,179	-	-	1,398,179
Cash and cash equivalents		2,793,534	-	-	2,793,534
Total Assets		44,002,776	-	-	44,002,776
LIABILITIES					
Insurance contract provisions	17	36,849,882	-	-	36,849,882
Derivative financial instruments		213,239	-	-	213,239
Borrowings		828,877	-	-	828,877
Insurance and other payables		2,854,807	-	-	2,854,807
Variable note payable		407,012	(407,012)	-	-
Total Liabilities		41,153,817	(407,012)	-	40,746,805
NET ASSETS		2,848,959	(407,012)	-	3,255,971
Share capital	22	2,839,809	407,012	-	3,246,821
No. of ordinary shares ('000)	22	*	*	107,192	107,192
Non-controlling interest		9,150	-	-	9,150

* Less than 1,000

Notes to the Financial Statements

For the financial period from 1 July 2022 to 31 December 2023

32. TRANSFER OF BUSINESS FROM CO-OPERATIVE TO THE COMPANY (CONTINUED)

		Company			
	Note	Transfer of business $'000	Variable note conversion $'000	Shares subdivision $'000	Total $'000
ASSETS					
Property, plant and equipment (excluding ROU assets)	6	11,114	-	-	11,114
Intangible assets	7	118,102	-	-	118,102
Investment properties	8	1,164,671	-	-	1,164,671
Right-of-use ("ROU") assets	6	29,433	-	-	29,433
Investment in subsidiaries		179,783	-	-	179,783
Investment in joint ventures	10	636,879	-	-	636,879
Investment in associated companies	11	151,555	-	-	151,555
Other financial assets		36,653,780	-	-	36,653,780
Loans		634,837	-	-	634,837
Derivative financial instruments		156,348	-	-	156,348
Reinsurers' share of insurance contract provisions	17	79,285	-	-	79,285
Insurance and other receivables		1,394,852	-	-	1,394,852
Cash and cash equivalents		2,789,955	-	-	2,789,955
Total Assets		44,000,594	-	-	44,000,594
LIABILITIES					
Insurance contract provisions	17	36,849,882	-	-	36,849,882
Derivative financial instruments		213,239	-	-	213,239
Borrowings		828,838	-	-	828,838
Insurance and other payables		2,861,814	-	-	2,861,814
Variable note payable		407,012	(407,012)	-	-
Total Liabilities		41,160,785	(407,012)	-	40,753,773
NET ASSETS		2,839,809	(407,012)	-	3,246,821
Share capital	22	2,839,809	407,012	-	3,246,821
No. of ordinary shares ('000)	22	*	*	107,192	107,192

* Less than 1,000

33. TEMPORARY EXEMPTION FROM SFRS(I) 9

As detailed in Note 3(v) of significant accounting policies, the Group and Company has decided to apply for temporary exemption from SFRS(I) 9. The tables below present the disclosure requirements stipulated in Amendments to SFRS(I) 4 *Insurance Contracts*.

(i) The fair value as at 31 December 2023 (30 June 2022: nil) and the amount of change in the fair value during the period separately for other financial assets and loans are as follow:

	Group $'000	Company $'000
Amortised cost ("Hold to collect" business model)		
- loans	84,167	84,167
- other receivables	293,630	290,849
- cash and cash equivalents	1,915,675	1,912,725
Total financial assets at amortised cost	2,293,472	2,287,741
Fair value through other comprehensive income ("Hold to collect and sell" business model)		
- equities	21,503	-
- debt securities	-	-
Total financial assets at fair value through other comprehensive income	21,503	-
Fair value through profit or loss		
- equities	6,102,567	6,102,567
- funds	7,587,489	7,587,489
- debt securities	23,451,929	23,451,929
- derivative financial instruments	572,352	572,352
Total financial assets at fair value through profit or loss	37,714,337	37,714,337
Total fair value of financial assets	40,029,312	40,002,078

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

33. TEMPORARY EXEMPTION FROM SFRS(I) 9 (CONTINUED)

	Group $'000	Company $'000
Change in fair value		
Amortised cost ("Hold to collect" business model)		
- loans	-	-
- other receivables	-	-
- cash and cash equivalents	-	-
Total financial assets at amortised cost	-	-
Fair value through other comprehensive income ("Hold to collect and sell" business model)		
- equities	(6,725)	-
- debt securities	-	-
Total financial assets at fair value through other comprehensive income	(6,725)	-
Fair value through profit or loss		
- equities	227,445	227,445
- funds	(381,904)	(381,904)
- debt securities	2,189,765	2,189,765
- derivative financial instruments	416,003	416,003
Total financial assets at fair value through profit or loss	2,451,309	2,451,309
Total carrying amount of financial assets	2,444,584	2,451,309

For financial assets at amortised cost and fair value through other comprehensive income, their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For financial assets at fair value through profit or loss, they either (a) contain contractual terms that do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, (b) meet the definition of held for trading in SFRS(I) 9, or (c) are managed and performance evaluated on a fair value basis.

