PRUDENTIAL SINGAPORE
ANNUAL REPORT
2023

PRUDENTIAL

Listening. Understanding. Delivering.

Nurturing a HEALTHIER & WEALTHIER Future

Contents

Nurturing a **Healthier and Wealthier Future**

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About Us

Prudential Assurance Company Singapore, an indirect wholly-owned subsidiary of Prudential plc, is one of Singapore's leading life insurance companies. We are one of the market leaders in protection, savings and investment-linked plans, with S$53.3 billion funds under management as at 31 December 2023. In testament to our financial strength, we have an 'AA-' financial strength rating from leading credit rating agency Standard & Poor's.

We have been serving the financial needs of Singapore for 93 years, delivering a suite of product offerings and professional advisory services through our network of more than 5,200 financial representatives with our tied agency and financial advisory arm, Prudential Financial Advisers Singapore (PFA), as well as our bank partners.

Our corporate and small and medium enterprise clients benefit from our specialised enterprise business solutions. We also offer a dedicated advice and service-led offering, Opus by Prudential, to our High Net Worth (HNW) customers.

We serve more than one million customers and are committed to helping them live well for longer by taking care of their health and wealth needs. Our 1,200 employees make it their goal to create the best customer experiences and to fulfil our corporate purpose to be partners for every life and protectors for every future.

Dennis Tan
Chief Executive Officer

Prudential Singapore achieved a solid performance in 2023, with New Business Sales of S$1,057 million. Total funds under management increased 7.9 per cent to S$53.3 billion.

Nurturing a healthier and wealthier future

2023 was a year defined by economic uncertainty. Rising inflation tested the resilience of businesses globally and dampened consumer spending, while the life insurance industry experienced some contraction. However, we embraced this period as an opportunity for strategic transformation and a time to build up our capabilities to support customers in their journeys to a healthier and wealthier future.

To further accelerate value creation for our stakeholders, we unveiled our new Group purpose, "For Every Life, For Every Future", and a five-year strategy in August. This milestone represents a pivotal shift in our operating landscape and business focus, with a promise to do things differently.

Building upon our 93-year legacy of serving over a million customers in Singapore, we established a new entity, Prudential Financial Advisers Singapore (PFA), in April. In addition to Prudential's core insurance products, PFA works with partners to expand its suite of offerings to include wealth solutions and general insurance. The formation of PFA is a significant step in growing the overall size of our agency and attracting more customers to Prudential. With continued emphasis on strategic talent sourcing, our total agency headcount including PFA increased to more than 5,200 for the year.

Prudential Singapore achieved a solid performance in 2023, with New Business Sales of S$1,057 million. Total funds under management increased 7.9 per cent to S$53.3 billion.

Our customer is our compass

We are driven by our purpose of being the most trusted partner and protector for generations. This commitment saw us launching several new products and enhancements for our customers. They included a Shariah-compliant investment solution PRULink Islamic Global Equity Index Fund, and increased payouts and benefits under PRUMum, our plan for expecting mothers.

We continued to invest in new technology to deliver seamless customer experiences. From video conferencing for a more convenient servicing option, to instant underwriting and an AI talkbot, we digitalised customer touchpoints to improve accessibility and engagement to delight our customers. Some of these tech-enabled innovations were showcased at the Singapore FinTech Festival, where we were a Grand Sponsor for the seventh year running.

Prudential was recognised as the top insurer in The Straits Times and Statista's *Singapore's Best Customer Service 2023/24* survey. This recognition fuels our drive to continue innovating for our customers.

Transforming our health business model

Ensuring that our customers have access to comprehensive medical coverage is a priority and we strive to provide a range of options that suit different budgets and healthcare needs. In 2023, we made it easier for customers to switch to a Prudential medical plan with the PRUShield EasySwitch initiative. This allows customers to consolidate their policies under Prudential for convenience or to enjoy better benefits, without undergoing the full underwriting process again.

To further expand our healthcare offerings to our PRUShield customers, we partnered with leading healthcare providers such as Raffles Medical Group and Doctor Anywhere to enhance PRUPanel Connect's suite of offerings with chronic care management programmes, health screening options, and convenient home-based healthcare services.

This year, we also doubled down on our commitment to promote healthy living by returning as the Title Sponsor and Official Wellness Partner of the second edition of the Tour de France (TDF) Prudential Singapore Criterium. The event saw the addition of a dedicated Women's cycling race in the PRURide Seeker's Criterium and family-friendly activities such as the Kids' Ride, live concerts, and interactive booth activities.

Nurturing a future-ready distribution force

The financial representatives in our One Agency are focused on serving our customers and meeting their financial needs. In 2023, we were awarded The Institute of Banking and Finance Singapore (IBF) *Inspire Award* for accelerating the professional growth of our representatives and driving skills development across our organisation and agency.

Nurturing a professional and productive agency is a key focus as we continue to grow the strength of our agency. In 2023, Prudential Singapore's Million Dollar Round Table (MDRT) group had more than 1,300 qualifiers, which was a five per cent increase from the previous year.

CEO Statement

MDRT members are admitted not only on the basis of their strong performance, but also exhibit exemplary advisory standards and customer focus. Our agency has strong representation in this prestigious global association, and we are proud to be the number one company in Singapore with the highest number of Top of the Table and Court of the Table qualifiers in 2023.

We also continue to put relevant technology tools into the hands of our representatives to ensure that they can do their jobs efficiently and serve our customers seamlessly. In October, we launched PRUForce@Pulse, our customer relationship management platform that gives our financial representatives a comprehensive view of their current and potential customers, and helps them interact with customers more effectively.

In addition, we strengthened our close collaboration with our exclusive bancassurance partners United Overseas Bank Group (UOB) and Standard Chartered Bank (SCB). To meet the increased consumer demand for investment solutions, we onboarded our popular investment-linked plan PRUVantage Assure for UOB and launched new PRULink funds for SCB.

Helping our people to connect, grow and succeed

Recognising that our people are the driving force behind our success, we built on ways to improve well-being and help them develop their careers.

We introduced The PruWay, a set of five behaviours, to guide how we show up every day at work and to strengthen the foundation of our culture. To foster closer bonds, we held a Well-being Carnival and PRUFiesta where employees picked up tips on succeeding at work and in life. In addition, more than 200 people managers received targeted leadership training, and over 120 employees took up internal mobility opportunities and short-term assignments to further their development.

As a result of these efforts, our Well-being index score increased from 75 per cent in March to 83 per cent in November. Our people initiatives were also recognised through industry accolades such as the *Fair and Progressive Employment Practices Award* by the Tripartite Alliance, the *Technology in Finance Immersion Programme (TFIP) Emplacement Excellence Award* from Workforce Singapore, and a silver award for *Excellence in Workplace Culture* by Human Resources Online.

Unlocking innovation and building a sustainable future

Prudential works with many segments of the community to help build knowledge, skills, and resilience. Our Gen-Z Talent Engagement Ecosystem community initiative, TEE-Up, helps young people with their career planning and has reached 3,000 students from Institutes of Higher Learning (IHLs) as of 2023. To support small and medium enterprises (SMEs) in their growth journey, we engaged more than 250 firms across 26 industries through the SME Skills Accelerator Programme by providing Design Thinking and Generative AI Masterclasses to equip them with future workplace skills.

We also continue to invest in our community programmes with a focus on health and financial literacy, so that vulnerable groups in Singapore can enjoy better outcomes in life. Our early childhood nutrition programme, Healthy with KidSTART, provided 1,500 low-income families with monthly deliveries of fresh produce as well as educational resources on cooking and eating affordable and nutritious meals. Our financial literacy programme, Cha-Ching, has trained more than 4,000 children on the basics of money management, bringing our overall reach on the programme till date to 20,000 children across Singapore.

Looking ahead

I would like to extend my heartfelt gratitude to the Board, leadership team, agency and financial advisory leaders, financial representatives, bank partners, colleagues, customers, and shareholders, who supported Prudential's progress in 2023.

Our purpose, "For Every Life, For Every Future", charts the way for the next phase of our business as we provide health and wealth solutions for a sustainable future. We look forward to building on our successes and creating new shared milestones in 2024.

Dennis Tan
Chief Executive Officer

Financial Highlights

Annual Premium Equivalent[1]

S$1,057 million

Total Funds Under Management[2]

S$53.3 billion

Capital Adequacy Ratio

191 per cent

[1] Annual premium equivalent (APE): A measure of new business activity that comprises the aggregate of annualised regular premiums and one-tenth of single premiums on new business written during the year for all insurance products.

[2] Funds under management (FUM): Also referred to Assets under management, represents all assets managed or administered by or on behalf of the Company, including those assets managed by third parties. FUM include managed assets that are included within the Company's statement of financial position and those assets belonging to external clients outside the Company, which are therefore not included in the Company's statement of financial position.

Additional notes: The disclosures APE and FUM do not have a standardised definition within
(i) the Accounting Standards;
(ii) any regulations, notices or directions, that are issued under the Act; or
(iii) any codes, guidelines, policy statements or practice notes, that are issued by the Authority, and hence, the disclosure may not be comparable with the disclosures made by other insurers.

Our *Purpose*

We unveiled our new Group Purpose and Strategy in 2023 to focus on accelerating value for our employees, customers, shareholders, and communities, through operational and financial discipline.

At Prudential, we have a mission to be the most trusted partner and protector for today's generations and the generations to come, by providing simple and accessible financial and health solutions. How will we do this? It all starts with our WHY. Our Purpose.

For Every *Life*, For Every *Future*

Our *Strategy*

We have a clear and simple five-year strategy to do things differently and accelerate value creation for all our stakeholders.

Multi-market growth engines

Greater China | ASEAN | India | Africa

Strategic pillars

- Enhancing *customer* experiences
- Technology-powered *distribution*
- Transforming *health* business model

Group-wide enablers

- Open-architecture technology platform
- Engaged people and high-performance culture
- Wealth and Investment capabilities

Value creation for all stakeholders

- Customers
- Employees
- Shareholders
- Communities

The PruWay

Our values are our 'HOW', and The PruWay guides how we show up every day, how we behave and how we engage each other. It forms the cornerstone of our culture and builds an environment of trust and transparency. This helps us to deliver the best outcomes for all our stakeholders.

- Our Customer is Our Compass
- We Pursue Our Entrepreneurial Spirit
- We Succeed Together
- We Respect and Care for One Another
- We Deliver on Our Commitments

Our Sustainability Strategy

We are guided by our Group Sustainability Strategy to create real-world impact and long-term resilience for every life, for every future. *For more information, please refer to page 55.*

Ambition

Sustainability for real-world impact and long-term resilience

Purpose

For Every Life, For Every Future

Pillars & Priorities

Pillar 1	Pillar 2	Pillar 3
Simple and accessible health and financial protection	**Responsible investment**	**Sustainable business**
Increase access to health and financial protection for every life	Enable a just and inclusive transition to net zero for every future	Embed sustainability into our business and value chain to amplify the pace and scale of our impact
Delivering partnerships and digital innovation for health outcomes	Decarbonising our portfolio	Empowering our people
Developing sustainable and inclusive offerings	Financing a just and inclusive transition	Establishing sustainable operations and value chain
Building resilient communities	Mainstreaming responsible investments in emerging markets	Harnessing thought leadership to shape the agenda

Foundation

Good governance and responsible business practices

Corporate governance, conduct and ethics, risk management, external reporting and benchmarking

New Targets

55% weighted average carbon intensity (WACI) reduction by 2030	Established a new investment target on financing the transition, which operates as an underpin for our WACI reduction target	40% female representation in Group Leadership Team by the end of 2026	All people managers to have sustainability-linked KPIs by the end of 2026

Our customer is our *compass*

Neetha Nair, Chief Human Resources Officer (right), interacting with a customer at the Prudential Customer Service Centre.

At Prudential, we pride ourselves on delivering innovative solutions and superior customer experiences. Our PruWay value, Our Customer is Our Compass, reflects our commitment to always place the interest of our customers at the core of all we do. Our 1,200 employees and more than 5,200 financial representatives make it their mission to always immerse themselves in understanding our customers, committing to their needs, and addressing their pain points with speed and empathy.

Leading by example is our leadership team who interacted with customers in a series of customer-focused initiatives in 2023. This includes serving customers at the Prudential Customer Service Centre to better understand their needs and making calls to customers to understand their experiences with us.

In a survey conducted by The Straits Times and international market researcher Statista[1], Prudential was the top-rated insurer in Singapore's Best Customer Service 2023/24 survey based on customers who interacted with our products or services in the past three years.

[1] For more information, please refer to: https://www.straitstimes.com/singapore-best-customer-service-2023-24

Product launches and enhancements in 2023

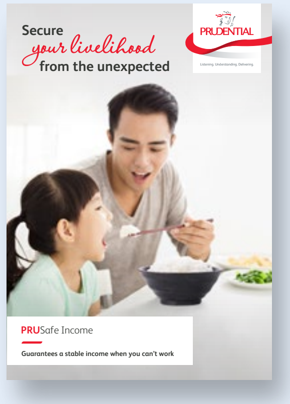
We are focused on developing products that customers need to build their health and wealth, and making insurance affordable and accessible to every life, including the under-insured or uninsured. Some of the product launches and enhancements in 2023 are:

PRUWealth Plus

17 January 2023

A flexible savings plan that protects customers from uncertainties. It maximises the full potential of their savings, gives them the flexibility to withdraw it to fund various life milestones, and ensures their loved ones are taken care of in the event of death.

T&Cs apply. For more information, visit: www.prudential.com.sg/pruwealth-plus-sgd



PRUSafe Income

2 March 2023

A simple and affordable income protection plan that provides guaranteed income and recovery benefits when customers are unable to work due to an injury or illness (including mental illness).

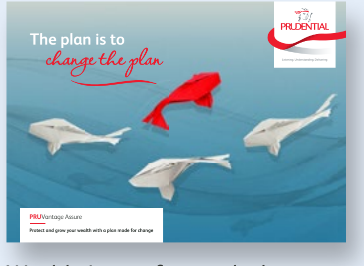
T&Cs apply. For more information, visit: www.prudential.com.sg/prusafeincome

PRUWealth Income

3 April 2023

A single premium participating whole life insurance plan that offers customers a lifetime of monthly income from as early as the second policy year. It also helps them to grow their wealth at a stable pace and provides financial protection against life's unforeseen events.

T&Cs apply. For more information, visit: www.prudential.com.sg/pruwealth-income



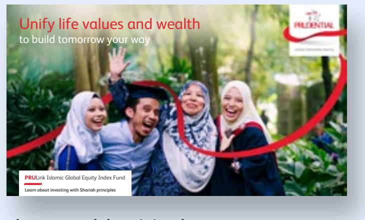
PRUVantage Assure

1 June 2023

A flexible investment-linked plan that allows customers to invest and protect their wealth at the same time. Its first-in-market Wealth Assure feature locks in coverage at the highest point of the policy value, protecting them from market downturns in the event of death or accidental disability. With their wealth secured, customers can focus on maximising new opportunities to grow their wealth with our suite of curated PRULink funds.

In 2023, we also made PRUVantage Assure available to customers of our bancassurance partner, United Overseas Bank (UOB).

T&Cs apply. For more information, visit: www.prudential.com.sg/pruvantageassure

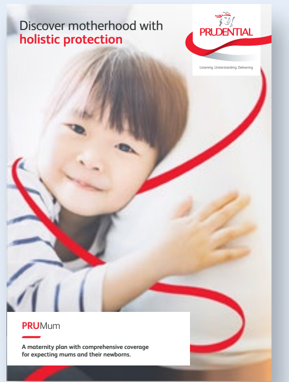


PRULink Islamic Global Equity Index Fund

1 June 2023

An investment solution that enables Muslim customers to unify their life values and wealth. This fund feeds 100 per cent into the Shariah-compliant HSBC Islamic Global Equity Index Fund (the Underlying Fund) that aims to track as closely as possible the performance of the Dow Jones Islamic Market Titans 100 Index (the Islamic Index).

T&Cs apply. For more information, visit: www.prudential.com.sg/products/wealth-accumulation/investments/prulink-islamic-global-equity-index-fund



PRUMum

11 July 2023

A single premium four-year maternity term protection plan with comprehensive coverage for both the mother and baby.

It covers assisted pregnancies such as In Vitro Fertilisation (IVF) and comes with four sum assured coverage options. Coverage includes protection for up to 17 pregnancy complications, 25 congenital illnesses, mental wellness care, gestational diabetes mellitus and hospital care benefits. The Health Cover for Child also protects the baby's healthcare needs hassle-free without medical underwriting.

In 2023, we increased the hospitalisation payout, added new benefits for the baby, and covered more conditions for the mother to fulfil customer needs for more comprehensive coverage.

T&Cs apply. For more information, visit: https://www.prudential.com.sg/prumum

Harnessing technology to deliver great customer experience

We are focused on enhancing and improving the way we engage with our stakeholders to create a seamless experience across channels through innovation and digitalisation. Multi-channel servicing is now the norm for both our customers and financial representatives, and we support them with a wide range of digital touchpoints to interact, engage, and transact with us.

Our customers can also manage their policies and enjoy online services on PRUaccess, our customer portal. This year, we introduced a new Service Requests feature to streamline customers' experience, allowing them to submit requests directly via PRUaccess. Current service requests include cash bonus withdrawal, change of payout option, reduction in premium and more. Through PRUaccess, all PRUShield customers can book appointments for health screening services at preferential rates and check their blood sugar, blood pressure and BMI at 37 Raffles Medical clinics islandwide, at no cost. PRUShield customers who are Singaporeans can also access vaccination services for children and seniors (on-site clinics and home-based) with Doctor Anywhere at no cost. This seamless integration elevates the healthcare delivery model, making it easier and more accessible for everyone.

From providing digital financial advisory services to facilitating policy sales and claims online, we leverage technology to enhance the customer journey. This results in a faster and more seamless experience for our customers.

Purchase and Onboarding

PRURemote Advice

- This solution leverages our remote-selling capability enabled with an e-signature tool for financial advisory and policy sales.
- It takes just two minutes for customers to complete the signing process.
- In 2023, about 33 per cent of our sales were done remotely.
- Our Know Your Customer (KYC) process uses digital solutions that allows customers to submit their documents online for verification. In 2023, about 42 per cent of the required documents were submitted automatically via the PruVerifAI platform on our PRUONE Express digital point-of-sales portal, which reduces the KYC processing time.

Instant underwriting

- Policy applications are processed by our instant underwriting engine.
- This significantly reduces review times. Customers can expect to receive their electronic policy in as little as two hours, compared to a nearly two-day manual underwriting process.
- Today, 75 per cent of the applications utilising this solution receive instant approval.