33. TEMPORARY EXEMPTION FROM SFRS(I) 9 (CONTINUED)

(ii) The carrying amounts of financial assets by credit risk rating grades that are not classified as measured at fair value through profit or loss are as follow:

	Group			
	Investment Grade (AAA to BBB-) $'000	Below Investment Grade (Below BBB-) $'000	Non-rated $'000	Total $'000
Amortised cost (“Hold to collect” business model)				
- loans	-	-	84,167	84,167
- other receivables	-	-	293,630	293,630
- cash and cash equivalents	1,915,675	-	-	1,915,675
Total financial assets at amortised cost	1,915,675	-	377,797	2,293,472
Fair value through other comprehensive income (“Hold to collect and sell” business model)				
- debt securities	-	-	-	-
Total financial assets at fair value through other comprehensive income	-	-	-	-
Total fair value of financial assets	1,915,675	-	377,797	2,293,472

	Company			
	Investment Grade (AAA to BBB-) $'000	Below Investment Grade (Below BBB-) $'000	Non-rated $'000	Total $'000
Amortised cost (“Hold to collect” business model)				
- loans	-	-	84,167	84,167
- other receivables	-	-	290,849	290,849
- cash and cash equivalents	1,912,725	-	-	1,912,725
Total financial assets at amortised cost	1,912,725	-	375,016	2,287,741
Fair value through other comprehensive income (“Hold to collect and sell” business model)				
- debt securities	-	-	-	-
Total financial assets at fair value through other comprehensive income	-	-	-	-
Total fair value of financial assets	1,912,725	-	375,016	2,287,741

33. TEMPORARY EXEMPTION FROM SFRS(I) 9 (CONTINUED)

(iii) Financial assets with low credit risk are those which have a low risk of default, the issuer or borrower has a strong capacity to meet its contractual cash flow obligations in the near term and ability to fulfil its obligations may, but will not necessarily, be reduced by adverse changes in economic and business conditions in the long term.

For financial assets that do not have low credit risk as at 31 December 2023, the fair value and the carrying amount under SFRS(I) 9 are as follow:

	Group $'000	Company $'000
Amortised cost (“Hold to collect” business model)		
- loans	8	8
- other receivables	7,495	7,480
Total financial assets at amortised cost	7,503	7,488
Fair value through other comprehensive income (“Hold to collect and sell” business model)		
- debt securities	-	-
Total financial assets at fair value through other comprehensive income	-	-
Total fair value of financial assets	7,503	7,488
Carrying amount		
Amortised cost (“Hold to collect” business model)		
- loans	8	8
- other receivables	7,495	7,480
Total financial assets at amortised cost	7,503	7,488
Fair value through other comprehensive income (“Hold to collect and sell” business model)		
- debt securities	-	-
Total financial assets at fair value through other comprehensive income	-	-
Total fair value of financial assets	7,503	7,488

For financial assets measured at amortised cost, the carrying amount is before adjusting for any impairment allowances.

(iv) SFRS(I) 9 information could be obtained from the publicly available individual or separate financial statements of the Group’s subsidiaries, joint ventures and associates that has applied SFRS(I) 9.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023, and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early.

These new standards include, among others, SFRS(I) 17 *Insurance Contracts*.

The Group will apply SFRS(I) 17 for the first time on 1 January 2024. It is a comprehensive new accounting standard for Insurance Contracts covering recognition, measurement, presentation and disclosure, and is expected to have a material impact on the Group's consolidated financial statements in the period of initial application.

(a) SFRS(I) 17 Insurance Contracts

SFRS(I) 17 replaces SFRS(I) 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023. The nature and effects of the changes in the Group accounting policies are summarised below.

(i) Identifying contracts in the scope of SFRS(I) 17

SFRS(I) 17 establishes specific principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with Discretionary Participative Feature ("DPF").

When identifying contracts in the scope of SFRS(I) 17, in some cases the Group will have to assess whether a set or series of contracts need 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. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements.

As at 31 December 2023, the Group does not have investment contracts with DPF.

(ii) Level of aggregation

Under SFRS(I) 17, insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into quarterly cohorts (by quarter of issuance) for both Life Insurance ("Life") (including Group Health ("GH")), and General Insurance ("GI"), into three groups based on the expected profitability of the contracts:

(i) a group of contracts that are onerous at initial recognition, if any;

(ii) a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and

(iii) a group of the remaining contracts in the portfolio, if any.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. 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. The composition of these groups are not reassessed subsequently.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(ii) Level of aggregation (continued)

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts into quarterly cohorts (by quarter of issuance) for both Life (including GH) reinsurance and GI reinsurance contracts into groups of:

(i) contracts for which there is a net gain at initial recognition, if any;

(ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and

(iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual reinsurance treaty/facultative basis.

The level of aggregation requirements of SFRS(I) 17 limits the offsetting of gains on groups of profitable contracts, which are generally deferred as a Contractual Service Margin ("CSM"), against losses on groups of onerous contracts, which are recognised in profit or loss immediately. See Note 34(a)(v) and 34(a)(vi).

Compared with the level at which the liability adequacy test is performed under SFRS(I) 4 (i.e. portfolio of contracts level), the level of aggregation under SFRS(I) 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognised sooner.

(iii) Contract Boundary

Under SFRS(I) 17, the measurement of a group of insurance contracts includes all the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Group expects that for certain contracts the SFRS(I) 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in SFRS(I) 17. The Group recognises a group of insurance contracts it issues from the earliest of the following:

(i) the beginning of the coverage period of the group of contracts;

(ii) the date when the first payment from a policyholder in the group becomes due; and

(iii) for a group of onerous contracts, when the group becomes onerous.

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums, or has a substantive obligation to provide the policyholder with services (including insurance coverage and investment 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 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.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(iii) Contract Boundary (continued)

For life insurance contracts with renewal periods, the Group assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The Group first determines if it has a practical ability to reassess risks of a particular policyholder, then determines whether it has the practical ability to reprice the contract to fully reflect the risks at the renewal date. If the Group has the practical ability to reassess and reprice the risks, contract boundary ends at renewal date. Otherwise, contract boundary is assessed to be at the end of the furthest renewal period.

For groups of reinsurance contracts held, 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 is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends either 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 when the reinsurer has a substantive right to terminate the coverage.

(iv) Measurement – Overview

SFRS(I) 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a Contractual Service Margin ("CSM"). For an explanation of how the Group will apply the measurement model, see Note 34(a)(v).

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which the Group promises an investment return based on underlying items; they are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All other insurance and all reinsurance contracts are expected to be classified as contracts without direct participation features.

Some of these contracts are measured under the Premium Allocation Approach ("PAA") (see Note 34(a)(vi). The PAA is an optional simplified measurement model in SFRS(I) 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. This approach will be used for GI and GH contracts, because each of these contracts have a coverage period of one year or less, or meets the eligibility criteria.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(v) Measurement – Life contracts

Life contracts (excluding GH) are measured under the Variable Fee Approach ("VFA") and the General Measurement Model ("GMM").

On initial recognition, the Group measures a group of insurance contracts as the total of (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM.

Fulfilment Cash Flows ("FCF")

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. A stochastic model will be used to reflect the Group's practice of exercising discretion on bonus decisions under various economic scenarios, for all individual participating products.

The future cash flows:

(a) are based on an unbiased and probability-weighted mean of the full range of possible outcomes;

(b) are determined from the perspective of the Group, provided that the estimates of any relevant market variables are consistent with observable market prices for market variables; and

(c) reflect conditions existing at the measurement date.

The future cash flows are discounted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The discount rate used is the risk-free rate ("RFR") plus illiquidity premium ("IP") where applicable.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(v) Measurement – Life contracts (continued)

Fulfilment Cash Flows ("FCF") (continued)

The table below shows the discount rate used for respective products.

Product Category	Measurement Model	SFRS(I) 17 Discount Rates
ILP	VFA	ILP in Par Fund : RFR + PAR IP ILP in Non-Par Fund : RFR + IP
Whole Life	VFA	SGD portfolios: RFR + PAR IP USD portfolios: USD RFR + PAR IP
Annuity	VFA	RFR + IP*
Endowment – Par	VFA	SGD portfolios: RFR + PAR IP USD portfolios: USD RFR + PAR IP
Others – Par	VFA	RFR + PAR IP
Endowment – Non Par	GMM	RFR + Non-Par Life IP/Non-Par Super Saver Program IP
Others – Non Par	GMM	RFR + Non-Par Life IP/Non-Par Others IP
All - GH	PAA	RFR + IP

Note: RFRs refer to SGD RFR except otherwise stated

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at the initial recognition date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established for the recognised loss amount, 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 (see (viii)).

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(v) Measurement – Life contracts (continued)

CSM

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous, or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

(a) the initial recognition of the FCF;

(b) cash flows arising from the contracts in the group at that date;

(c) the derecognition of any insurance acquisition cash flows asset; and

(d) the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

Subsequent Measurement

Subsequently, the carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage ("LRC") comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims ("LIC") includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

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

Changes relating to future service	Adjusted against the CSM (or recognised in the insurance service results in profit or loss if the group is onerous).
Changes relating to current or past services	Recognised in the insurance service result in profit or loss.
Effects of the time value of money, financial risk and changes therein on estimated cash flows	Recognised as insurance finance income or expenses in profit or loss.