Tele-Medical Examination (TeleME)

- Teleconsultation is available for customers who require medical examinations as part of their insurance application process.
- This reduces customer waiting time for consultations from two to four weeks for clinic appointments, to booking appointments within two to four days. The teleconsultation is completed in a 30-minute session, compared to a typical one-hour in-person session at the clinic.
- Prudential is the first life insurer to partner a digital healthcare provider to provide this service.

Servicing and Claims

AI talkbot

- Grace, our AI talkbot, makes calls to customers whose insurance premiums are due, to ensure that there is no lapse in coverage.
- Grace is trained to listen, understand, and respond with empathy when reminding our customers to make timely premium payments.

PRUPanel Connect (PPC)

- Our partnership programme provides a seamless healthcare experience to eligible customers* who visit participating specialists empanelled at our PPC partner hospitals or day surgery centres.
- Customers may contact the PRUCustomer line for assistance, or book a specialist appointment online. We will contact them within two hours to confirm their appointment, which will be scheduled within three working days on a best-effort basis.
- Admission for in-patient or day surgery treatment is on a cashless basis, and the hospital e-files the claims** to Prudential directly for greater convenience.

*PRUExtra Premier, PRUExtra Premier CoPay and PRUExtra Preferred CoPay policyholders.
**E-filing is only applicable for Singaporeans and Singapore Permanent Residents at MediShield Life accredited centres.*

E-claims solutions

- Pre- and post-hospitalisation claims can be submitted seamlessly via PRUAccess, our website for Prudential policyholders. Customers receive their payouts via PayNow, a secure funds transfer service, upon approval.
- With digitalisation, more than 50 per cent of these medical invoices submitted are automatically extracted and processed. This reduces the turnaround time for processing claims. Depending on the type of claim, it might take five to 15 working days to process it.
- Our Data Assisted Risk Tagging tool, called PRUDART, uses machine learning to score and tag potential high-risk claims. PRUDART speeds up the risk assessment process and helps reduce human errors, preventing cases of billing mistakes or false positives for fraud.

Enabling our people to better serve customers

We also equip our people with tools to provide better customer service. This year, we rolled out the Customer Service Platform, a customer relationship management tool. It allows our employees to get a holistic view of customer interactions with Prudential across various touchpoints – calls, emails and walk-ins. With this information, employees can create a more unified and cohesive customer experience.

In October, we launched PRUForce@Pulse, our customer relationship management platform that gives our financial representatives a comprehensive view of their current and potential customers, and helps them interact with customers more effectively. The PRUForce@Pulse app and web portal enable financial representatives to prospect, sell, and service better. The app has a simpler and more intuitive user interface, allowing financial representatives to access what they need in the palm of their hands, anytime, anywhere.

Singapore FinTech Festival *2023*

Innovating for Life

Anil Wadhwani, CEO, Prudential plc, hosting Lawrence Wong, Deputy Prime Minister of Singapore and Minister for Finance (centre), at our booth.

2023 marks the seventh year we have been a Grand Sponsor of the Singapore FinTech Festival (SFF), a global nexus where policy, finance, and technology communities converge.

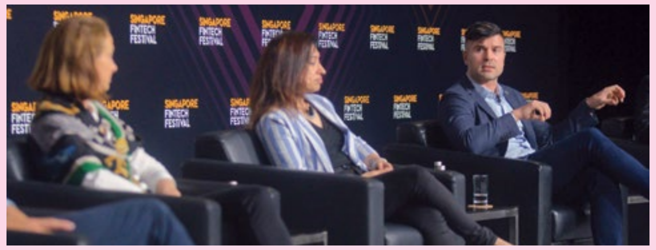
Aligned with SFF 2023's theme on the growth, adoption and potential applications of artificial intelligence (AI) in financial services, we showcased how we are "Innovating for Life" through our customer-first solutions, innovation and sustainability efforts. These efforts help our customers to take on life and the many surprises that may await us in the future, building on our "Life In A Flash" campaign for first jobbers. *For more information about the campaign, please refer to page 25.*

Visitors at our booth were introduced to three different areas. The first area was about customer journeys, to understand how Prudential harnesses technology to enhance our customer experience, from purchasing and onboarding, to servicing and making claims. This includes a video conferencing and e-signature tool for online advisory, instant underwriting solution, tele-medical service, Know Your Customer verification platform, an AI talkbot, data-assisted risk-tagging tool for fraud detection, as well as an e-claims platform.

At the second area, visitors learnt how we promote sustainability at Prudential. Through a series of interactive storytelling panels, they discovered our efforts in areas such as decarbonisation, financing a just and inclusive transition, and empowering our people, climate, and health.

Visitors also discovered more about TEE-Up, our Talent Engagement Ecosystem, and its web app. The app seeks to be a personalised companion to students and young adults as they take charge of their goals, and proactively curate their own career and financial wellness journeys. The app features bite-sized educational videos, personalised career pathways, recommendations, and opportunities such as internships, mentorships, and workshops.

At the Festival, we participated in a total of 23 panel sessions, open mics, and engagement activities. Anil Wadhwani, CEO of Prudential plc, discussed how Prudential harnesses the power of AI, focusing on how we can test new business cases that provide commercial outcomes for our customers. Dennis Tan, CEO of Prudential Singapore, was on a panel to discuss the potential impact of AI on financial services, embedded insurance, financial inclusion, and more. Tomasz Kurczyk, Chief Information Technology Officer of Prudential Singapore, shared the latest advancements and evolution in embedded insurance. Diana Guzmán, Prudential plc's Group Director of Sustainability, participated in a panel discussion about the critical components of sustainable climate transition.



Clockwise from left: Anil Wadhwani, CEO, Prudential plc, discussed how Prudential harnessed the power of AI to test new business cases that link to commercial outcomes for our customers. Dennis Tan, CEO, Prudential Singapore, shared views about the role of AI in financial services, embedded finance, financial inclusion and tokenisation. Diana Guzmán, Group Director of Sustainability, Prudential plc, discussed components of the transition into a sustainable future. Tomasz Kurczyk, Chief Information Technology Officer, Prudential Singapore, shared the latest advancements and evolution in embedded insurance.

Tharman Shanmugaratnam, President of the Republic of Singapore, (front row, third from left) visiting our booth.

PRU x SFF 2023 in Numbers

355 Prudential participants from Singapore and around the world

Over **360,000** impressions generated on Prudential Singapore's LinkedIn page

Participation in **23** panel discussions, open mics and engagement activities

Our visitors experiencing how we are Innovating for Life at the various stations within the booth – "Experience our customer journey", "Sustainability isn't just fiction", and "TEE-Up".

First Jobber *research*

Redefining success beyond the 5 'Cs': Young people want it all

We commissioned a survey to explore and delve deeper into the aspirations, financial goals and approach to financial planning of young Singaporeans aged between 16 and 29. It focuses on first jobbers and includes their perception of insurance and Prudential.

We also took the opportunity to challenge the common 5Cs – Cash, Car, Condominium, Country Club membership and Credit Card – that Singaporeans are familiar with and if these material goals are still relevant among first jobbers.

More than three in four Gen Zs and Millennials say that financial success means enjoying the financial freedom to pursue the lifestyle they desire, and to be free from financial concerns.

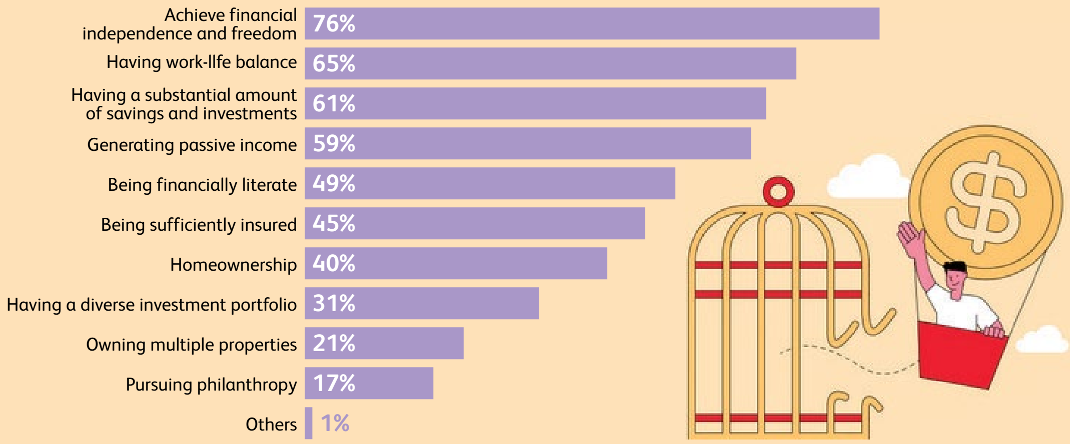
Work-life balance also came up as an important definition of financial success for 65 per cent of the 1,000 respondents surveyed.

This shows that while being financially secure is important, young people also want a fulfilling life that includes pursuing aspirations such as travelling the world, giving back to society, and prioritising their personal well-being.

According to the poll, young people are focused on building up savings (61 per cent), growing wealth (49 per cent), and investing to make their money grow (41 per cent). However, planning for retirement and being adequately insured are not as high on their list, with less than one in five choosing them as priorities.

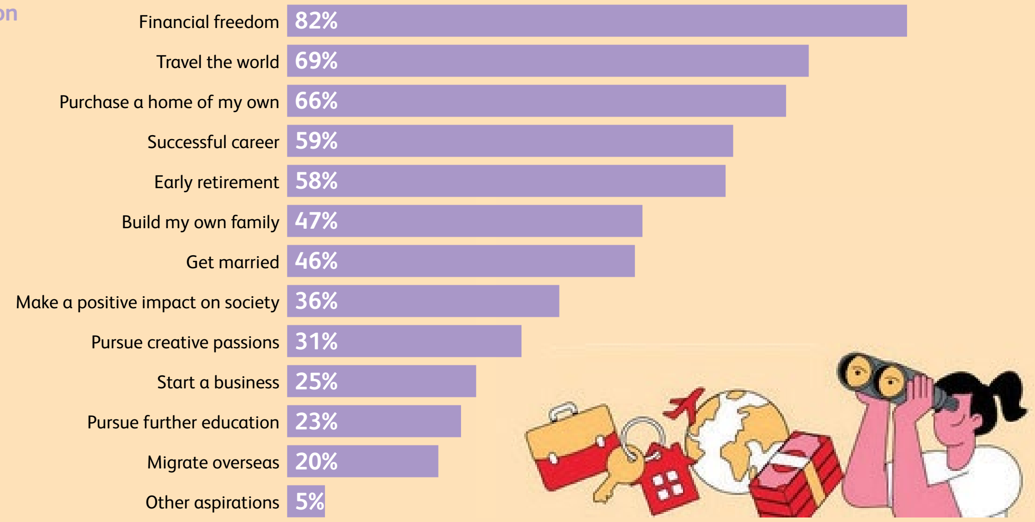
Question: These are some ways people define financial success. What does **financial success** look like for you?

Young people today define financial success as achieving financial independence and freedom. Work-life balance also ranks high.



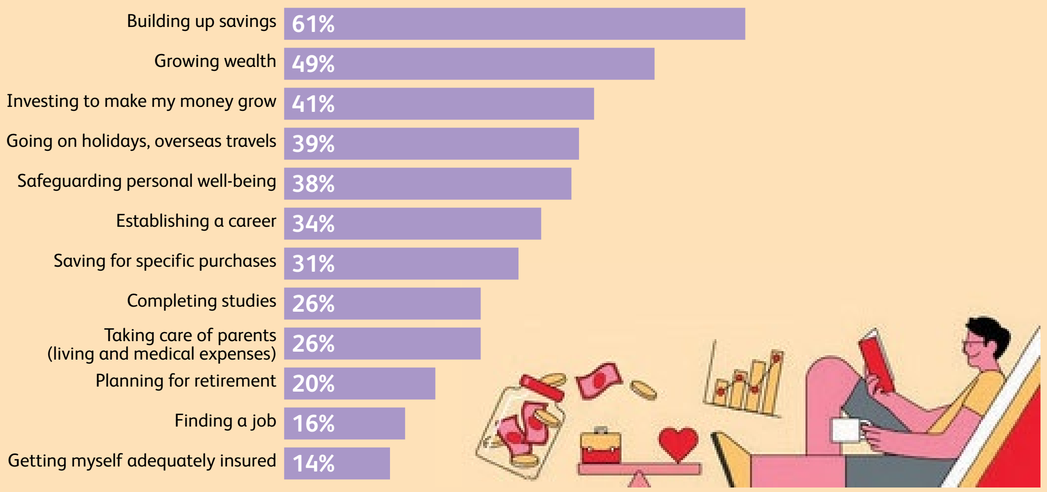
Question: These are common life aspirations that people hope to achieve. Which of the following **aspirations** do you hope to achieve in your life?

Besides financial freedom, travelling the world and purchasing a home of their own are also top life aspirations.



Question: These are some common responsibilities and priorities that people have. What are the **top five priorities** that are most relevant to you right now?

To achieve financial freedom, young people are growing their savings, wealth, and investing.



To instill the importance of wealth protection and financial literacy, we launched a campaign – **Keeping it 'Cash'** – communicating financial literacy tips through the voice of young people, by turning serious 'money' talks into everyday speak of the younger generation.

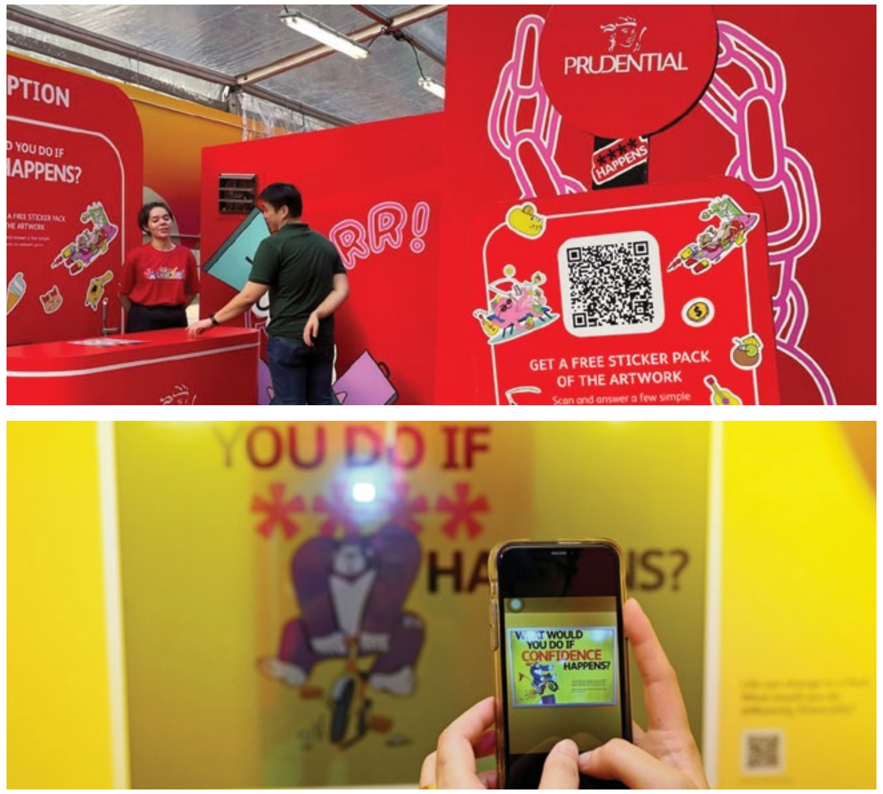
Hitting the streets to quiz young people on their financial literacy.

We quizzed young people on their financial literacy and shared some of the best practices for financial planning. The street interviews – a trending interview format that is popular among young Singaporeans – were consolidated in a video which we shared on various social media platforms.

Life In A Flash

Prudential hosted a pop-up event called "Life In A Flash" at Plaza Singapura, Level 1 Piazza, from 28 June to 11 July 2023. It was aimed at sparking conversations on how life can change in a flash, but with the right preparation and financial planning for the future, one could be ready to face whatever life brings with confidence.

"Life In A Flash" featured artwork printed using a special technique developed by Japanese print production company, So-Ken Co. Ltd. When anyone takes a photo of the artwork using flash photography, they will be able to see a different artwork. The artwork for the pop-up event was created in collaboration with local artists, Mindflyer, Ben Qwek, and Puffing Muffin. The colourful and quirky cartoon art was designed to capture viewers' attention in a more visual and different way, and inspire them to take steps to improve their financial well-being.



Prudential's "Life In A Flash" pop-up event from 28 June to 11 July 2023, at Plaza Singapura, Level 1 Piazza.

Living longer, healthier, and *better lives*

Singapore has one of the world's longest life expectancies. By 2030, almost one in four Singaporeans will be over the age of 65[1]. As an insurer, we are committed to helping Singaporeans live well for longer, which is aligned with our purpose of being partners for every life, and protectors for every future.

In 2023, we commissioned a report on "Battling chronic disease in Singapore: reducing risk and building awareness", which was written by Economist Impact. The report found that while Singaporeans are living longer lives, only 6 in 10 (59 per cent) were confident that they would be healthy enough to live well to age 80 and beyond.

For more information on this report, please refer to page 31.

To support people in their journeys to live longer, healthier, and better lives, we aim to provide simple and accessible financial health solutions for all. We also recognise the importance of taking a preventive and proactive approach to health and wellness.

Microinsurance products with affordable premiums

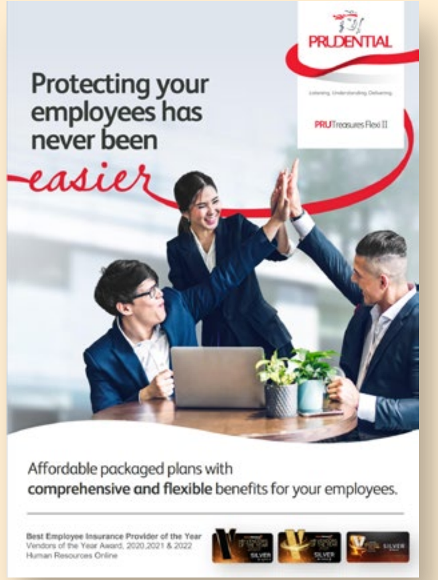
Microinsurance products or "bite-sized products" are part of our strategy to make insurance more accessible. Microinsurance products often have lower premiums, shorter coverage duration, and are available to purchase online, making it easier – especially for those in the lower-income segments – to get coverage.

In 2023, we continue to make the following microinsurance products available: PRUSafe Guard 22, which protects against COVID-19 and 21 infectious diseases; PRUSafe Dengue, which offers a three-month coverage against dengue fever; and PRUSafe Sports, which covers sports accidents.