- The CSM is adjusted subsequently for changes in fulfilment cash flows that relate to future services, interest accretion, currency exchange and the release of CSM as insurance services are provided during the period. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future services.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(v) Measurement – Life contracts (continued)

Reinsurance contracts

The Group will apply the same accounting policies to measure a group of reinsurance contracts, for both Life and GI, with the following modifications.

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

The Group will measure the estimates of the present value of future cash flows using assumptions similar to those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

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

The CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured such that no income or expense arises on initial recognition, except that the Group will:

- recognise 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

- recognise income when it recognises 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 recognised. 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.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)
(a) SFRS(I) 17 Insurance Contracts (continued)
(v) Measurement – Life contracts (continued)

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. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated only to that group; and to groups that will include renewals of those contracts. The allocation to renewals will apply to all types of contracts. 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.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Under SFRS(I) 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and assessed for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

SFRS(I) 17 will require the Group to assess at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired. If it is impaired, then the Group will:

(a) recognise 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).

GH contracts are measured under the Premium Allocation Approach (“PAA”).

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of the LRC and the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

If facts and circumstances indicate that the group of contracts under PAA could be onerous, a calculation of the liability for remaining coverage using the general measurement model is required. The difference between this liability and the PAA liability will be reported as a loss component liability, and a loss from onerous insurance contracts is recognised in profit or loss immediately.

At subsequent recognition, there will be changes to the onerous group of contracts’ loss component through a combination of the effects of new contracts, and the effects of unwinding, non-financial model change, economic assumption changes, and operating assumption changes.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(v) Measurement – Life contracts (continued)

Insurance Acquisition Cash Flows (continued)

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

(a) increased for premiums received in the period

(b) decreased for insurance acquisition cash flows paid in the period;

(c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period;

(d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses; and

(e) decreased for any investment component paid or transferred to LIC.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid net of ceding commission.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of the asset for remaining coverage and the asset for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

(a) increased for ceding premiums, net of commission, paid in the period;

(b) decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period; and

(c) decreased for any investment component paid or transferred to reinsurance assets for incurred claims.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. Future cash flows are adjusted for the time value of money and the effect of financial risk.

GH contracts that fail the PAA eligibility test will be measured under GMM.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(vi) Measurement – GI contracts

GI contracts are measured under the PAA.

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of the LRC and the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

If facts and circumstances indicate that the group of contracts under PAA could be onerous, a calculation of the liability for remaining coverage using the general measurement model is required. The difference between this liability and the PAA liability will be reported as a loss component liability, and a loss from onerous insurance contracts is recognised in profit or loss immediately.

At subsequent recognition, there will be changes to the onerous group of contracts' loss component through a combination of the effects of new contracts, and the effects of unwinding, non-financial model change, economic assumption changes, and operating assumption changes.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

(a) increased for premiums received in the period;

(b) decreased for insurance acquisition cash flows paid in the period;

(c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period;

(d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses; and

(e) decreased for any investment component paid or transferred to LIC.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid net of ceding commission.

A loss recovery component for a given group of reinsurance contracts held are to be recognised if it provides reinsurance coverage to underlying groups of contracts that are onerous.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of the asset for remaining coverage and the asset for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(vi) Measurement – GI contracts (continued)

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

(a) increased for ceding premiums, net of commission, paid in the period;

(b) decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period; and

(c) decreased for any investment component paid or transferred to reinsurance assets for incurred claims.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. Future cash flows are adjusted for the time value of money and the effect of financial risk. The discount rate used is the risk-free rate plus illiquidity premium.

GI contracts that fail the PAA eligibility test will be measured under GMM.

(vii) Measurement – Significant Judgments and Estimates

The Group makes estimates, assumptions and judgments in its estimates of future cash flows, discount rates used, risk adjustments for non-financial risk, and CSM.

Discount rates

A three segment approach will be used to derive the risk-free discount rate.

For the first segment, the Group will determine risk-free discount rates using observable market prices on government bonds up to last liquid point ("LLP") in the currency of the insurance contract liabilities.

For the second segment after the LLP, extrapolation of discount rate between the first segment and third segment is performed.

For the third segment, discount rates are determined based on the ultimate forward rate which is determined based on the sum of expected real interest rate and expected inflation rate.

To reflect the liquidity characteristics of the contracts, the risk-free yield curves will be adjusted by an illiquidity premium. Both methods of matching adjustment ("MA") and illiquidity premium ("IP") under RBC2 are to reflect the illiquidity premium of insurance contracts.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(vii) Measurement – Significant Judgments and Estimates (continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk will be determined to reflect the compensation that is required for bearing non-financial risk arising from the uncertain amount and timing of the cash flows. The Group estimates an adjustment for non-financial risk separately from all other estimates. The Group does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The Group applies confidence level technique for both Life (including GH) and GI businesses to derive the overall risk adjustment for non-financial risk. Applying a confidence level technique, the Group will estimate the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associate risks over all future years. The target confidence level will be at 75th percentile. The risk adjustment will reflect the effects of the diversification benefits between Life (including GH) and GI business segments.