Supporting small and medium enterprises (SMEs)

Small and medium enterprises (SMEs) account for around 99 per cent of enterprises in Singapore, employing slightly over 70 per cent of Singapore's labour force[2]. In a 2022 Prudential survey, nine in 10 respondents said that they want their employers to provide health coverage[3], while 60 per cent of the 1,029 respondents said they are more willing to join an SME that provides medical benefits.

We continue to enhance our employee benefits solutions to attract more SME customers, in a bid to close protection gaps. PRUTreasures Flexi II (PTRFII) is an insurance plan that has been specially designed for SMEs with a minimum of two employees. In 2023, we enhanced PTRFII to cover the dependents of employees and foreign workers. We also included psychiatric treatment benefits in the PTRFII plan. With PTRFII, employees can receive up to S$500,000 in the event of death, total and permanent disability or terminal illness.



[1] *PMO | PM Lee Hsien Loong at the 'Singapore Ageing: Issues and Challenges Ahead' Book Launch. https://www.pmo.gov.sg/Newsroom/PM-Lee-Hsien-Loong-at-the-Singapore-Ageing-Issues-and-Challenges-Ahead-Book-Launch*

[2] *Singapore Department of Statistics | Infographic – Singapore Economy (singstat.gov.sg). https://www.singstat.gov.sg/modules/infographics/-/media/Files/visualising_data/infographics/Economy/singapore-economy13022023.pdf*

[3] *9 in 10 SME employees want employers to provide medical benefits | Prudential Singapore. https://www.prudential.com.sg/about/newsroom/press-release/2022/9-in-10-sme-employees-want-employers-to-provide-medical-benefits*

Protecting customers with PRUShield

To continue providing excellent coverage to our Integrated Shield Plan (IP) customers, we made enhancements with new benefits for PRUShield plans and riders. Prudential's riders provide coverage on top of what's being offered by MediShield Life for both cancer drugs and services, and S$150,000 a year for some non-Cancer Drug List (CDL)[4] drugs. There is no additional premium charge for this.

Making the switch

About 71 per cent (2.9 million lives)[5] of Singapore residents are protected by Integrated Shield Plans (IPs), which provide coverage on top of MediShield Life.

The PRUShield EasySwitch campaign was introduced in September 2023 to help IP policyholders to switch easily from their existing plans with other insurers, to Prudential's PRUShield policies and supplementary plans (riders).

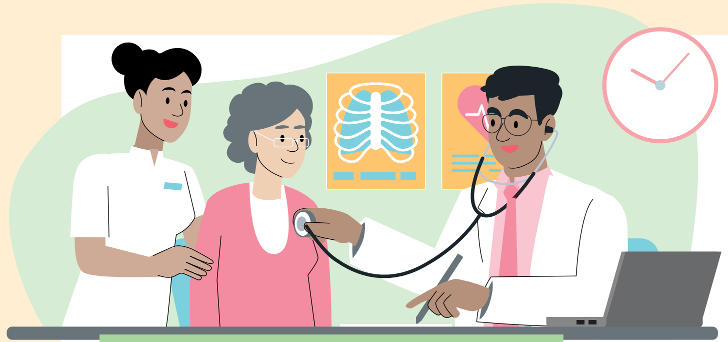
Eligible individuals[6] only need to answer three health questions, instead of going through the underwriting process from scratch and completing the full health questionnaire. If their application is accepted, the inception date of their existing Shield policy will be recognised for their new PRUShield policy, and all benefits and the claims assessment process will also apply accordingly. For conditions where waiting periods were usually applicable, such waiting periods were waived, subject to the duration of the previous policy[7].

71% of Singapore residents are protected by IPs

PRUShield EasySwitch
Introduced in September 2023

Simple and convenient
for Shield policyholders to make the switch to PRUShield

With PRUShield EasySwitch, individuals were able to switch their plans to Prudential easily – allowing them to consolidate their policies under one insurer for convenience, or to enjoy better benefits, without the hassle of going through the full underwriting process again.



Supporting chronic care and Healthier SG with Raffles Medical Group

Preventive health is key to a healthy population. To further support the health and wellness journeys of our customers, and to increase accessibility to health screening for all, Prudential partnered Raffles Medical Group (RMG) to make blood sugar, blood pressure and Body Mass Index (BMI) assessments available at 37 RMG clinics for all PRUShield customers. Customers can easily make their appointments online via the Prudential PRUPanel Connect website, or our customer portal, PRUaccess. Those who sign up for Healthier SG at RMG clinics will also receive further subsidies and benefits.

During screening, if a customer's blood pressure or BMI exceeds the recommended range, they can choose to be part of Prudential's Chronic Care Management Programme. The programme currently focuses on diabetes and hypertension, and aims to get customers to embark on their health journey to improve the level of care for chronic conditions.

[4] *In August 2021, the Ministry of Health announced changes to the financing of outpatient cancer treatment to help ensure the cost of cancer treatments and insurance premiums remain affordable over time. The changes to MediShield Life and Medisave were implemented on 1 September 2022, while the changes to the Integrated Shield Plans (IPs) took effect from 1 April 2023, upon policy purchase or renewal. For more information, please refer to https://www.moh.gov.sg/home/our-healthcare-system/medishield-life/what-is-medishield-life/what-medishield-life-benefits/cancer-drug-list.*

[5] *https://www.lia.org.sg/media/3947/20230811_lia-1h2023-results_media-release.pdf*

[6] *For more information on the eligibility and about the PRUShield EasySwitch campaign, please visit https://www.prudential.com.sg/prushield (please refer to PRUShield EasySwitch's T&Cs under "Important Information").*

[7] *Customers are subjected to the following waiting period from inception date of the previous insurer's policy:*

(1) PRUShield Plus and Premier policy holders:
Serious pregnancy and delivery related complications – 10 months,
Congenital Abnormalities for a female Life Assured's biological child – 10 months,
Congenital Abnormalities of the Life Assured (as charged) – 24 months, and
Living organ donor transplant – 24 months.

(2) PRUShield Standard policy holders: Serious pregnancy and delivery related complications – 10 months.

Convenient home-based healthcare services

November 2023 marked the start of our partnership with healthtech firm Doctor Anywhere, in a bid to boost preventive healthcare services and make healthcare more accessible for all.

Prudential's Integrated Shield Plan (IP) customers (PRUShield customers) can choose to either visit one of Doctor Anywhere's eight clinics in Singapore or opt for a home visit by its doctors and nurses. The affordable and convenient home-based healthcare services provided by Doctor Anywhere include flu and pneumococcal vaccinations for children and seniors, that are fully subsidised under the national immunisation schedule. Health screenings, and flu and travel vaccinations are also available at preferential rates. These services are administered by Doctor Anywhere's mobile medical team, and in the comfort of customers' own homes.

The new home-based services offer time-savings and convenience especially for busy individuals, giving them peace of mind that they and their dependents are well-protected against illnesses. Early detection and intervention can help reduce the risk of serious health complications for most of these illnesses.

This collaboration between Doctor Anywhere and Prudential underscores our shared dedication to improving the overall well-being of Singaporeans.

"As a leading life and health insurer, we want to support Singaporeans in their health and wellness journey by moving beyond protection to preventive healthcare. Our partnership with Doctor Anywhere makes home-based health services more accessible for PRUShield customers, improving the overall healthcare experience."

Dr Sidharth Kachroo
Medical Director and Head of Medical Portfolio Management, Prudential Singapore

November 2023
Start of Prudential and Doctor Anywhere's partnership

Affordable and convenient
home-based healthcare services

(Left to right): Kenneth Low, Vice President, Commercial, Doctor Anywhere; Vikas Sinha, Chief Operations Officer, Prudential Singapore; Lim Wai Mun, Founder & CEO, Doctor Anywhere; Dr. Sidharth Kachroo, Medical Director & Head of Medical Portfolio Management, Prudential Singapore.

Fulfilling *Futures*

Battling chronic diseases in Singapore: *Reducing risk and building awareness*

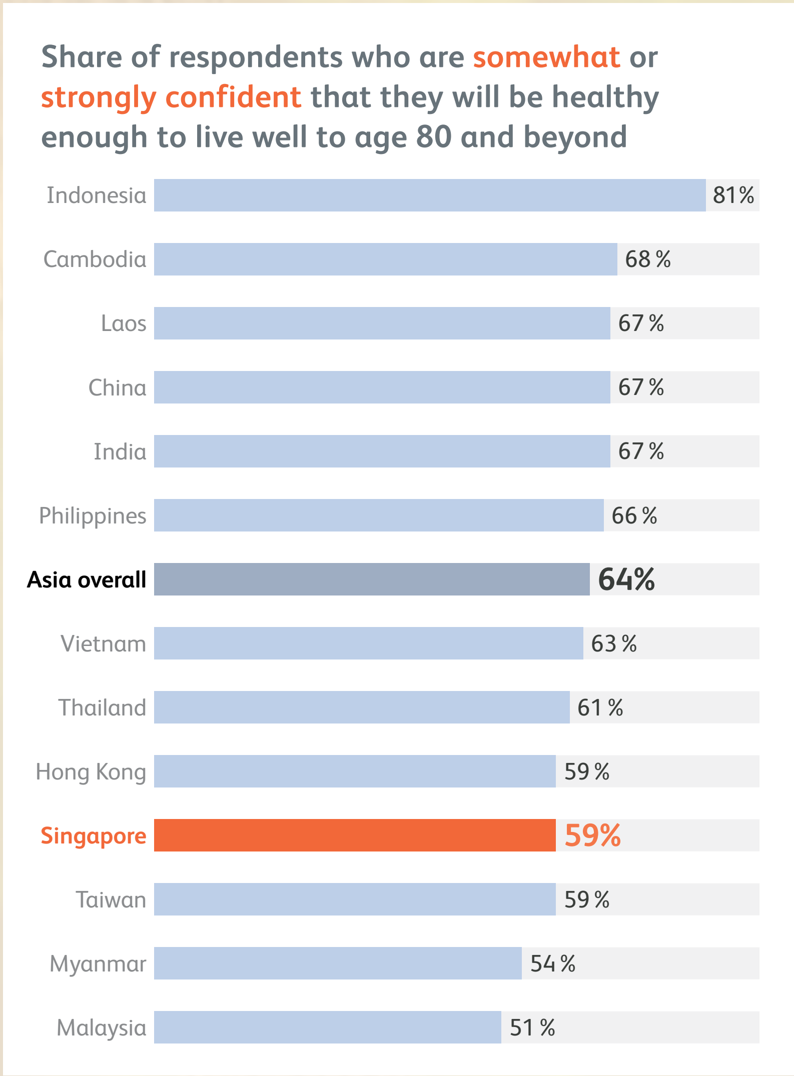
As a health and life insurer, we are committed to supporting our customers and community in making healthier choices that can prevent early onset of chronic diseases. Given the increasing lifespan of Singaporeans, reducing such health risks is ever more important.

Prudential has been raising awareness on the importance of ageing well through our *Ready for 100* research series on longevity in Singapore since 2018. In celebration of Prudential plc's 175th anniversary in 2023, including 100 years in Asia, Prudential plc commissioned Economist Impact to undertake a new research called *Fulfilling Futures*. It explores the aspirations of people across different Asian markets, and how their concepts of success may be changing amid longer lifespans, and challenges to health and well-being.

In the Singapore edition of the Fulfilling Futures research, *Battling chronic disease in Singapore: Reducing risk and building awareness*, we examined the health challenges and opportunities that Singapore faces as its population ages. The research was relevant and timely as it supported Healthier SG, which is a national initiative by the Ministry of Health (MOH) focusing on preventive health. With Healthier SG, Singaporeans can take proactive steps to manage their health, prevent the onset of chronic diseases, and have strong support to lead healthier lifestyles.

When asked about their confidence in staying healthy in their old age, only 59 per cent of the 300 Singapore respondents expressed confidence that they would be healthy enough to live well to age 80 and beyond. This was one of the lowest among the Asian markets surveyed, with the regional average being 64 per cent.

59% of Singapore respondents are confident they will be healthy enough to live well to age 80 and beyond.



Source: Economist Impact 2023

Singapore residents are placing well-being as one of their top priorities. Physical fitness also increased in importance compared to five years ago. Despite wanting to live healthier and balanced lives, Singaporeans need help to do so. This includes reducing the risk of chronic diseases, building awareness for healthy living, and incentivising them to take preventive action.

Singaporeans appear to be the most receptive to government incentives to improve their health compared to its regional peers. When asked about the factors that will help them to live a healthier lifestyle, the top five measures that Singaporeans were keen on are government incentives, more personal time, incentives by insurers, financial incentives by employers, and encouragement from friends.

Prudential offers a variety of initiatives to support customers and the community in taking better care of their health for long-term wellness.

For more information, please refer to page 27.

65% of Singapore respondents find government policies and support helpful in enabling them to improve their physical health.

3rd most important priority for Singapore respondents is physical fitness, which was ranked 8th in 2018 (five years ago).

Respondents were asked which of the following were the most important in their lives five years ago, and which are most important today

2018 (Five years ago)

Priority	%
Becoming better educated	37%
Travelling: seeing my country or the world	36%
Building personal financial wealth	33%
Enjoying my work	29%
Professional success and status	29%
Owning a home	28%
Spending more time with family	28%
Physical fitness	23%
Contributing to social or civic causes	22%
Contributing to the local community	22%
Mental and emotional health	18%

2023

Priority	%
Spending more time with family	47%
Building personal financial wealth	40%
Physical fitness	34%
Travelling: seeing my country or the world	32%
Enjoying my work	30%
Mental and emotional health	29%
Professional success and status	26%
Contributing to social or civic causes	25%
Owning a home	23%
Becoming better educated	22%
Contributing to the local community	20%

Source: Economist Impact 2023

Tour de France Prudential Singapore Criterium

At a glance

32 of the top Tour de France riders and top cyclists from Singapore raced on the brand-new Suntec City street circuit

More than **34,000** spectators over two days

Over 180 pieces of radio, print and online coverage in international and local publications

Regional reach via ticketing, Singapore Tourism Board's partners, and cycling clubs. Majority of event attendees were from Indonesia, Malaysia and Thailand

Dennis Tan, CEO, Prudential Singapore, and Goh Theng Kiat, Chief Customer Officer, at the race flag-off.

At Prudential Singapore, we believe in more than just providing protection to our customers. We want to partner them on their long-term wellness journeys, and inspire them to stay active and healthy. That is why we are proud to be the Title Sponsor and Official Wellness Partner of the Tour de France (TDF) Prudential Singapore Criterium for the second year running.

We first supported the Prudential RideLondon festival in 2019, and this passion for cycling fuelled our expansion to Asia, with PRURide in the Philippines and Indonesia. Now, we proudly carry this torch forward as the Title Sponsor and Official Wellness Partner of the TDF Prudential Singapore Criterium, bringing the sport's biggest cycling stars to our region.

The two-day weekend event saw a strong crowd of international participants, cycling enthusiasts and athletes. Tour de France green jersey winner Jasper Philipsen won the Criterium, ahead of Mark Cavendish and Tadej Pogačar.

For one epic weekend on 28 and 29 October 2023, 32 of the world's biggest names in cycling and top cyclists from Singapore took on an iconic Suntec City circuit while spectators participated in family-friendly events. The event in 2023 included a newly added Women's category for the PRURide Seeker's Criterium, a Kids' Ride, live concerts and interactive booth activities.

The race weekend was filled with excitement, with top cyclists such as Tour de France winners Tadej Pogačar, four-time TDF champion Chris Froome, cycling legend Mark Cavendish, and top American rider Sepp Kuss, competing with Team Singapore cyclists such as Yeo Boon Kiak for a chance on the podium. They raced 20 laps, covering 60 km in total, and thrilled spectators with their speed and skills. TDF also held an after-race concert on both days that featured local and international musicians and DJs.

PRURide Seeker's Society

Aligned with Prudential's commitment to promoting healthy and active living, PRURide Seeker's Society (PRSS) was created in 2022 to help cyclists improve and grow with the sport.

In a testament to the year's success, PRSS saw a remarkable increase of more than 265 new sign-ups in 2023. This could be attributed to the surge in interest to participate in PRSS activities, which included cycling clinics led by professional coaches and athletes. The clinics were held from July to October, and designed with a specific goal in mind – to equip members with the necessary skills to compete in the PRURide Seeker's Criterium, which was the only event for non-professional cyclists during the race weekend. The PRURide Seeker's Criterium provides amateur cyclists the exclusive opportunity to race on the very same track as the TDF professional athletes.

Cycling enthusiasts joined cycling clinics organised by PRURide Seeker's Society, where they picked up valuable tips and racing techniques from seasoned coaches and national athletes to prepare for the amateur race.

High Net Worth and *Affluent*

Singapore is a growing wealth hub that is attracting an increasing number of ultra wealthy individuals. There were 332,000 millionaires in 2022, up 10.3 per cent from 2021, and the median wealth per Singapore adult rose 6.2 per cent from 2021 to US$99,488 in 2022.[1]

Against the backdrop of global political instability and high interest rates, there was a greater demand for products that could grow and accumulate wealth. PRUVantage Wealth (PVW), an investment-linked plan (ILP), was one product which saw heightened interest from customers. It was designed to help our customers grow their wealth, while having the option to receive a regular income and lay the foundation for wealth transfer to the next generation.

To address the strong demand for insurance products and services for High Net Worth Individuals (HNWIs), Prudential also has tailored programmes such as Opus by Prudential (Opus) and Ascend by Prudential (Ascend), our customer loyalty programmes designed to reward and support our High Net Worth (HNW) and affluent customers.

In 2023, we conducted a market benchmarking exercise and simplified the qualifying criteria for Opus and Ascend, which resulted in more customers qualifying for the Opus and Ascend programmes.

OPUS™ BY PRUDENTIAL

ASCEND

Opus offers a dedicated approach to wealth management and legacy planning, comprising well-designed financial solutions, expedited services, access to value-added professional services, and exclusive privileges.

We have 265 Private Wealth Consultants (PWCs) trained to support the growth of the HNW segment. PWCs are well-versed in understanding the unique needs of HNWIs, and receive dedicated resources and professional development opportunities to upskill and better serve the needs of HNWIs. For example, 30 PWCs completed a fully-funded and customised course designed by the Wealth Management Institute to ensure that they were equipped with market-leading expertise in wealth structuring areas such as asset protection, liquidity planning, wealth accumulation, and wealth preservation.

In 2023, we focused on strategic initiatives to grow the HNW business. We expanded our distribution channels through the launch of Prudential Financial Advisers Singapore (PFA), which allows us to tap on Singapore's growing demand for financial advisory services and the burgeoning private wealth banking, trust, and family office space. This added to existing channels such as Prudential's tied agency, as well as United Overseas Bank (UOB) and Standard Chartered Bank (SCB), our exclusive bancassurance partners.

Mr Lim Tian Wee, owner of Gryphon Tea, sharing insights on his family legacy.

Throughout the night, guests were served the Opus Legacy Tea, a special concoction developed in collaboration with Gryphon Tea. Guests also enjoyed a specially crafted dessert made with the Opus Legacy Tea.

We also doubled the number of Opus events to support our agency and bancassurance partners in engaging their customers through more high-touch events. One such event was an exclusive dinner experience, with the theme of Legacy. Mr Lim Tian Wee, owner of Gryphon Tea, who is also from the Lim Lam Thye family – a four-generation tea business family – shared his personal journey in creating and growing his own legacy. Our fund partners also shared the market outlook with guests to support them on their legacy planning journey.

Health coach Jacelyn Tay dived into the importance of gut health for mental health.

Prior to the event, guests had an aromatic experience at our Scent Bar. They completed a personality questionnaire and were prescribed an aromatherapy blend for wellness.

Another milestone in customer engagement was our annual Opus event, which was themed – The Legacy of Health. We invited certified health coach Jacelyn Tay from Body Inc. to share more about the importance of gut health and wellness, and prepared a specially curated menu featuring ingredients that support a healthy gut.

[1] https://www.ubs.com/global/en/family-office-uhnw/reports/global-wealth-report-2023.html

Enterprise Business

Our commitment to innovation and being trusted partners in the lives of our corporate customers and their employees has been recognised by the industry. We won the "**Best Employee Insurance Provider (Silver)**" Award at the Human Resources Online HR Vendors of the Year 2023 Awards, for the fourth consecutive year.

WorkPLAYce Fest activations were held at the offices of our corporate customers where their employees could play games and learn more about ways to improve their well-being.

Prudential's Enterprise Business (EB) segment continued to show consistent sales momentum in 2023. It achieved S$105 million Annual Premium Equivalent (APE), which was nine per cent higher compared to the previous year. We currently serve more than 3,300 companies and more than 210,000 employees from large multi-national corporations to small and medium enterprises (SMEs).

Coverage for in-patient and outpatient medical expenses such as general practitioner (GP) clinics and hospitalisation are an important consideration for SME employees, with nine in 10 saying that they want their employers to provide healthcare coverage.[1] It is important to ensure that SMEs have access to group insurance solutions to support their employees' overall well-being and success at work.

That is why our group insurance solutions have been designed to be flexible to cater to a wide range of companies with different requirements. For example, PRUTreasures Flexi II (PTRFII) is available for SMEs with a minimum of two employees. We enhanced PTRFII in 2023 to extend coverage to the dependants of corporate customers' employees. Our Group Foreign Worker Medical insurance (GFWM) also offers enhanced medical coverage for Work Permit and S-Pass holders, in line with the Ministry of Manpower's new requirements.

In addition, we extended PRUTraveller Protect (PRUTP), a complimentary Personal Accident plan which provides six months' coverage for personal accident, infectious diseases, and overseas medical treatment, to all eligible members of Prudential's group insurance customers.

To better support our EB customers, more than 4,000 financial representatives have undergone customised trainings on topics such as the needs of corporate customers, and how to engage them.

WorkPLAYce Fest

WorkPLAYce Fest is a series of health and wellness activities that we offer to our EB customers' employees to help improve their physical, mental and financial well-being. We engaged more than 1,000 employees from our corporate customers through the WorkPLAYce Fest in 2023. These employees participated in activities such as on-site health screenings and vaccinations, spinal checks, and mental wellness webinars on topics such as stress and well-being. Our financial representatives were also present to explain the employee benefits to participants, and provide financial planning analysis for those who were interested.

SME Skills Accelerator (SSA) programme

We partnered SkillsFuture Singapore to launch the SME Skills Accelerator (SSA) programme in 2020. The programme supports SMEs in equipping them with the skills and resources to grow and innovate their business, by upskilling and reskilling their employees.

Under the SSA programme, we collaborated with Institutes of Higher Learning (IHLs) and partnered organisations to provide SMEs with training sessions and webinars on design, digitalisation, and workplace learning. Being equipped with the relevant knowledge and skills would help SMEs in their business transformation journeys.

In 2023, more than 250 SMEs from 26 industries attended SkillsFuture-supported courses and masterclasses under the SSA programme.

S$105m APE achieved in 2023, which was nine per cent higher than 2022.

More than **4,000** financial representatives have undergone customised trainings to better engage and support EB customers.

[1] *For more information, please refer to "9 in 10 SME employees want employers to provide medical benefits" https://www.prudential.com.sg/about/newsroom/press-release/2022/9-in-10-sme-employees-want-employers-to-provide-medical-benefits*

Launch of *Prudential Financial Advisers Singapore*

Celebrating the official launch of Prudential Financial Advisers Singapore. (Left to right): Jackie Chew, Chief Risk Officer, Prudential Singapore; Dennis Tan, CEO, Prudential Singapore; Bernard Chai, CEO, Prudential Financial Advisers Singapore; and Ben Tan, Chief Distribution Officer & Chief Corporate Development Officer, Prudential Singapore.

As life expectancies increase, customers are looking for a wider range of comprehensive solutions that can help them address their lifelong financial needs. Against this backdrop of rising longevity and increasing wealth management needs in Singapore, Prudential Financial Advisers Singapore (PFA), our financial advisory arm, was officially launched in April 2023 to provide customers with holistic financial planning.

PFA had about 500 Wealth Managers as of December 2023, and worked with more than 10 partners to offer a wide range of insurance products and wealth solutions. These include general insurance – such as travel and motor insurance, wealth solutions such as unit trusts, as well as life insurance products from other insurers. These were in addition to Prudential's core solutions in whole and term life, health, savings, retirement and group insurance. Customers could also tap on complementary solutions and auxiliary services including estate planning, family office and tax advisory provided by PFA's partners.

In November 2023, PFA announced its collaboration with Sun Life Singapore to provide its SunBrilliance Indexed Universal Life to PFA's affluent and High Net Worth (HNW) customers. It is the first universal life insurance solution available for PFA customers. With this addition, PFA can provide customers with more choices across its suite of health and life protection products, savings, wealth solutions, and general insurance.

The new financial advisory firm complements and strengthens Prudential's existing distribution ecosystem, which includes our tied agency, bancassurance partners United Overseas Bank and Standard Chartered Bank, as well as our Pulse by Prudential app where we offer PRUShield and microinsurance plans.

PFA had about 500 Wealth Managers as of December 2023, and worked with more than 10 partners to offer a wide range of insurance products and wealth solutions.

Innovation

Lawrence Wong, Deputy Prime Minister of Singapore and Minister for Finance (front, fourth from left), Anil Wadhwani, CEO, Prudential plc (front, fifth from left) and the Prudential Singapore team at the TEE-Up station at Singapore Fintech Festival 2023.

Doing well by doing good: Co-creating with Gen Zs through TEE-Up

Gen Zs are future architects that hold the key to developing a healthier and wealthier society for all. Through our Talent Engagement Ecosystem (TEE-Up), we partner with Gen Zs on meaningful initiatives and innovative solutions to address issues that impact their lives and our society.

In 2023, the Prudential Innovation team continued to nurture strong partnerships with Institutes of Higher Learning (IHLs), Gen Zs, and community leaders, as part of the TEE-Up ecosystem. The aim was to boost Gen Z's employability, empowering them to navigate adulthood with purpose and confidence. Since its inception in 2022, TEE-Up has helped 3,000 IHL students expand their career horizons.

Levelling up Gen Z's career game

According to a global OECD report[1], half of young people expect to work in just one of 10 popular jobs. Many of them are unaware of new roles that are emerging from digitalisation and business model shifts. To bridge this gap, we created more than 250 bite-sized videos across various social media channels. The video series highlights careers in a range of roles such as financial services, business management, emerging tech and creative sectors, exposing Gen Zs to the vast opportunities that are available in the future of work.

At the same time, young adults who are transitioning into their professional journeys may not know where to start. To support them, we developed a Career Readiness Questionnaire based on the Hope-Action and Career Construction Theories to highlight their competencies and provide tailored recommendations for self-improvement.

Expanding career opportunities through internships, mentorships and masterclasses

Our collaboration partners include local universities such as National University of Singapore, Nanyang Technological University, Singapore University of Technology and Design, James Cook University Singapore, Malaysia's University College Sedaya International (UCSI University), and all Singapore polytechnics. Under our TEE-Up mentoring programme, we have 121 mentors from diverse backgrounds – from banking and finance, digital marketing, entrepreneurship, tourism, to biomedical science – who guide and inspire emerging talents.

In 2023, we offered close to 40 master-classes to Gen Zs and small and medium enterprises (SMEs), covering diverse topics such as video creation, board game design, behavioural science, and design thinking. These sessions provided them with future-ready skills for the workplace.

Prudential Singapore signed a Memorandum of Understanding (MOU) with Singapore Polytechnic to offer students internship opportunities through TEE-Up. We also hosted learning journeys and design thinking workshops for the IHLs.

With our wider commitment to upskilling SMEs, we engaged more than 250 firms from 26 industries in 2023. We recognised the challenges they faced in adopting generative AI for their businesses from our conversations, so we launched a Generative AI Masterclass pilot for SMEs. We also debuted a 'Good Design for All' series in collaboration with Ngee Ann Polytechnic and supported by DesignSingapore Council to equip SMEs and students with design thinking skills through workshops.

Connecting with a global community to co-create resources

Leveraging TEE-Up's close partnership with IHLs, 63 teams from 12 countries, including partners like the National University of Singapore, Republic Polytechnic, and Singapore Polytechnic, collaborated with us in the global Prudential Young Innovators Challenge (PYI) in 2023. A team from Singapore Polytechnic won the Challenge with their prototype to help underprivileged young caregivers navigate their careers and financial journeys.

TEE-Up taps on a global community of youths to ideate, iterate, implement and inspire. Supported by parallel programmes like Prudential Young Innovators Challenge, TEE-Up led to the creation of InsurAce, an insurance board game that simplifies insurance concepts.

We also brought 2022's PYI winning idea to life – InsurAce, an insurance board game co-created with last year's winners, Prudential Singapore and Pru Life UK, to simplify insurance concepts. It is now available for exclusive distribution through our agency, and it is complimentary for customers.

TEE-Up has expanded in the region, following an MOU signing with UCSI University in Malaysia, where students work on career exploration videos, gaining valuable experience while benefitting their peers.

Our impact: Power to connect

TEE-Up's success lies not just in accolades but in its power to connect. It connected Gen Zs to career growth opportunities, provided Prudential Singapore with a dynamic talent pool, and lets our esteemed community partners benefit from collaboration opportunities.

TEE-Up was a finalist for the Most Scalable Collaboration at the 2023 Singapore International Chamber of Commerce's Collaborative Innovation Awards.

[1] *OECD (2020). Dream Jobs? Teenagers' Career Aspirations and the Future of Work.*

Nurturing a *future-ready agency*

Our agency is key to our organisation's success and how we support customers to nurture a healthier and wealthier future. We continuously upskill our more than 5,200 financial representatives to enhance their productivity and professionalism.

More than 90 per cent of our financial representatives, including new joiners, who completed Prudential's Financial Consultant Induction Programme (FCIP), also obtained the Institute of Banking and Finance Singapore (IBF) Qualified (Level 1) certification. We also encouraged our financial representatives to pursue IBF Advanced Level 2 or 3 certification, which 480 of them achieved.

In October 2023, Prudential received the IBF *Inspire Award*, which recognised companies with strong organisation-wide strategy and commitment to workforce transformation, talent pipeline building and skills development. This is testament to our continued efforts to upskill the agency through our various IBF-accredited programmes, the FCIP and Agency Leader Promotion Programme.

In the pursuit of excellence, our agency leaders continued tapping on our agency leader learning roadmap launched in 2022. They equipped themselves with effective agency management skills and worked towards achieving the Chartered Insurance Agency Manager (CIAM) designation. As of 2023, 23 agency leaders have achieved the CIAM designation, an international educational achievement for managers in the financial services industry.

Our financial representatives clocked close to **210,000** training hours, averaging more than 40 hours of Continuous Professional Development training per person. This is above the required 30 hours per representative.

More than **400** instructor-led programmes were organised for our agency.

In 2023, more financial representatives participated in a series of High Net Worth (HNW) Skill Up training sessions and were equipped with the necessary skillset and knowledge to better serve this customer segment. A total of 421 financial representatives attended the Level 1 HNW Skill Up Series, while 144 attended the Level 2 HNW Skill Up Series. More than 20 representatives also pursued HNW certification programmes in 2023, such as the HNW Certification Programme by the Insurance and Financial Practitioners Association of Singapore (IFPAS), and Advanced Diploma in Wealth Management by the Wealth Management Institute (WMI). Our first batch of Private Wealth Consultants took part in the Certified Affluent Wealth Adviser Programme conducted by WMI.

We also focused on recruitment to nurture agency growth, with close to 980 new financial representatives joining us in 2023. Our PRUVenture initiative and Management Associate Programme continued to attract mid-career professionals with sales and management experience, and young first jobbers respectively. An incentive programme, Recruit+, was launched in 2023 to support our agency leaders' recruitment efforts across various mediums, such as physical and virtual recruitment events, and recruitment social media campaigns. The launch of Prudential Financial Advisers Singapore, our financial advisory arm, also attracted experienced hires who were keen to build their careers in wealth management with Prudential.

Agency leaders at the 2023 Agency Leaders' Conference in Kuala Lumpur, Malaysia

Our MDRT qualifiers joined other global MDRT members in Nashville, Tennessee, for the 2023 MDRT Annual Meeting. They heard from inspiring speakers, exchanged insights, and shared best practices with one another to strive for new levels of success.

In 2023, we were proud to have:

1103 MDRT qualifiers

148 COT qualifiers

62 TOT qualifiers

Our MDRT journey

Prudential's Million Dollar Round Table (MDRT) has consistently outperformed and experienced remarkable growth. In 2023, Prudential Singapore's MDRT group had more than 1,300 qualifiers, which was a 5 per cent increase from the previous year. We are honoured that our agency has a strong representation in this prestigious global association.

Our MDRT accomplishments highlighted our commitment to excellence and empowering the success of our financial representatives. Sixteen per cent of our financial representatives also surpassed the MDRT qualifying requirement by at least three times, to qualify for Top of the Table (TOT) and Court of the Table (COT).

One of our key strategies was to forge a strong MDRT community that harnesses peer motivation. Through regular MDRT events, mentorship programmes and knowledge-sharing sessions, we cultivated an environment where our financial representatives inspired and motivated one another to strive for MDRT excellence. We also drove several recognition and reward initiatives, events, and goal-setting sessions throughout the year specifically on building motivation and empowering our financial representatives to excel in their MDRT goals.

1 in 5 Prudential Singapore financial representatives is a **MDRT member.**

Prudential Singapore has a **top 15 global ranking** in the total number of MDRT members worldwide.

We are the **number one** company in Singapore with the highest number of TOT and COT qualifiers.

We are also the **number one** company in Singapore with the highest number of membership growth.

Nurturing digital partnerships

Through strategic digital partnerships, we enhanced our digital engagements to better connect with customers through brands that have a close alignment with their interests. For instance, Prudential teamed up with ONE Championship, where fans of combat sport were able to enjoy various exclusive VIP experiences, such as private trainings with renowned athletes, event backstage tours, and meet and greet sessions. These engagements provided valuable insights into individuals' health and wellness interests.

We also continued our partnerships with prominent online consumer brands such as Carousell, foodpanda, ShopBack, Shopee, and SingSaver throughout 2023. These partnerships enabled us to increase Prudential's brand awareness, gain insights into consumer behaviour including their lifestyle and financial needs, and to engage potential customers. Such partnerships empower our financial representatives to better understand and connect with customers and prospects, enabling them to provide value-added financial planning services.

A meet and greet session featuring ONE Championship fighter Yoshihiro Akiyama (middle, white jacket).

Improving productivity

Technology and data have been strong enablers of our agency's success and productivity, empowering our financial representatives to deliver exceptional customer experiences. PRUForce@Pulse is our customer relationship management platform that gives our financial representatives a comprehensive view of their current and potential customers, and helps them interact with customers more effectively. With PRUForce@Pulse, we gleaned insights into agent productivity and how they can manage leads better to provide optimal experiences for customers. Close to 80 per cent of the agency has tapped on PRUForce@Pulse since it was rolled out in October 2023.

Guided by customer centricity, we launched the first prototype of PRUJourney in October 2023. PRUJourney is an improved financial planning tool built to adapt quickly to regulatory changes and enhance our customer service. The tool provides a more streamlined fact-finding and financial needs analysis process, and empowers our financial representatives to provide a more engaging financial planning experience through interactive visualisations.

Strengthening bank partnerships

We continued our close collaboration with our exclusive bancassurance partners United Overseas Bank (UOB) and Standard Chartered Bank (SCB) in 2023.

In June 2023, PRUVantage Assure was onboarded for UOB to cater to customers' investment and protection needs. For SCB, we launched three new PRULink funds in 2023 – PRULink Global Signature CIO Growth Fund, PRULink Global Signature CIO Balance Fund and PRULink Global Signature CIO Income Fund – to provide customers with more investment options. We also held customer events for UOB and SCB customers, including whiskey appreciation, legacy planning, and wellness talks on health and wealth.

From July 2023, consumers who are interested to get comprehensive medical coverage and are keen to purchase PRUShield, Prudential's Integrated Shield Plan, can also reach us via DBS' online portal, DBS Marketplace.

Our *People*

At Prudential Singapore, we focus on driving a purpose-led and values-driven culture that enables our people to grow, deliver on our customer promise, and perform to their best potential. We achieve this by creating an inclusive culture that values the voice and views of everyone; providing ample people development opportunities so we have unparalleled capabilities across the organisation; and building a robust talent pipeline to ensure continuous growth.

For more information on our people initiatives, please refer to page 94.