Estimates of future cash flows

In estimating future cash flows, the Group will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience updated to reflect current expectations of future events.

The estimates of future cash flows will reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group will take into account current expectations of future events that might affect cash flows.

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

Cash flows will be attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities will be allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(vii) Measurement – Significant Judgments and Estimates (continued)

CSM

The CSM for a group of insurance contracts is allocated over the coverage period, on the basis of coverage units, to reflect the services provided under the group of insurance contracts in that period. The amount of CSM to be recognised in profit or loss is determined by identifying the coverage units in the group, allocating the CSM at the reporting date equally to coverage units provided in the current period and expected to be provided in future. The number of coverage units for a group of contract depends on quantity of benefits provided and expected coverage duration. The coverage units will be reviewed and updated at each reporting date.

Determination of quantity of benefits for each period is provided below:

Type	Insurance Benefit	Treatment for quantity of benefits
Standalone/ Additional Benefits	Death Benefit Accidental Death Benefit Dread Disease Benefit Additional TPD Benefit Hospitalization Cash Benefit Waiver of Premium Benefit Disability Benefit Post Disability Benefit Disability Income Benefit Retrenchment Benefit Other Rider Benefits Annuity Benefit Survival Benefit Cash Bonus Benefit	Total amount payable in the period
Accelerating Benefits	TPD Benefit Accidental TPD Benefit Dread Disease Benefit	Zero
Total insurance service		**(Sum of all above values) minus (Investment Component)**
Total investment return service (only for Modified GMM, VFA)		**Investment Component**

- For insurance service: for non-indemnity type benefits, the total benefit amount excluding accelerating benefit and investment component will be used as the quantity of benefits. For indemnity type benefits, maximum remaining contract cover less any deductibles will be used as the quantity of benefits. If a contract offers multiple benefits, a simple sum of all benefits excluding accelerating benefit and investment component will be used as the quantity of benefits.

- For investment return service: amount of investment component will be used as the quantity of benefits for the investment return service provided.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(viii) Presentation and Disclosure

SFRS(I) 17 will significantly change how insurance contracts, reinsurance contracts and investment contracts with DPF are presented and disclosed in the Group's consolidated financial statements.

Under SFRS(I) 17, portfolios of insurance contracts and investment contracts with DPF that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will 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) will also be presented in the same line item as the related portfolios of contracts.

Under SFRS(I) 17, amounts recognised in the statement of profit or loss and OCI are disaggregated into

(a) an insurance service result, comprising insurance revenue and insurance service expenses; and

(b) insurance finance income or expenses. Amounts from reinsurance contracts will be presented separately.

The separate presentation of underwriting and financial results under SFRS(I) 17 will provide added transparency about the sources of profits and quality of earnings.

Insurance service result

For contracts not measured using the PAA, 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 an allocation of premiums that relate to recovering insurance acquisition cash flows. For contracts measured using the PAA, insurance revenue is recognised based on an allocation of expected premium receipts to each period of coverage, which is based on the passage of time using earned premiums.

Expenses that relate directly to the fulfilment of contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.

Investment components will not be included in insurance revenue and insurance service expenses under SFRS(I) 17. As a result, the Group expects a significant reduction in the total amounts of revenue and expenses from contracts with investment components compared with those recognised under the current practice. The Group will identify the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. The Group has identified investment component to be the surrender value or maturity value specified in the contractual terms.

Amounts recovered from reinsurers and reinsurance expenses will no longer be presented separately in profit or loss, because the Group will present them on a net basis as "net expenses from reinsurance contracts" in the insurance service result, but information about these will be included in the disclosures.

The Group will choose not to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognised in profit or loss will be included in the insurance service result.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(a) SFRS(I) 17 Insurance Contracts (continued)

(viii) Presentation and Disclosure (continued)

Insurance finance income and expenses

Under SFRS(I) 17, changes in the carrying amounts of groups of insurance contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

The Group will present insurance finance income or expenses in profit or loss, considering that the supporting assets will generally be measured at FVPL.

Disclosure

SFRS(I) 17 requires extensive new disclosures about amounts recognised in the financial statements, including detailed reconciliations of contracts, effects of newly recognised contracts and information on the expected CSM emergence pattern, as well as disclosures about significant judgments made when applying SFRS(I) 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts and reinsurance contracts. Disclosures will generally be made at a more granular level than under SFRS(I) 4, providing more transparent information for assessing the effects of contracts on the financial statements.

(b) Transition

Changes to accounting policies resulting from the adoption of SFRS(I) 17 will be applied using a full retrospective approach ("FRA") to the extent practicable, except as described below. Under the FRA, at 1 July 2022 the Group will:

- identify, recognise and measure each group of insurance contracts and reinsurance contracts if SFRS(I) 17 had always been applied;
- identify, recognise and measure any assets for insurance acquisition cash flows as if SFRS(I) 17 had always been applied, except that they will not be tested for recoverability before 1 July 2022;
- derecognise previously reported balances that would not have existed if SFRS(I) 17 had always been applied;
- measure owner-occupied properties, own financial liabilities and own shares held that are underlying items of direct participating contracts at fair value; and
- recognise any resulting net difference in equity.

If it is impracticable to apply FRA to a group of contracts or to an asset for insurance acquisition cash flows, then the Group will choose between the modified retrospective approach ("MRA") and the fair value approach ("FVA"). However, if the Group cannot obtain reasonable and supportable information necessary to apply the MRA, then it will apply the FVA.

Notes to the Financial Statements
For the financial period from 1 July 2022 to 31 December 2023

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(b) Transition (continued)

The Group will apply the FRA and FVA at transition.

Transition Approach	Measurement Model	Date of issue
FRA	Contracts under PAA	Up till transition date
FVA	Contracts under VFA and GMM	Prior to 1 January 2022
FRA	Contracts under VFA and GMM	1 January 2022 up till transition date

The Group considers the FRA impracticable under any of the following circumstances.

- The effects of retrospective application are not determinable because the information required has not been collected (or has not been collected with sufficient granularity) or is unavailable because of system developments, data retention requirements or other reasons. Such information includes for certain contracts:
  - expectations about a contract's profitability and risks of becoming onerous required for identifying groups of contracts;
  - information about historical cash flows (including contracts which have subsequently been derecognised and are no longer in the group of contracts), as well as the linkage of actual and expected cash flows; and
  - information required to allocate fixed and variable overheads to groups of contracts, because the Group's current accounting policies do not require such information.
  - The FRA requires assumptions about what Group management's intentions would have been in previous periods or significant accounting estimates that cannot be without the use of hindsight. Such assumptions and estimates include for certain contracts, assumptions about the risk adjustment for non-financial risk, because the Group was not subject to any accounting or regulatory framework that required an explicit margin for non-financial risk.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(b) Transition (continued)

Fair value approach

Under the FVA, the CSM (or the loss component) at 1 July 2022 will be determined as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date. The Group will measure the fair value of the contracts as the sum of (a) the present value of the net cash flows expected to be generated by the contracts, determined using a discounted cash flow technique; and (b) an additional margin, determined using a confidence level technique.

The cash flows considered in the fair value measurement will be consistent with those that are within the contract boundary (see Note 34(a)(v)). Therefore, the cash flows related to expected future renewals of insurance contracts will not be considered in determining the fair value of those contracts if they are outside the contract boundary. The present value of the future cash flows considered in measuring fair value will be broadly consistent with that determined in measuring the fulfilment cash flows. The Group's own non-performance risk will be considered when measuring the fair value of liabilities but not when measuring the fulfilment cash flows.

Differences in the Group's approach to measuring fair value from the SFRS(I) 17 requirements for measuring fulfilment cash flows will give rise to a CSM at 1 July 2022. In particular, in measuring fair value the Group will include a margin comprising a risk premium to reflect what market participants would demand as compensation for the uncertainty inherent in the cash flows and a profit margin to reflect what market participants would require to assume the obligations to service the insurance contracts. In determining this margin, the Group will consider certain costs that are not directly attributable to fulfilling the contracts (e.g. general overheads) and certain risks that were not reflected in the fulfilment cash flows (e.g. general operational risk), among other factors that a market participant would consider.

For all contracts measured under the FVA, the Group will use reasonable and supportable information available at 1 July 2022 to determine:

- How to identify groups of contracts;
- Whether a contract meets the definition of a direct participating contract;
- How to identify discretionary cash flows for contracts without DPF.

Some groups of contracts measured under the FVA will contain contracts issued more than one year apart. For these groups, the discount rates on initial recognition will be determined at 1 July 2022 instead of at the date of initial recognition.

For all contracts measured under the FVA, the amount of insurance finance income or expenses accumulated in the insurance finance reserve at 1 July 2022 will be determined to be zero.

For groups of reinsurance contracts covering onerous underlying contracts, the Group will establish a loss-recovery component at 1 July 2022. The Group will determine the loss-recovery component with reference to the amount of the loss component that relates to the underlying contracts at 1 July 2022.

34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

(b) Transition (continued)

Insurance acquisition cash flows

For the Life risk segment, the Group will apply the FVA to identify, recognise and measure certain assets for insurance acquisition cash flows at 1 July 2022.