Highlights

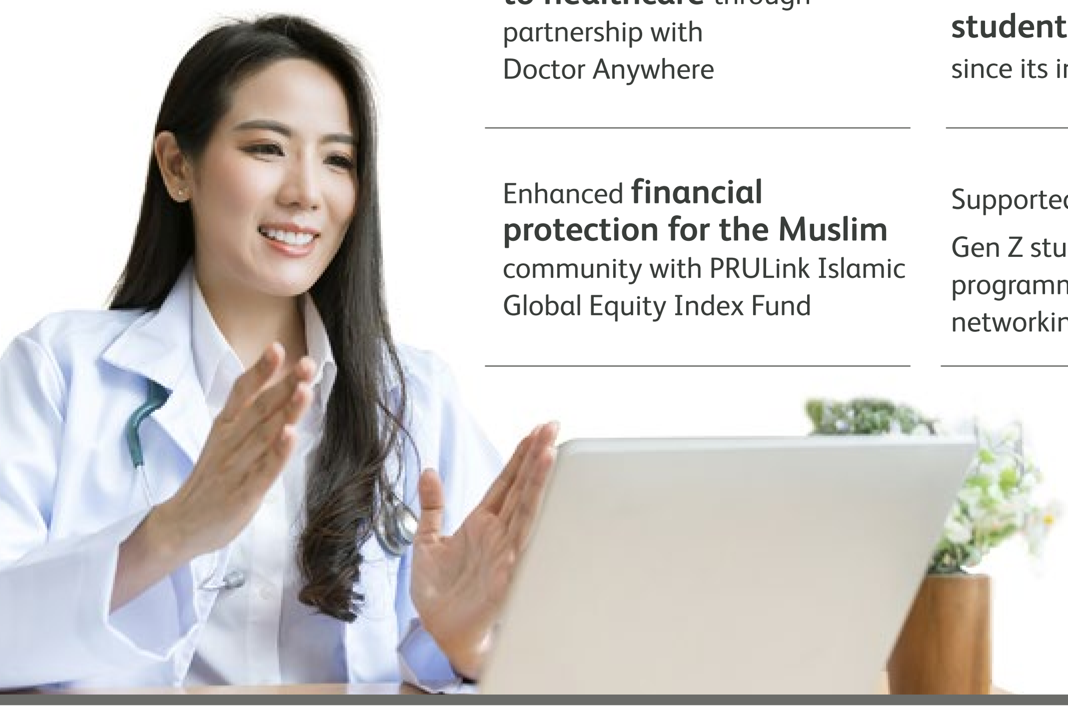
Simple and accessible health and financial protection

Improved **accessibility to healthcare** through partnership with Doctor Anywhere

Engaged **20,000 students through Cha-Ching** since its inception in 2018

Enhanced **financial protection for the Muslim** community with PRULink Islamic Global Equity Index Fund

Supported over **3,000** Gen Z students through our Tee-Up programme with career resources and networking opportunities



Responsible investment

Contributed to a **50% reduction** in the Weighted Average Carbon Intensity (WACI) of the Group investment portfolio since 2019

Committed **US$130 million** of our private equity investments into SFDR-compliant funds with sustainability focus

Sustainable business

Maintained our female participation rate for **senior managers and above** at **52%**

Closed the gender pay gap to **-0.1%** for senior managers and above

Reduced our Scope 1 and 2 operational emissions intensity by **over 10%**

Supported Singaporean companies by increasing our local procurement spending to **S$288 million,** up from S$259 million in 2022

Good governance and responsible business practices

Ranked first within the insurance industry for **"Singapore's Best Customer Service"** by The Straits Times and international researcher Statista

2023 Membership Associations

- Asian Venture Philanthropy Network
- Blockchain Association Singapore
- British Chamber of Commerce Singapore
- Business Ethics Leadership Alliance
- Community Chest
- Council for Third Age
- European Chamber of Commerce (Singapore)
- Global-Asia Insurance Partnership Ltd
- Life Insurance Association Singapore
- Life Office Management Association
- National Volunteer and Philanthropy Centre
- Singaporean-German Chamber of Industry and Commerce
- Singapore Business Federation
- Singapore College of Insurance
- Singapore FinTech Association
- Singapore Insurance Employees' Union
- Singapore International Chamber of Commerce
- Singapore National Employers Federation
- Singapore Press Club

2023 Awards and Certifications

Mar

Asia's Best Community Impact Reporting, Bronze
Asia Sustainability Reporting Awards 2022, CSRWorks International

Asia's Best Sustainability Reporting (CEO letter), Bronze
Asia Sustainability Reporting Awards 2022, CSRWorks International

Apr

Customer Excellence Awards (Sustainability Driver)
Customer Excellence Awards 2023, SS&C Blue Prism

May

Top 2 in the Insurance and Risk Management Sector
Singapore's 100 Leading Graduate Employers 2022/2023 survey, gradsingapore

Jun

Best Candidate Experience, Gold
Employee Experience Awards 2023, Human Resources Online

Best Employee Referral Programme, Bronze
Employee Experience Awards 2023, Human Resources Online

Best In-House Recruitment Team, Gold
Employee Experience Awards 2023, Human Resources Online

Jul

Best Approach to Risk Mitigation
Asia Excellence in Procurement Awards 2023, The Chartered Institute of Procurement & Supply

Aug

Top Insurer for Singapore's Best Customer Service
Singapore's Best Customer Service 2023/24 survey, The Straits Times and Statista

CIPS Kite Mark for "CIPS Professional Ethics"
Chartered Institute of Procurement & Supply

Sep

Best HR Team (MNC), Gold
HR Excellence Awards 2023, Human Resources Online

Excellence in Workplace Culture, Silver
HR Excellence Awards 2023, Human Resources Online

Oct

IBF Inspire Award
IBF Awards 2023, The Institute of Banking and Finance Singapore

Technology in Finance Immersion Programme Emplacement Excellence Award
IBF Awards 2023, Workforce Singapore

Exemplary Community Partner
Lions Befrienders Awards, Lions Befrienders Service Association (Singapore)

Donor Award, Bronze
Lions Befrienders Awards, Lions Befrienders Service Association (Singapore)

Charity Gold
Community Chest Awards 2023, Community Chest Singapore

Nov

Fair and Progressive Employment Practices Award
Tripartite Alliance Award 2023, Ministry of Manpower, Singapore National Employers Federation and National Trade Union Congress

Best Employee Insurance Provider, Silver
HR Vendors of the Year 2023, Human Resources Online

Our sustainability strategy

In 2023, our sustainability strategy was refreshed in support of our new Group purpose, 'For Every Life, For Every Future'.

This update reflects our ambition to drive sustainability for real-world impact and long-term resilience. We want to offer simple and accessible health and financial protection for every life. We also want to ensure that we deploy our investments and stewardship power to enable a just and inclusive transition to net zero for every future. Finally, it is our ambition to amplify the pace and scale of our impact by embedding sustainability into our business and value chain.

Underpinning our sustainability strategy is having good governance and responsible business practices. We are committed to upholding the highest standards in governance, conduct and ethics, risk management, external reporting and benchmarking.

Ambition

Sustainability for real-world impact and long-term resilience

Purpose

For every *Life* For every *Future*

Pillars	**Simple and accessible health and financial protection** Increase access to health and financial protection for every life	**Responsible investment** Enable a just and inclusive transition to net zero for every future	**Sustainable business** Embed sustainability into our business and value chain to amplify the pace and scale of our impact
Priorities	**Delivering partnerships and digital innovation for health outcomes** Drive positive health outcomes through partnerships and digital innovation	**Decarbonising our portfolio** Committed to decarbonise our portfolio and become a net zero asset owner by 2050	**Empowering our people** Empower our talent pool by upgrading their sustainability capabilities and advancing our diversity, equity, inclusion and belonging strategy
	Developing sustainable and inclusive offerings Develop sustainable and inclusive offerings to increase access to protection for underserved customer needs and communities	**Financing a just and inclusive transition** Financing a just and inclusive transition with emerging markets considerations at the forefront	**Establishing sustainable operations and value chain** Embed sustainability in our day-to-day operations as a business, including with our suppliers and partners
	Building resilient communities Support the communities in which we operate, building resilience through the work of our business units and Prudence Foundation	**Mainstreaming responsible investments in emerging markets** Leverage our influence as asset owner to mainstream responsible investments in emerging markets	**Harnessing thought leadership to shape the agenda** Leverage our advocacy power to shape a sustainability agenda that places emerging markets considerations at the forefront

Foundation

Good governance and responsible business practices
Corporate governance, conduct and ethics, risk management, external reporting and benchmarking

New targets

- **55% weighted average carbon intensity (WACI) reduction by 2030**
- **Established a new investment target on financing the transition, which operates as an underpin for our WACI reduction target**
- **40% female representation in Group Leadership Team by the end of 2026**
- **All people managers to have sustainability-linked KPIs by the end of 2026**

Simple and accessible health & financial protection

As a life and health insurer, we have a key role to play in ensuring the communities that we serve have access to health and financial protection. Through **partnerships and digital innovation**, we strive to improve health outcomes for our customers and the communities. We are also **developing sustainable and inclusive offerings** to widen our reach to the underserved segments. To **build resilient communities**, we invest in programmes focused on financial education and inclusion as well as health and safety protection.

See page 68

Responsible investment

As a large asset owner and manager, we recognise that how and where we invest can influence the future we live in. Under our responsible investment strategy, we have policies to ensure that we minimise our exposure to companies that engage in unsustainable business practices and allocate capital towards investments that contribute positively to the environment and society.

As a Group, we have committed to **decarbonising our investment portfolio** to support our goal of becoming a net zero asset owner by 2050. Through our asset manager Eastspring Investments, we are actively engaging our investee companies to **support a just and inclusive transition** to a low-carbon economy. The Group also focuses on **mainstreaming responsible investments in emerging markets**.

See page 86

Sustainable business

In building a sustainable business, we **empower our people** by equipping them with future-ready skills and creating a culture that promotes diversity, inclusion and belonging. We are **establishing sustainable operations internally and across our value chain** by maximising our resource efficiency and partnering with suppliers who share our concerns.

Furthermore, we are leveraging our influence to **harness thought leadership** on important topics, such as the impact of climate change and health.

See page 92

Good governance and responsible business practices

Ethics, integrity and professional conduct are the bedrock of our business. These considerations are integrated into our daily and long-term planning and actions as part of good governance and responsible business practices. We also encourage our employees to address their concerns by creating a culture that values psychological safety.

See page 118

What shapes our *approach*

Materiality assessment

Materiality is a central aspect of sustainability reporting as it ensures that we are including information determined by our Board and senior management to be important to both our business and stakeholders.

Prudential Singapore continues to report under the GRI Universal Standards 2021 which require the transparent disclosure of material topics that represent our most significant impacts on the economy, environment and people. We identify and assess these impacts through engagement with relevant stakeholders, which in turn informs the process for materiality review.

Our latest assessment on material topics was carried out in the last quarter of 2022 as part of a Group-wide exercise. As there has been no significant change to our business operations since then, we relied on outcomes from the 2022 assessment to determine our material topics for this Sustainability Report. In 2023, we also assessed the list of material topics against our refreshed Group sustainability strategy to ensure alignment.

We continued to hold regular dialogues with key stakeholder groups and keep track of external developments to ensure that our materiality assessment remains relevant and broadly aligned with our stakeholders' expectations.

Our materiality assessment process is summarised below:

01 **Step 1: Understand the organisation's context**

Our list of material topics is drawn from prior material topics, GRI requirements and peer reviews. After reviewing a list of 21 material topics identified in 2022, we determined they remained relevant to our business and stakeholders.

02 **Step 2: Identify actual and potential impacts**

We conducted an internal assessment through discussions with representatives from various departments, considering the policies, practices and risk management frameworks they employ across the scope of their business activities. During these assessments, the full spectrum of stakeholder impacts is considered, including positive and negative impacts, short- and long-term impacts, intended and unintended impacts as well as reversible and irreversible impacts.

03 **Step 3: Assess the significance of the impacts**

During the 2022 materiality exercise, we consulted with relevant stakeholders to assess the significance of our impacts for each material topic. In 2023, we re-evaluated the outcomes of the 2022 materiality exercise and concluded that the identified topics continued to be of relevance to us as a business and remained important areas of concern for our stakeholders.

04 **Step 4: Prioritise the most significant impacts for reporting**

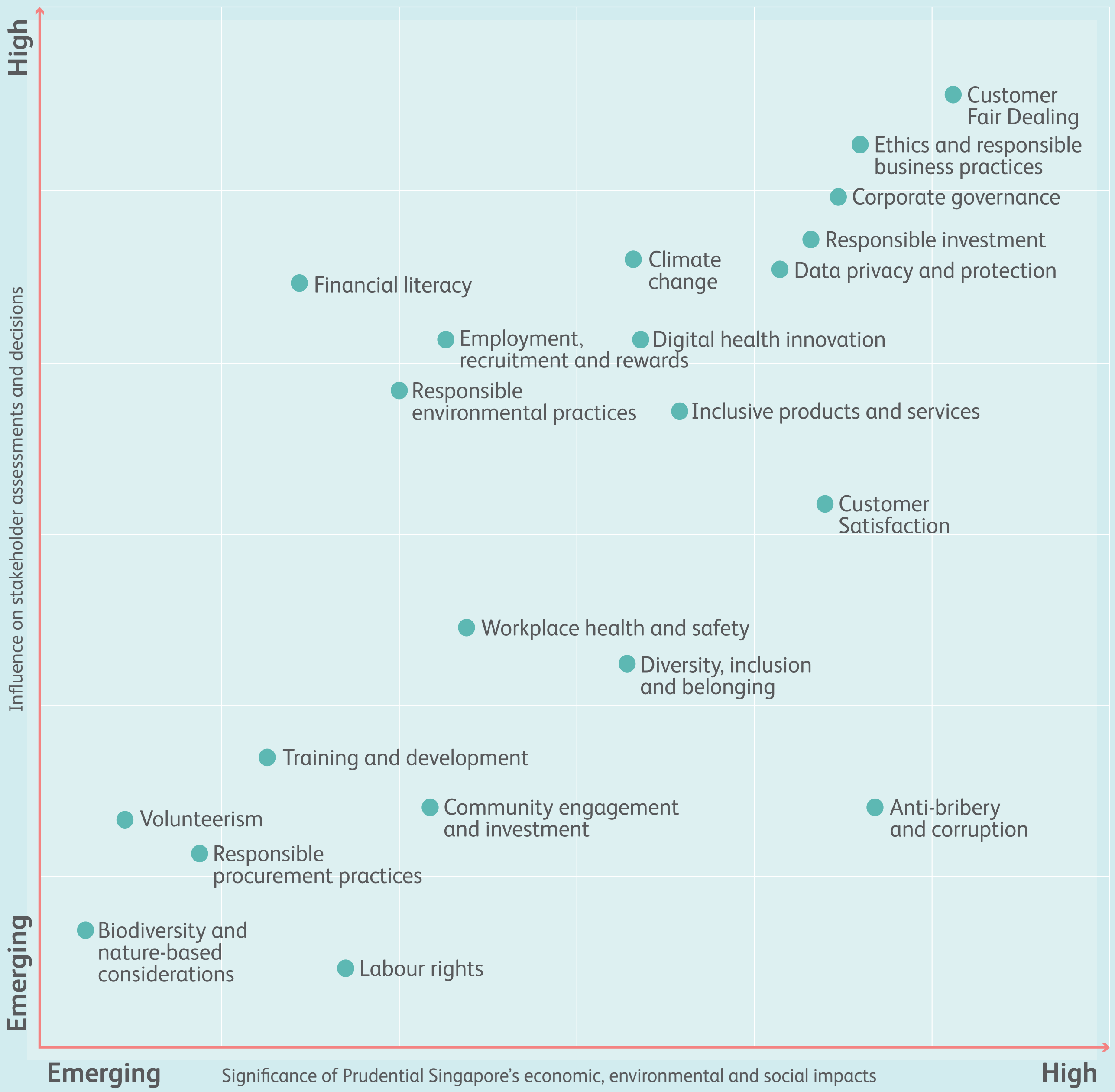
Our prioritisation of topics is based on the formal assessment carried out in 2022 by Group, which incorporated normal-course interaction with local stakeholders and the results of formal surveys. The responses from the Singapore participants were used to identify the priority topics for each of our local stakeholder groups. Our priorities remain consistent from 2022 to 2023.

05 **Step 5: Approval of the material topics**

The final step of our materiality assessment involved seeking validation and approval from senior management through the governance of our Ethics and Sustainability Committee[1].

[1]The Ethics and Sustainability Committee (ESC) has replaced the Ethics Committee in Q4 2023, as sustainability continues to develop at Prudential. The management-led ESC is chaired by the CEO and will continue to report to the Board on ethics and sustainability matters, including review and approval of our materiality exercise.

The materiality matrix for 2023 remained unchanged from 2022:



In 2023, the material topics that are most significant to our business and stakeholders are:

- Customer Fair Dealing
- Ethics
- Corporate governance
- Responsible investment
- Data privacy and protection

These top topics are aligned with our sustainability strategy and are covered in greater detail within this report.

For more details on our material topics and how they are aligned with our refreshed sustainability strategy, please refer to the table below:

Pillars in Prudential's refreshed sustainability strategy	Priorities	Material topics
Simple and accessible health and financial protection	Delivering partnerships and digital innovation for health outcomes	• Digital health innovation
	Developing sustainable and inclusive offerings	• Inclusive products and services
	Building resilient communities	• Community engagement and investment • Financial literacy • Volunteerism
Responsible investment	Decarbonising our portfolio	• Climate change • Responsible investment
	Financing a just and inclusive transition	• Biodiversity and nature-based solutions • Climate change • Responsible investment*
	Mainstreaming responsible investments in emerging markets	
Sustainable business	Empowering our people	• Diversity, inclusion and belonging • Employment, recruitment and rewards • Training and development
	Establishing sustainable operations and value chain	• Responsible environmental practices • Responsible procurement practices • Workplace health and safety
	Harnessing thought leadership to shape the agenda	• Not applicable
Good governance and responsible business practices	Corporate governance Conduct and ethics Risk management External reporting and benchmarking	• Anti-bribery and corruption • Corporate governance* • Data privacy and protection* • Ethics and responsible business practices* • Labour rights
	Customer relationships, including satisfaction	• Customer Fair Dealing* • Customer satisfaction

* Top five material topics

Stakeholder engagement

We regularly engage our stakeholders to identify and prioritise issues that are significant to them and our business. By involving stakeholders, we have a more comprehensive understanding of sustainability issues that may affect our business success in the long run. The stakeholders that we regularly engage include regulator, government, financial institution partners, customers, employees, distributors, suppliers and community partners.

Since 2019, we have been engaging with our stakeholders through normal-course interaction on sustainability topics. In 2020, as part of our materiality review, we started conducting surveys to find out more about what our stakeholders are most concerned about. The most recent survey was conducted in 2022 with our customers, agency force and employees.

Our stakeholder engagement activities in 2023 are summarised as follows:

Purpose of engagement and outcomes	Engagement methods	Topics of interest or concern
Government and regulator		
We engage government agencies on issues of national and business interest, such as climate change, health and the economy. We also regularly provide feedback and seek clarifications on regulatory requirements, changes and development. Furthermore, we actively contribute to international and national-level policy discussions through dialogues, forums and consultation papers. In 2023, we initiated a dialogue on the health impacts of climate change involving representatives from the MAS and the Ministry of Health (MOH). Additionally, we provided our perspectives on issues such as transition planning and ESG ratings. We also raised our decarbonisation and impact investing targets in support of Singapore's sustainability agenda.	• Regulatory reporting (monthly, quarterly, annually or as needed) • Regular meetings, inspections and reviews, including the annual MAS company visit • Handling of regulatory queries and incident reporting (as needed) • Participation in workgroups, forums, dialogues, events, surveys and questionnaires (as needed)	• Climate change • Community investment • Corporate governance • Customer Fair Dealing • Digital innovation • Ethics and responsible business • Inclusive products and services • Responsible investment • Training and development
Customers		
We strive to better understand customers' needs and preferences through regular engagement with them and by monitoring the quality of our customer service across touchpoints. Based on the feedback and insights gathered, we make changes to resolve pain points and improve the customer experience in line with our Fair Dealing Charter.	• Multiple communication channels including Customer Service centre, video servicing, emails and newsletters • Active engagement via an online customer community platform, Pru for You • Regular customer interactions via events, focus group interviews and surveys	• Climate change • Corporate governance • Customer Fair Dealing • Responsible environmental practices • Responsible investment
Distributors		
We engage our distributors to maintain oversight on compliance matters, share corporate strategy and initiatives, gather feedback and ideas on new products and propositions and celebrate success. Through regular engagement, we build stronger relationships with our distribution channels and continuously enhance the customer experience with products and propositions that are simple and accessible.	• Agency Leaders engagement sessions (quarterly) • Agency working committee meetings (monthly or as needed) • Conferences for Financial representatives (bi-annually) • Agency meetings for high-performing financial representatives • Meetings with bank partners and new partnership representatives • Internal communications channels	• Corporate governance • Customer Fair Dealing • Customer satisfaction • Data privacy and protection • Digital innovation • Inclusive products and services • Responsible investment

Purpose of engagement and outcomes	Engagement methods	Engagement topics
Employees We engage our employees to share organisation developments, create a greater sense of belonging and gather feedback. Through regular communication and engagements, our employees are made aware of our sustainability strategy and can better understand their role in fulfilling our commitments.	• Townhalls (at least bi-annually) • Regular organisation-wide communications across internal channels • Divisional meetings (as needed) • Monthly recreational activities • Surveys (as needed to assess sentiments and for feedback)	• Climate change • Employment • Ethics and responsible business • Recruitment and rewards • Responsible environmental practices • Workplace health and safety
Financial institution partners We share with our fund managers our expectations on responsible investment and seek feedback from them on achieving sustainability targets. Through these discussions, pain points and emerging trends identified by our fund managers are incorporated into the planning and execution of our sustainability programmes.	• Annual meetings	• Climate change • Corporate governance • Customer satisfaction • Diversity and inclusion • Responsible investment
Suppliers We engage new service providers to ensure that our business requirements are met prior to onboarding them. We engage material and outsourcing suppliers as part of ongoing due diligence to ensure that third-party risks are managed throughout the end-to-end life cycle. We regularly communicate and seek feedback on new standards/guidelines.	• Emails on updates (as needed) • Annual meetings on sustainability guidelines • Q&A channel to address supplier queries and feedback	• Anti-bribery and corruption • Data privacy and protection • Digital innovation • Responsible procurement practices
Community partners We engage with our community partners to co-create meaningful interventions for our beneficiaries and ensure the smooth implementation and evaluation of our programmes. The regular engagements enable us to determine how our resources can be best allocated to provide positive impact to the community.	• Regular meetings • Annual impact assessment	• Community investment • Customer Fair Dealing • Data privacy and protection • Diversity • Inclusion and belonging • Responsible environmental practices • Volunteerism

Sustainability governance

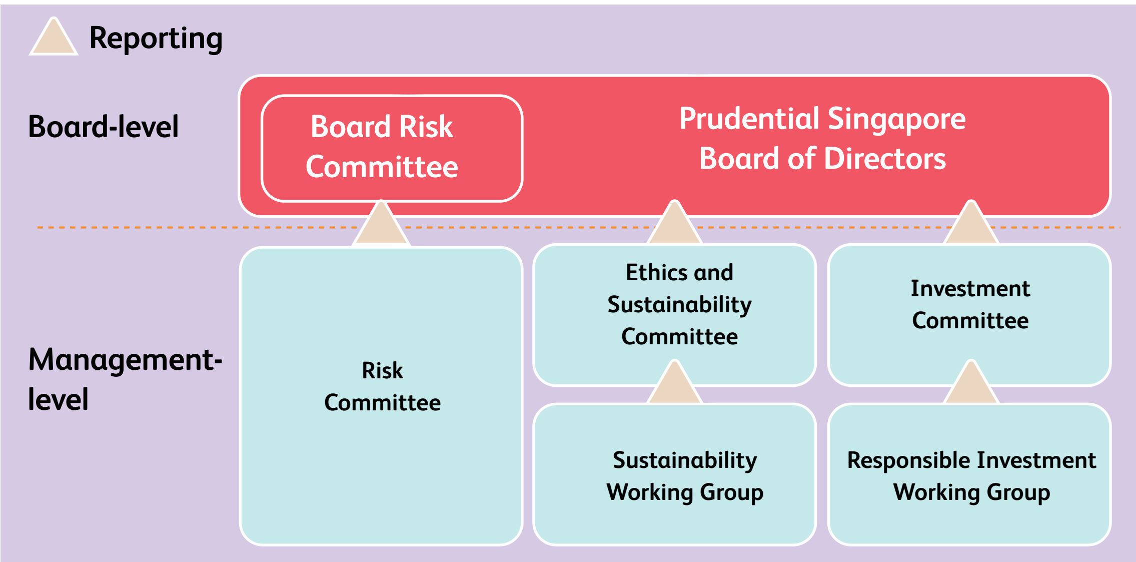
At Prudential Singapore, our efforts to integrate sustainability throughout our organisation are built on the foundation of strong governance structures with clear roles and accountabilities for departments and employees.

Ben Bulmer, Group Chief Financial Officer, was appointed Chairman of the Board of Directors in August 2023. The Nomination and Remuneration Committee has reviewed his background and relevant information to ensure that his appointment would not give rise to a conflict of interest[2] or any other concerns that could hamper his ability to discharge his duties in relation to Prudential Singapore.

Our Board of Directors has primary oversight of our sustainability strategy implementation. The Board reviews and approves our sustainability reporting disclosures, provides guidance and direction on sustainability matters and delegates responsibilities to management accordingly. The Board Risk Committee, through the Risk Committee, monitors the progress and performance of Prudential Singapore against our sustainability-related targets on a quarterly basis. In 2023, training sessions for the Board covered updates on sustainability disclosures and reporting, regulatory developments and climate-related risks and opportunities. For more information about the composition, committees, evaluation and remuneration of our Board of Directors, please refer to page 137.

To streamline governance processes within the organisation, the responsibilities of the Ethics Committee, chaired by our CEO, was expanded in November 2023 to include sustainability matters. The committee was renamed the Ethics and Sustainability Committee (ESC) to reflect the expanded scope of responsibilities. The former ESG Committee evolved into a Sustainability Working Group which reports to the ESC and focuses specifically on tracking and meeting our sustainability goals.

The ESC has been tasked by the Board to maintain a business environment committed to high standards of ethics and integrity. It is also accountable for ensuring we embed sustainability in our business strategy and operations.



[2]Conflicts of Interest (COI) assessments are conducted when the directors or key executive persons intend to take up any directorships in other companies. The Nomination and Remuneration Committee will make the assessment on whether the proposed appointment would give rise to a conflict of interest with the director's/key executive person's responsibilities in Prudential Singapore, after which it will be considered and/or approved by the Board. Where the proposed appointment relating to a key executive person is approved by the Board, the Monetary Authority of Singapore will also be notified of such proposed appointment.

Management bodies	Roles & responsibilities	Membership	Reporting frequency
Ethics and Sustainability Committee	• Owning, reviewing and recommending Ethics and Conduct Risk standards • Monitoring procedures related to Ethics • Providing oversight on Prudential Singapore's Ethics and Conduct Risk framework • Overseeing the implementation of Prudential Singapore's Ethical AI framework • Providing direction and oversight of our sustainability strategy implementation • Reviewing sustainability reporting information, including climate-risk disclosures • Reviewing and approving materiality assessments on a bi-annual basis	• CEO (Chair) • CHRO • CRO • CDO • Head of Ethics • Head of Sustainability	At least quarterly
Sustainability Working Group	• Reviewing sustainability targets on a quarterly basis and recommending targets and corresponding actions that will help us achieve our longer-term sustainability goals • Approving or endorsing outcomes and decisions recommended by the Responsible Investment Working Group on a regular basis	Heads of: • Sustainability (Chair) • Investment • Culture & Diversity, Inclusion and Belonging • Outsourcing and Third Party Risk Management • Community Investment	At least quarterly
Risk Committee	• Reviewing the adequacy and effectiveness of Prudential Singapore's risk management framework and policies, including credit risk, market risk, insurance risk, liquidity risk, operational risk and environmental and climate risk • Assessing key risks, emerging risks and regulatory developments which could have material or significant impact on Prudential Singapore's risk profile • Assessing risk exposures against Prudential Singapore's financial and non-financial risk appetite statements or limits, including the effectiveness of mitigation actions and controls undertaken by business units • Exercising oversight and monitoring of Prudential Singapore's outsourcing risks via the Outsourcing Governance Committee • Reviewing Prudential Singapore's internal and external incidents, as well as any material findings from regulatory inspections	• CEO • CRO • CFO • COO • CDO • CITO	Quarterly
Investment Committee	• Assisting the Board in their responsibility for exercising oversight over the investment management activities of Prudential Singapore • Overseeing the strategy, performance, operation and risk of all Investment Funds maintained by Prudential Singapore to ensure the Company meets its investment objectives, as well as the implementation of the Prudential Singapore Investment Policy, Group Investment Policy and Group Responsible Investment Policy	• Head of Investment (Chair) • CEO • CFO • CRO • Chief Actuary • Appointed Actuary	At least quarterly
Responsible Investment Working Group	• Tracking the sustainability profile and risks of Prudential Singapore's investment portfolios, including carbon intensity and exposures to particular segments of interest • Ensuring targets and actions for Prudential Singapore's responsible investment objectives are defined, implemented and integrated into the wider Prudential Singapore and Group's responsible investment and sustainability strategy	Heads of: • Investment (Chair) • Sustainability • Marketing and Events • Financial Risk Management • and representative from the Strategy team	At least quarterly

Strategic Pillar: *Simple* and *accessible* health and financial protection

Our mission is to be the most trusted partner and protector for today's generation and the generations to come by providing simple and accessible health and financial solutions. In Singapore, where people enjoy rising lifespans, we want to support them in living well for longer. This means ensuring that our customers have access to affordable medical services when they need it, supporting them in living healthier lifestyles and helping them save better for their life goals and retirement years.

DR. SIDHARTH KACHROO

MEDICAL DIRECTOR & HEAD – MEDICAL PORTFOLIO MANAGEMENT

Delivering partnerships and digital innovations for better health outcomes

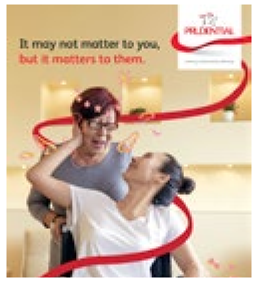
Building a connected care network through partnerships

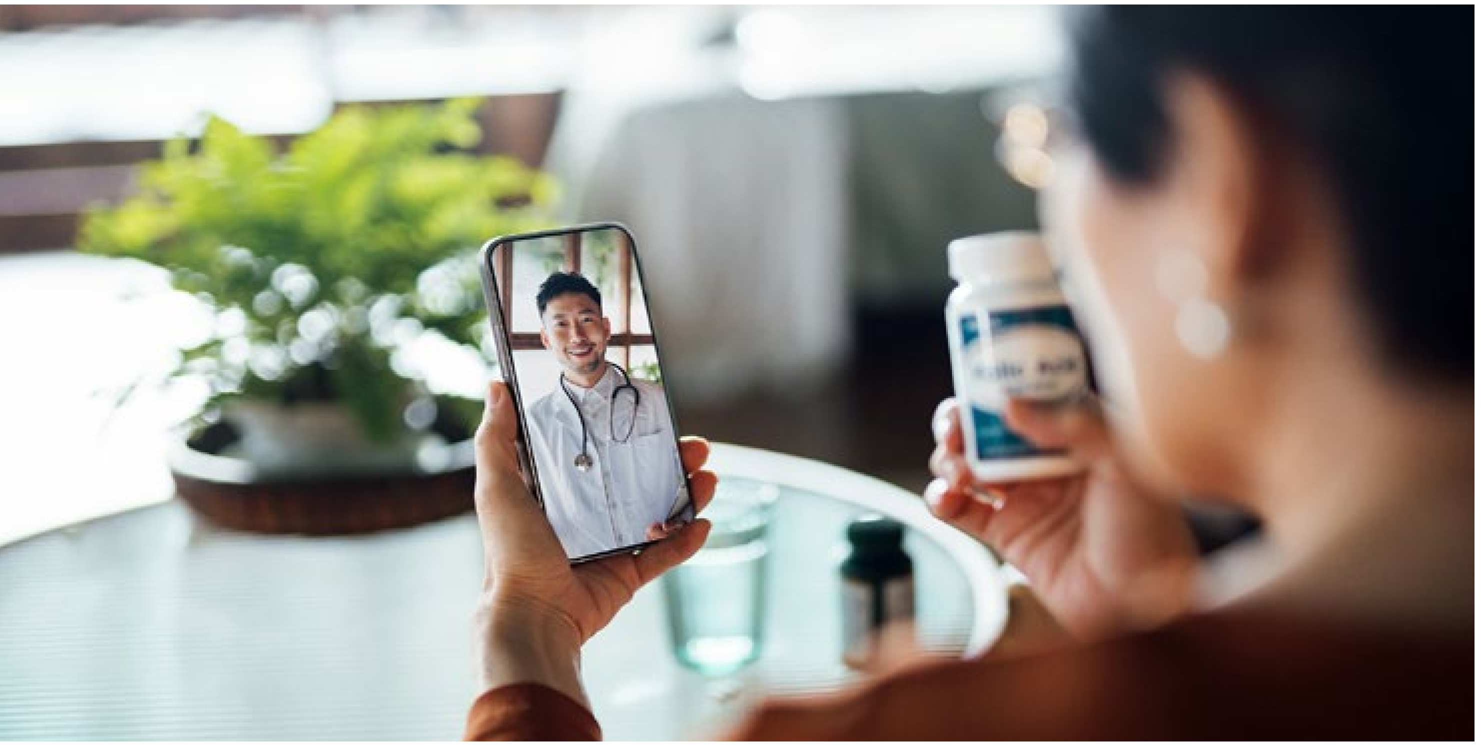
A 2022 survey[3] revealed that, due to challenges such as time constraints and rising healthcare costs, **approximately 60 per cent of Singaporeans are not undergoing essential health screenings.**

To address this issue, we partnered with Doctor Anywhere (DA) to provide home-based healthcare services for our customers. These services include subsidised flu and travel vaccinations as well as health screenings, administered by DA's team of nurses and doctors at the convenience of one's home. Through this partnership, **we aim to provide a seamless and convenient healthcare experience** for our customers, making preventive healthcare more accessible to them.

As mentioned in our Health section, we also have a partnership with Raffles Medical Group to offer its Chronic Care Management Care Programmes (CCMP) to our customers. Through early detection and intervention via the CCMP, we empower our customers to take better care of their health for long-term wellness.

To close the protection gap in long-term care for Singaporeans, we continued our partnership with NTUC Income through Care Secure, a CareShield Life supplement plan that provides lifetime payout for disability. For more information, please refer to page 47.





[3]2022 Preventative health survey by Doctor Anywhere, https://doctoranywhere.com/preventive-health-survey-2022/

Sustainable and inclusive offerings

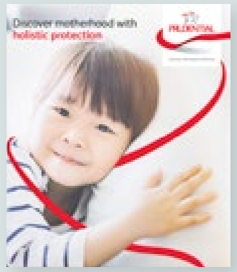
Our goal is to offer simple and accessible health and financial protection to our customers, ensuring they are prepared to cope with unexpected life events. In 2023, we introduced products with more affordable premiums as well as broadened our offering to customers who follow the Shariah philosophy. We also included mental illness coverage in a new product.

PRUSafe Income

PRUSafe Income is an affordable income protection plan that provides guaranteed income and recovery benefits when customers are unable to work due to an injury or medical condition, including mental illnesses. Policy holders receive a fixed monthly income (up to 75 per cent of the individual's income) for up to five years, rehabilitation benefit up to six times of their monthly income and a 'Get Well' Benefit of up to three times their monthly income.

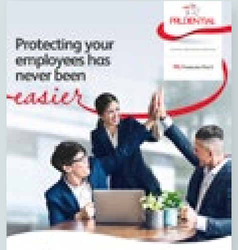
First Shariah-compliant fund

The PRULink Islamic Global Equity Index Fund caters to the unique financial needs of the Muslim community. Launched in June 2023, the fund makes socially responsible investments according to the Shariah principles and provides an opportunity for customers to invest in globally diversified equities to meet their protection needs and financial goals.



Enhanced protection for expectant mothers and their baby

Maternity insurance provides a financial safety net for parents by safeguarding them from costly medical expenses in the event of unforeseen pregnancy complications. In 2023, we enhanced PRUMum, a maternity term plan that provides financial protection for expectant mothers and their baby. These enhancements include a "Health Cover for Child" benefit which allows mothers to sign up for an eligible PRUShield plan for their babies between 14 to 90 days from birth without medical underwriting. In addition, the enhanced PRUMum also provides coverage for extended pregnancy complications and hospital care benefits for both mother and child.



Supporting small and medium enterprises (SMEs) with employee benefits

In 2023, we enhanced PRUTreasure Flexi II (PTRFII) to cover the dependents of employees as well as foreign workers. We also added psychiatric treatment benefits in the plan. PTRFII is a comprehensive plan that has been especially designed for SMEs with a minimum of two employees to ensure that workers are protected from the financial impact of unforeseen illnesses and accidents. With PTRFII, employees can receive up to S$500,000 in the event of death, total and permanent disability or terminal illness.

Bite-sized products with affordable premiums

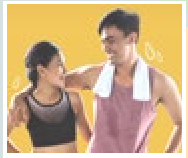
Bite-sized products are part of our strategy to make insurance more accessible, especially for lower-income segments. We continue to make the following bite-sized products available:


PRUSafe Guard 22

A microinsurance plan that covers individuals against COVID-19 and 21 infectious diseases for a period of six months.