It is impractical to apply the FRA in these cases because:

- data has not been collected with sufficient granularity;
- information required to identify fixed and variable overheads as relating to acquisition activities and to allocate them to groups of contracts is not available; or
- original assumptions about the manner in which the Group would have expected insurance acquisition cash flows to be recovered, which are required to allocate them to renewals, cannot be made without the use of hindsight.

The Group will apply the FRA to all other assets for insurance acquisition cash flows on transition to SFRS(I) 17.

The Group will measure an asset for insurance acquisition cash flows under the FVA at an amount equal to the insurance acquisition cash flows that it would incur at 1 July 2022 for the rights to obtain:

- recoveries of insurance acquisition cash flows from premiums of contracts issued before 1 July 2022 but not yet recognised at that date, and renewals of such contracts;
- renewals of contracts recognised at 1 July 2022; and
- other future contracts after 1 July 2022 without paying again insurance acquisition cash flows that it has already paid.

35. COMPARATIVE INFORMATION

The Company was exempted from preparing and presenting audited financial statements under Section 201A and Section 205B of the Act for the period from 13 October 2021 (date of incorporation) to 30 June 2022.

The Company changed its financial year-end from 30 June to 31 December during the period (see Note 1). As the Company no longer meets the exemption criteria for the period ended 31 December 2023, the comparative information is presented for the first time. The comparative information is unaudited. Accordingly, the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Company for the period then ended, notes to the financial statements, and the comparative information for the above-mentioned statements and related notes to the financial statements are not comparable.

Shareholder Listing

As of 31 December 2023

INSTITUTIONAL SHAREHOLDERS (23)	Number of Shares
NTUC Enterprise Co-operative Limited	77,987,342
Singapore Mercantile Co-operative Society Ltd	214,035
AUPE Credit Co-operative Ltd	138,255
Singapore Teachers' Co-operative Society Ltd	134,057
Singapore Shell Employees Union Co-operative Ltd	83,463
Singapore Government Staff Credit Co-operative Society Ltd	71,077
Straits Times Co-operative Ltd	62,572
Customs Credit Co-operative Society Ltd	59,715
Singapore National Co-operative Federation Ltd	57,075
Citiport Credit Co-operative Ltd	51,265
TCC Credit Co-operative Ltd	38,124
Temasek Polytechnic Co-operative Society Ltd	35,880
Singapore Public Works Employees' Credit Co-operative Society Ltd	35,625
Singapore Police Co-operative Society Ltd	29,613
Singapore Prison Service Multi-Purpose Co-operative Society Ltd	20,100
Premier Security Co-operative Ltd	14,200
UTES Multi-Purpose Co-operative Society Ltd	13,304
TRC Multi-Purpose Co-operative Society Ltd	12,919
Ngee Ann Polytechnic Consumer Co-operative Society	6,000
Industrial & Services Co-operative Society Ltd	6,095
NUS Multi-Purpose Co-operative Society Ltd	4,420
Seatrium Multi-Purpose Co-operative Society Ltd	3,306
Singapore Bank Employees Co-operative T & L Society Ltd	2,130
Total for Institutional Shareholders	79,080,572
INDIVIDUAL SHAREHOLDERS (15,835)	28,111,173
TOTAL	**107,191,745**

Corporate Information

As of 31 December 2023

Board of Directors

Ronald Ong (Chairman)
Adeline Sum (Deputy Chairman)
Joy Tan (Lead Independent Director)
Sim Hwee Hoon
Neo Chin
Vincent Lien
Robert Charles
Mak Keat Meng
Chen Peng
Richard Koh
Craig Ellis
Chew Sutat

Audit Committee

Mak Keat Meng (Chairperson)
Joy Tan
Craig Ellis

Digital & Technology Committee

Richard Koh (Chairperson)
Robert Charles
Han Soon Lang
Lim Kuo Siong

Investment Committee

Neo Chin (Chairperson)
Vincent Lien
Chen Peng
Chew Sutat
Andrew Yeo (Chief Executive)
David Chua (Chief Investment Officer)
Lau Sok Hoon (Chief Actuary)

Nominating, Human Capital and Remuneration Committee

Sim Hwee Hoon (Chairperson)
Adeline Sum
Joy Tan
Craig Ellis

Risk Management Committee

Robert Charles (Chairperson)
Mak Keat Meng
Chen Peng
Richard Koh

Sustainability Committee

Chew Sutat (Chairperson)
Sim Hwee Hoon
Neo Chin

Company Secretary

Cho Form Po
Boardroom Corporate & Advisory Services Pte. Ltd.