PRUSafe Dengue

A microinsurance plan that covers individuals against dengue fever for a period of three months at only S$5. Individuals can receive a lump sum benefit of S$500 upon diagnosis of dengue fever and a hospital cash benefit of S$200 daily, capped at five days.


PRUSafe Sports

For individuals with an active lifestyle, PRUSafe Sports is a microinsurance plan with a 12-month term coverage. The plan comes with a bone fracture benefit of S$1,000, daily hospital cash benefit due to accidents as well as a medical reimbursement benefit of up to S$200.

Building resilient communities

Community investment

All across the world, geopolitical conflicts and their resultant economic headwinds have highlighted the urgent issue of rising inequality. If left unchecked, inequality can lead to persistent disadvantage for particular segments of society. In Singapore where rapid inflation, access to affordable housing and the rising costs of living remain key issues of concern, closing the inequality gap is key to building a more resilient society. With Singapore's rapidly ageing population, there is also a pressing need to ensure that our seniors' wellbeing is holistically taken care of so that they enjoy their golden years without worry.

Our Community Investment (CI) strategy and activities are guided by Prudence Foundation, which aims to contribute to the long-term development of communities in the areas of financial education and inclusion, health and safety protection and climate adaptation. Prudence Foundation is the philanthropic community investment arm of Prudential plc in Asia and Africa.

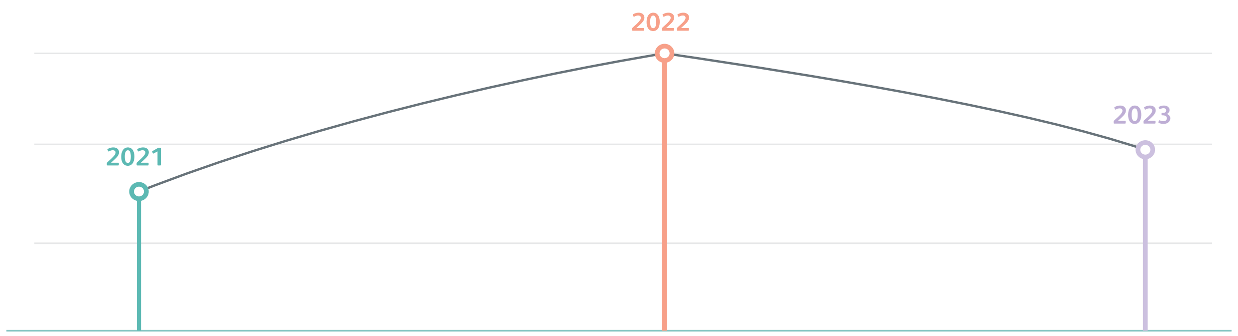
Embedding a DOGood culture in Prudential Singapore

To foster a culture of sustained volunteering, we incorporate volunteering sessions into our orientation programmes for employees and financial representatives. Additionally, we hold company-led volunteering activities during office hours to encourage greater participation. We also grant employees five days of volunteer leave annually to enable them to support causes they are passionate about and which contribute to the UN SDGs. Furthermore, to enable more people across the organisation to contribute to the community, we extended volunteering opportunities to colleagues at Eastspring Investments and Prudential Services Singapore (PSS) in 2023.

Going beyond programmes – Prudential employees accompany children from Care Community Services Society (CCSS) to an educational befriending session at the zoo.

In 2023, eight of our employees joined the Regional PRUVolunteers programme organised by Prudence Foundation to Cianjur, Indonesia, where a tragic earthquake occurred in November 2022. These employees, together with colleagues from across the Prudential Group assisted in community rebuilding efforts by helping to construct temporary shelters, sanitation infrastructure and facilities and a library for the local population.

Volunteering hours and number of beneficiaries



2021	2022	2023
5,200 hours	**9,660** hours	**7,953** hours[4]
6,600 individuals and close to **1,000 KidSTART** families	**7,300** individuals and **1,100 KidSTART** families	**8,124** individuals and **1,500 KidSTART** families

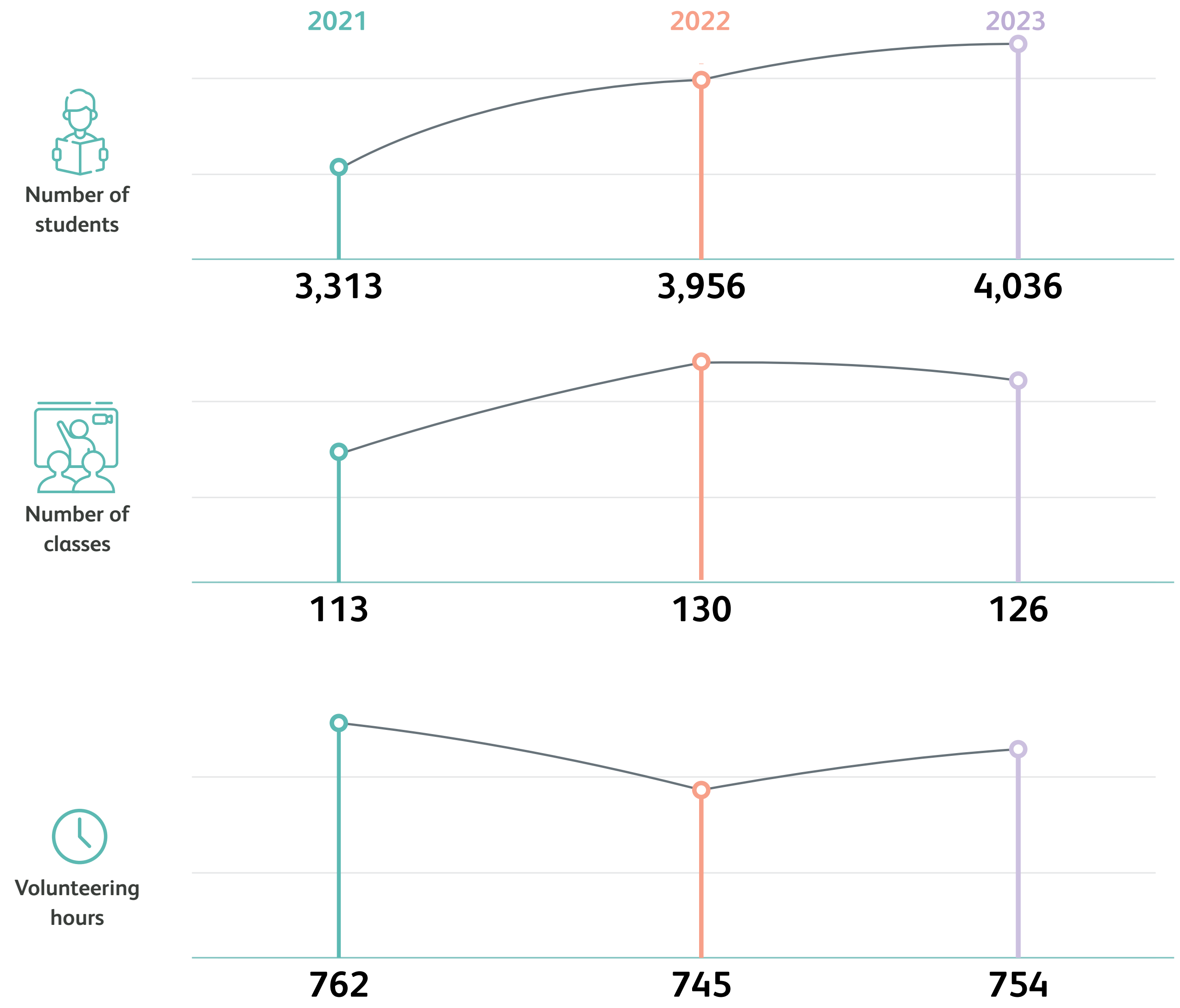
[4]The decrease is on account of a change in the structure of our Healthy with KidSTART programme that involved a reduction in the number of volunteer-led packing and delivery sessions.

Creating a greater impact with partners

In 2023, Prudential Singapore was invited by the National Volunteer & Philanthropy Centre (NVPC) to join a national pilot, Project V, to promote corporate volunteerism. This collaborative project, co-led by the SG Cares Office in the Ministry of Culture, Community and Youth (MCCY), NVPC and National Council of Social Service (NCSS), aims to design and prototype new corporate volunteerism models. As part of the pilot and through our partnership with SG Cares Volunteer Centre @ Ang Mo Kio, we expanded our network of community partners to include The National Kidney Foundation and St Luke's ElderCare, allowing us to offer more volunteering opportunities for our people.

A Prudential employee volunteering to help maintain a seniors' facility owned by St Luke's ElderCare. The volunteering engagement is part of Project V, which was developed to promote corporate volunteerism.

Outreach and impact of Cha-Ching curriculum



Promoting financial education and inclusion through Cha-Ching

As a life insurer committed to promoting financial inclusion, we understand the critical role of financial literacy and have advocated for the early introduction of money management skills to children. We do this through our globally recognised Cha-Ching programme, a financial education and inclusion initiative of the Prudence Foundation.

Cha-Ching aims to instil good financial habits in children aged seven to 12 years old by teaching them foundational money management concepts of "Earn, Spend, Save and Donate." Our volunteers are trained by Junior Achievement (JA) to deliver the Cha-Ching curriculum effectively. With the support of JA and our community partners, more than 4,000 students have been trained in the Cha-Ching curriculum in 2023, bringing our reach to 20,000 students from 2018 to 2023.

We have achieved our outreach target of engaging 20,000 students by 2024.

To ensure the effectiveness of Cha-Ching, we review and enhance the programme annually with our community partners. Since 2021, we have introduced different formats of Cha-Ching focused on applied learning. More than 100 children went through our locally-developed "Cha-Ching Earn and Save" and "Cha-Ching x Design Thinking" activity.

Our goal is to have at least 85 per cent of children affirming that they have learnt how to manage their money through our programme. In 2023, 82 per cent of the children who participated in Cha-Ching reported that the curriculum taught them how to manage their money.

Supporting active ageing through Seniors' Wellbeing Masterclass

In Blue Zones[5], the longevity of its people is attributed to proper nutrition, daily active habits, participation in close-knit communities and a sense of purpose. Singapore has been classified as an "engineered" Blue Zone 2.0, with the Ministry of Health acknowledging that healthy habits are not inherent in our population's culture and lifestyle. Passive lifestyles, social isolation and a lack of necessary digital skills are contributing to seniors' poor health.

With this in mind, we continued our engagement with the elderly through our Seniors' Wellbeing Masterclass (SWM) programme, now a four-week programme that helps seniors improve their health, financial and digital literacy. We also continued our partnership with the Tsao Foundation to offer a basic financial literacy curriculum to seniors, covering topics such as Lasting Power of Attorney, Advance Care Planning, Will Creation and Budget Planning. This financial literacy curriculum is offered as part of the SWM programme and as a standalone course.

Enhancing digital literacy through Digi Kakis by Prudential

While running the SWM programme, we observed that many of the seniors were struggling with basic digital skills. With the rapid rise of digital technologies, it is essential that our seniors are not left behind. In response to this, we launched Digi Kakis by Prudential together with EIS in July 2023. Funded by the Prudential COVID-19 Recovery Fund, the pilot initiative aims to help seniors build confidence in using digital devices while improving their cognitive and social skills. To engage seniors effectively, we used a senior-friendly Android tablet called the SilverPad which has large fonts and a suite of multi-lingual digital content aimed at improving cognitive functions and social engagement.

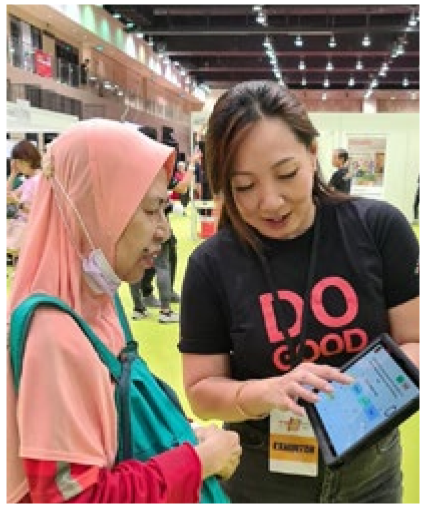
A senior volunteer from "RSVP Singapore - The Organisation of Senior Volunteers" teaching another senior how to use a tablet. The senior volunteer was previously trained by Prudential volunteers as part of a pilot programme called "Digi Kakis by Prudential" which aims to improve confidence among the elderly in using technology.

We are pleased to share that we have made good progress on our targets both in terms of number of seniors engaged and the impact made. To date, **we have engaged 758 seniors through our programmes, on track to reach our target of 1,000 seniors by 2024.** **The outreach numbers for 2023 are as follows:**	In addition to reach, we also assess the impact of our programmes on the wellbeing of the beneficiaries. **Our goal is to have at least 75 per cent of our senior beneficiaries experience an improvement in outcomes that support wellbeing[6].** **We achieved this target with the following:**
More than 200 seniors from Allkin Singapore (formerly AMKFSC Community Services), Montfort Care and Lions Befrienders attended the SWM programme.	**99.4 per cent** of the seniors who attended our Seniors' Wellbeing Masterclass stated that they either learnt something new, made new social connections or experienced an increase in physical activity levels after attending the programme.
More than 300 seniors benefitted from our financial literacy sessions.	**98.9 per cent** of the seniors reported an increase in their financial knowledge after attending the financial literacy curriculum developed by Tsao Foundation.
More than 100 seniors from RSVP Singapore, The Organisation of Senior Volunteers and St Luke's ElderCare took part in the Digi Kakis pilot.	**100 per cent** of the seniors who attended the Digi Kakis pilot reported improvements in at least one of the outcomes that support wellbeing[7].

[5]Blue zones are regions in the world where people live longer than average. The original five blue zones are: Okinawa Prefecture, Japan; Sardinia, Italy; the Nicoya Peninsula, Costa Rica; Icaria, Greece; and California, United States.

[6]Improvement in outcomes that support wellbeing include new/increased knowledge, an increase in quantity or quality of social connections, or an increase in physical activity, etc. This target was set in consultation with a professional research agency and is based on an adaptation of the "5 Ways to Wellbeing" framework.

[7]See Footnote 6 for outcomes that support wellbeing.



Our efforts to promote active ageing were featured in the Ministry of Health's refreshed Action Plan for Successful Ageing Report[8], a national blueprint to enable Singaporeans to age gracefully and confidently.

> This hands-on session has helped me overcome my phobia of using technology and I have gained confidence in using digital devices.

Madam Soh Luan
Orange Valley AAC @Woodlands
Peak Beneficiary

> RSVP Singapore is proud to collaborate with Prudential, and we are honoured to have integrated our expertise to pilot the Digi Kakis programme. This strategic partnership not only catalyses volunteerism but also inclusivity by harnessing digital solutions to cultivate a sense of belonging and confidence for the older generation navigating rapid advancements. The age-friendly SilverPads enabled meaningful interactions between our volunteers and the beneficiaries, and their positive responses underscore the impact of our collaboration. We look forward to enabling more community connections with Prudential and thank them for their gracious support.

Ms Edna Claudine Leong
Executive Director, RSVP Singapore The Organisation of Senior Volunteers
One of our programme partners

> I volunteered in a Digi Kakis by Prudential session in September, and it was the most enjoyable experience. It was amazing to see the seniors, especially one who was 96 years of age, explore the SilverPad in the company of their peers and our volunteers. The sessions not only help them improve their digital skills but their emotional, social and physical health as well.

Caroline Linijati
Director - Senior Business Analyst
Eastspring Investments
Volunteer

[8]Ministry of Health's refreshed Action Plan for Successful Ageing Report, https://www.moh.gov.sg/docs/librariesprovider3/action-plan/2023-action-plan.pdf

Promoting early childhood care and development with KidSTART Singapore

As part of our goal to bridge the health gap in our community, we continue to partner with KidSTART Singapore (KidSTART) on the Healthy with KidSTART programme. This is an early childhood nutrition programme targeting low-income families with children aged six and below.

In 2023, we funded the monthly procurement and delivery of **fresh produce packs for 1,500 families on the Healthy with KidSTART programme**. This is **an increase** from 1,100 families the year before.

As part of the programme, we also engage the KidSTART families through 'What's for Lunch?', a series focused on healthy cooking where parents are taught how to prepare simple, healthy and affordable meals for their children, while forging parent-child bonding. Launched in 2022, 'What's for Lunch?' returned in 2023 featuring Chef Aaron Wong, a MasterChef Singapore 2018 finalist and owner of local food chains.

A family of five enrolled in the Healthy with KidSTART programme bonds over healthy food and games at a picnic at Gardens by the Bay. The picnic event was conducted as part of the What's for Lunch? educational series which aims to help KidSTART families make healthy eating a way of life.

As a parent, I know that meal preparation for families is a thoughtful process. Hence, I am delighted that the "What's for Lunch?" series launched by Prudential Singapore and KidSTART Singapore shares recipes and tips in preparing simple and nutritious meals for our loved ones. Preparing simple recipes with our children can be valuable bonding time too! In this year of Celebrating Social Service Partners, **we want to recognise partners like Prudential who have championed strong initiatives that support our vision to give every child a good start in life.** I want to extend my sincere thanks to Prudential Singapore for working with KidSTART Singapore on this series, to give children a good start by helping them have a nutritious start. I hope more families now know how to eat healthily through simple and accessible ways.

Mr Eric Chua
Senior Parliamentary Secretary, Ministry of Culture, Community and Youth & Ministry of Social and Family Development

KidSTART families with Mdm Rahayu Buang, CEO, KidSTART Singapore, Mr Eric Chua, Senior Parliamentary Secretary, Ministry of Culture, Community and Youth & Ministry of Social and Family Development, and Mr Dennis Tan, CEO, Prudential Singapore showing off healthy snacks they prepared at a picnic. The picnic event was conducted as part of the What's for Lunch? educational series which aims to help KidSTART families make healthy eating a way of life.

I would like to thank Prudential Singapore for their commitment and support since we launched the Healthy with KidSTART programme in 2020! It's great to see the impact that it has made on supporting KidSTART families to cook and eat healthier. I am also heartened to see how it has grown from supporting 120 families in 2020 to more than 2, 000 families this year[9]. Families have shared that they are now motivated to cook healthily for their children and know how to set up balanced meals for them. Eating healthily is so important for a child to have a good start in life.