Auditor

KPMG LLP

Registered Address

75 Bras Basah Road
Income Centre
Singapore 189557
Tel: 6788 1777
Website: income.com.sg

Notice of Annual General Meeting

OF INCOME INSURANCE LIMITED
(Company Registration No. 202135698W)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **INCOME INSURANCE LIMITED** (the "**Company**") will be held at Suntec Singapore Convention & Exhibition Centre, Summit 1 – 2, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 17 May 2024, at 5.30pm to transact the following business:

AS ORDINARY BUSINESS

1. To receive and consider and if thought fit, to adopt the Directors' Statement and the Audited Financial Statements for the financial period from 1 July 2022 to 31 December 2023 and the related Auditor's Report.
(Resolution 1)

2. To approve a one-tier tax exempt dividend of 33.4 Singapore cents (S$0.3340) per ordinary share in respect of the financial period from 1 July 2022 to 31 December 2023.
(Resolution 2)

3. To approve a one-tier tax exempt special dividend of 31.3 Singapore cents (S$0.3130) per ordinary share in respect of the financial period from 1 July 2022 to 31 December 2023.
(Resolution 3)

4. To re-appoint Mr Vincent Lien as a Director of the Company pursuant to the requirements of Provision 4.8 of the Monetary Authority of Singapore's Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers.
(Resolution 4)

5. To approve the Directors' fees of S$46,904.11 for the Sustainability Committee for the period of 1 June 2023 to 31 December 2023.
(Resolution 5)

6. To approve the Directors' fees of up to S$1,392,000 for the financial year ending 31 December 2024, payable in arrears.
(Resolution 6)

7. To re-appoint Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 7)

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

By Order of the Board of the Company

Cho Form Po
Company Secretary

Date: 2 May 2024

Notice of Annual General Meeting

OF INCOME INSURANCE LIMITED
(Company Registration No. 202135698W)
(Incorporated in the Republic of Singapore)

Notes:

1. The members of the Company ("**Members/Member**") are invited to attend the Annual General Meeting ("**AGM**") and/or any adjournment of the AGM in person. There will be no option for Members to participate virtually.

2. A Member who is entitled to attend and vote at the AGM can appoint not more than two proxies to attend and vote in the Member's stead. A proxy need not be a Member.

3. If a Member is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its officer or duly authorised attorney.

4. The instrument appointing a proxy must be submitted via email at income2024agm@boardroomlimited.com or in hard copy by sending personally or by post and lodging the same at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 not less than seventy-two (72) hours before the time appointed for holding the Meeting (i.e. **not later than 5.30 p.m. on 14 May 2024**).

PERSONAL DATA PRIVACY:

Please refer to the Company's Privacy Policy (https://www.income.com.sg/privacy-policy) for information on the collection, use and disclosure of personal data, including access and correction to personal data and consent withdrawal. The Company's Privacy Policy may be amended, supplemented or substituted by the Company.

By submitting an instrument appointing the proxy(ies) to attend, speak and vote at the AGM, a Member:

(i) consents to the collection, use and disclosure of the personal data of the proxy(ies) by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) for the AGM and the preparation and compilation of the Members and proxies' attendance lists, including documentation of minutes and other documents relating to the AGM, and in order for the Company (or its agents) to comply with any applicable laws, regulations and/or guidelines (collectively, the "**Purposes**"),

(ii) warrants that where the personal data of the proxy(ies) is collected, used and disclosed by/to the Company (or its agents), the Member has informed the proxy(ies) of the Purposes and the Company's Privacy Policy and obtained the prior consent of the proxy(ies),

(iii) consents to the taking of photographs and videos at the AGM for publication in the Company's website and corporate materials, and the Member warrants that the proxy(ies) have been informed about it and the prior consent of the proxy(ies) has been obtained; and

(iv) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of the above warranties.

NOTICE OF RECORD AND DIVIDEND PAYMENT DATES

Subject to the approval of the Members in respect of the one-tier tax exempt dividends, notice is also hereby given that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on Friday, 24 May 2024 for the purpose of determining Members' entitlements to the proposed a) tax-exempt one-tier dividend of 33.4 Singapore cents (S$0.3340) per ordinary share for the financial period ended 31 December 2023 (the "**Proposed Dividend**"); and b) tax-exempt one-tier special dividend of 31.3 Singapore cents (S$0.3130) per ordinary share for the financial period ended 31 December 2023 (the "**Proposed Special Dividend**"). Duly completed and stamped transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to 5.00 p.m. on Friday, 24 May 2024 will be registered to determine Members' entitlements to the Proposed Dividend and Proposed Special Dividend. The Proposed Dividend and Proposed Special Dividend, if approved by the Members at the AGM of the Company, will be paid by Friday, 28 June 2024.

This page is intentionally left blank

income
made yours

Income Insurance Limited
Income Centre
75 Bras Basah Road
Singapore 189557

www.income.com.sg

FSC
www.fsc.org
MIX
Paper | Supporting responsible forestry
FSC® C152561