Madam Rahayu Buang
Chief Executive Officer, KidSTART Singapore

Through the What's for Lunch series we get to learn different recipes to cook for the family. **We are happy as Arathena gets healthy meals at school and during the weekends at home.** We also learnt through the series how to involve children during meal preparation as we saw how Huda (host of the video cooking series) interacted with her son. After watching her, we are now more confident in involving and engaging Arathena while preparing meals. We are also happy to receive the fresh food produce. Arathena loves the fresh fruits!

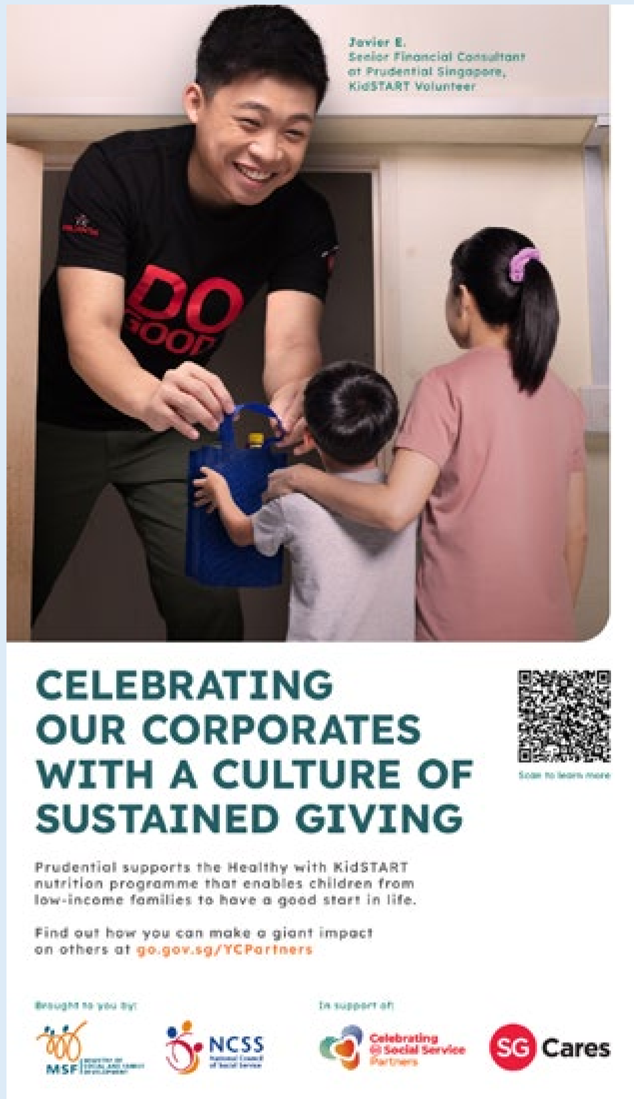
Ms Joey Tan Qiao En
Joey has a daughter, Arathena, aged 19 months, who has been with KidSTART for a year

[9]Refers to overall programme reach of which Prudential sponsors 1,500 families.

The effectiveness of Healthy with KidSTART is measured through a pre- and post-programme survey for a chosen group of families. Our goal is to have at least 75 per cent of families expressing more motivation in adopting healthier eating habits. We exceeded our goal for 2023 with 93 per cent of the families surveyed saying that the programme encouraged them to make healthier eating choices. In 2022, we set a target to engage[10] at least 5,000 families in the Healthy with KidSTART programme by 2025. We have reached 2,250 families since the inception of the programme.

In recognition of our contributions to the Healthy with KidSTART programme, Prudential Singapore was chosen to be featured in the Ministry of Social and Family Development's (MSF) campaign, Year of Celebrating Social Service Partners. The campaign recognises the integral contributions of corporations, academics, volunteers and many more from within and beyond the social service sector, in uplifting those in need.

(From left) Mr Dennis Tan, CEO, Prudential Singapore, Mdm Rahayu Buang, CEO, KidSTART Singapore, Mr Eric Chua, Senior Parliamentary Secretary, Ministry of Culture, Community and Youth & Ministry of Social and Family Development, join about 160 KidSTART parents and children for a picnic at Gardens by the Bay. The picnic event was conducted as part of the What's for Lunch? educational series which aims to help KidSTART families make healthy eating a way of life.



Javier Ee, a Senior Financial Consultant, and long-time volunteer at Prudential was featured in a national campaign by Singapore's Ministry of Social and Family Development launched to honour corporates with a culture of sustained giving.

[10]A family is considered to have been 'engaged' if they have received fresh produce/food packs funded by Prudential Singapore.

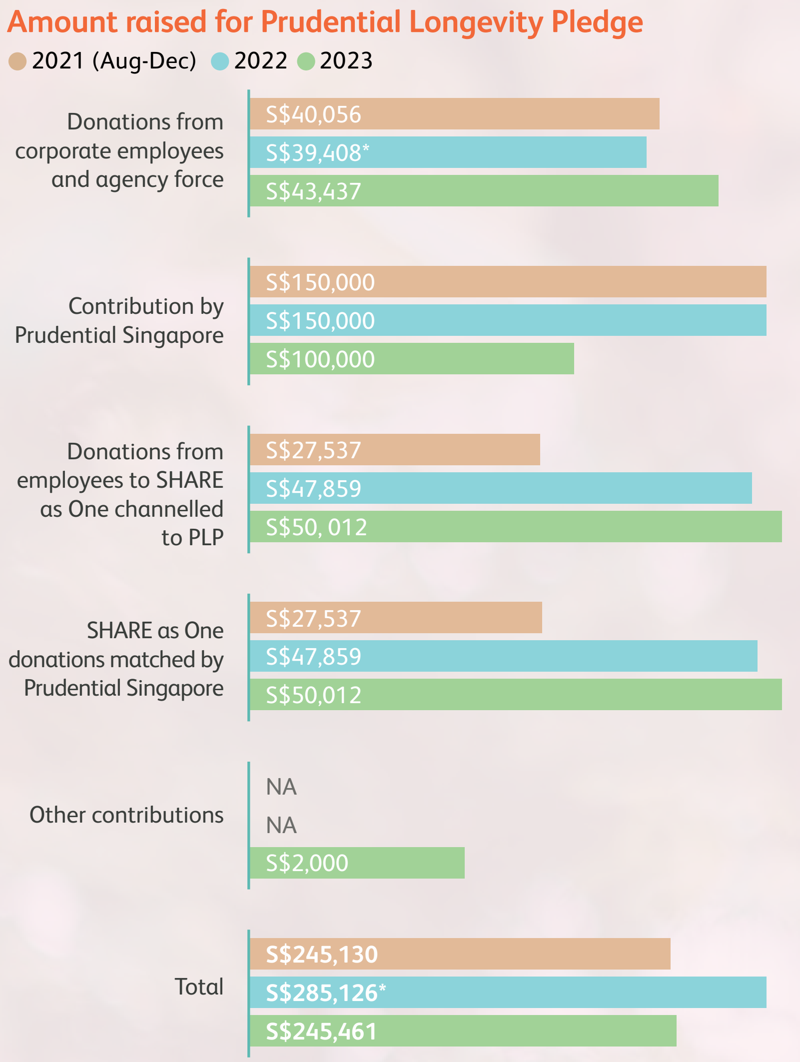
Supporting low-income families through the Boys' Brigade Share-a-Gift Project (BBSG)

The BBSG is a national community service project organised annually by The Boys' Brigade, with support from the NCSS and MSF. In 2017, Prudential Singapore made a ten-year commitment to support BBSG by funding healthy hampers for low-income families during the festive period. These hampers are packed and delivered by our employees and financial representative volunteers. In 2023, we expanded the programme to offer food hampers to families with children living in rental housing under the national ComLink programme.

Enabling continued support for our programmes through the Prudential Longevity Pledge

The Prudential Longevity Pledge (PLP) is a fundraising programme established in partnership with Community Chest to enable our employees and financial representatives to provide financial support to vulnerable groups. Launched in 2021, the funds go towards our Healthy with KidSTART and SWM programmes.

About **500 volunteers** from Prudential Singapore and Prudential Financial Advisers Singapore (PFA) came together to pack and **distribute healthier-choice food items to close to 2,700 KidSTART families, and 1,500 ComCare and ComLink families.**



*Note: This is a restated value as the amount was revised by the Community Chest.

Preparing Gen Zs for future careers through TEE-Up

According to a global OECD report[11], half of young people expect to work in just one of 10 popular jobs. Many of them are unaware of new roles that are emerging from digitalisation and business model shifts. Our Talent Engagement Ecosystem (TEE-Up) aims to address this issue by preparing Gen Zs for the job markets of the future. Through TEE-Up, Gen Zs[12] are empowered to navigate adulthood with purpose and confidence by providing career-related resources, hosting projects which address meaningful initiatives and require innovative solutions and connecting them with professionals from diverse industries.

TEE-Up works with all polytechnics in Singapore, along with universities including National University of Singapore, Nanyang Technological University, Singapore University of Technology and Design, James Cook University as well as a Malaysian university, UCSI. Through this programme, we have connected students with over 120 mentors from diverse backgrounds, including banking and finance, digital marketing, entrepreneurship, tourism and biomedical science, to support their development.

Since its inception in 2022, TEE-Up has **helped 3,000 students from institutes of higher learning** expand their career horizons.

We created more than 250 bite-sized videos on our TEE-Up Instagram and TikTok channels which highlight careers in a range of roles to expose Gen Zs to the wide variety of potential future job roles. We also hosted nearly 30 masterclasses to provide future-ready skills for the workplace, such as video creation, game design, behavioural science and design thinking.

[11]OECD (2020). Dream Jobs? Teenagers' Career Aspirations and the Future of Work.

[12]Those born between late 1990s and 2010, commonly referred to as 'Gen Zs', grew up during the rapid expansion of digital technology and possess unique perspectives and skillsets as a result.

TEE-Up has signed a memorandum of understanding with UCSI University in Malaysia to work on career exploration videos, providing hands-on experience to participants and expanding the reach of our programme internationally.

This programme's success revolves around our ability to link up Gen Zs with professionals in transformative careers, exposing them to unique growth opportunities and connecting us with a dynamic talent pool.

For more information, please refer to page 42.

Strategic Pillar: *Responsible* investment

Our success as a life and health insurer hinges on our ability to achieve consistent investment performance and ensure enduring financial stability for our customers. To do this, it is imperative that we channel our capital to companies with sustainable business models and incorporate environmental, social and governance (ESG) considerations in our investment decisions. Our aim is to help our customers secure their financial futures while creating positive impacts for communities and the environment.

GEOFFREY HILL

LEAD, STRATEGIC ASSET ALLOCATION / ASSET & LIABILITY MANAGEMENT

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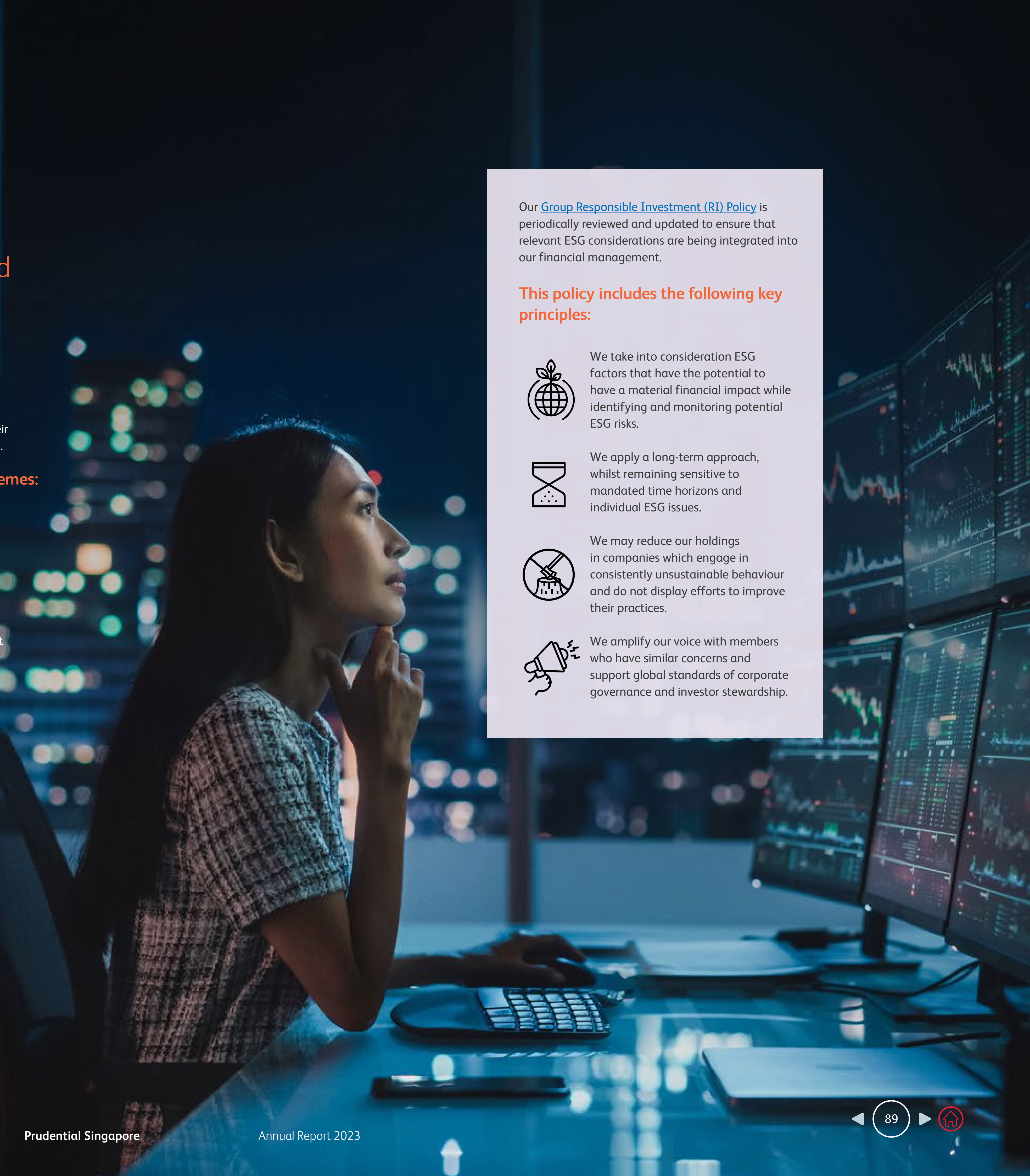
Our approach to responsible investment is built on three key themes:

- Decarbonising our portfolio
- Financing a just and inclusive transition
- Mainstreaming responsible investments in emerging markets

Our efforts are informed by Prudential Group's plan on climate transition, which sets out our long-term net-zero pledge and interim targets. While we have made good progress towards decarbonising our investment portfolio, we want to expand on these efforts and be more proactive to enable the transition to a lower-carbon economy in the coming years.

For information on how we identify and manage climate-related risks and opportunities, please refer to the TCFD section in our full Sustainability Report 2023.



Our Group Responsible Investment (RI) Policy is periodically reviewed and updated to ensure that relevant ESG considerations are being integrated into our financial management.

This policy includes the following key principles:

- We take into consideration ESG factors that have the potential to have a material financial impact while identifying and monitoring potential ESG risks.
- We apply a long-term approach, whilst remaining sensitive to mandated time horizons and individual ESG issues.
- We may reduce our holdings in companies which engage in consistently unsustainable behaviour and do not display efforts to improve their practices.
- We amplify our voice with members who have similar concerns and support global standards of corporate governance and investor stewardship.

Decarbonising our portfolio

Recognising our influence and responsibility as a leading financial steward, Prudential plc has pledged to become a net zero asset owner by 2050. Prudential Singapore has contributed to this ambition by reducing the Weighted Average Carbon Intensity (WACI) of our investment portfolio.

In 2021, Prudential plc set an interim WACI reduction target of 25 per cent from a 2019 baseline to be achieved by 2025. As we attained a 43 per cent WACI reduction as a Group by the end of 2022, the target was updated to 55 per cent by 2030. In 2023, the Group achieved a 50 per cent WACI reduction from the 2019 baseline. We are aware that WACI performance can be impacted by a variety of factors – such as data coverage, the revenues of investee companies (which is a component of the WACI calculation), or changes in the weights of companies in portfolios – that could result in upward or downward movements of the WACI despite targeted portfolio decarbonisation efforts. Therefore, we do not expect our decarbonisation progress to be linear, and do not rely solely on WACI as an indicator of our progress.

Financing a just and inclusive transition

While we are committed to reducing the carbon intensity of our portfolio, we acknowledge that this alone may not be enough to achieve long-term climate resilience across our markets. We believe that lasting real-world impact can be achieved through engagement with our portfolio companies and by focusing on financing the transition. We strive to use our influence as a long-term investor to support our investee companies in the development of credible climate transition plans.

The engagement activities with our portfolio companies are conducted by our asset manager Eastspring, in the following formats:

Company Engagement

Eastspring directly engages with companies in the transition planning. The level of engagement with these companies varies based on the materiality of the funds they manage on our behalf, investment volume and the nature of the risks. The aim of such engagements is to enable Eastspring to better understand the company's governance or ESG-related performance and encourage proactive climate actions. Having a long-term investment approach improves the probability of progress as the focus is less on the short-term and more on stable returns over a longer period.

Central Engagement

The Central Engagement Programme is utilised to express expectations on material ESG themes to targeted investee companies. As opposed to the company-centric approach, central engagement allows for exploration of thematic issues across multiple companies. This is conducted through a stepwise process, which begins by assessing disclosures, targets and strategy of each company.

A milestone is then assigned to each company to address specific issues based on the assessment:

Engagement continues with the company until it resolves the issue in question, which may occur over a multi-year timeframe.

Collaborative Engagement

Collaboration amongst investors can be an effective way to address ESG issues and collectively maximise investor influence. Through memberships like CA100+, the Asian Corporate Governance Association and the Asia Investor Group on Climate Change (AIGCC), Prudential plc leverages a community of like-minded investors to push for sustainability-related actions from investee companies.

Just transition case study:
International transportation company based in Singapore

As companies implement their decarbonisation strategies and transition to sustainable energy sources, it is imperative that they ensure their employees remain relevant through re-skilling and other career transition support programmes. As such, Eastspring has incorporated the 'Just Transition' principle into its evaluation of companies.

This case study demonstrates the engagement approach undertaken by Eastspring to encourage an investee company to have greater disclosure on how it implements the principle of just transition.

An international transportation firm based in Singapore, has publicly disclosed its plans to achieve net zero carbon emissions by 2050 through the adoption of low-carbon technologies and utilising offsets, it did not report any steps taken to support a just transition. The Eastspring team engaged with the firm's management to inquire about the firm's plan to minimise the negative social impact of its business transformation. Through this engagement, Eastspring discovered that the firm had implemented reskilling and upskilling programmes for its employees to help them adapt to new roles that may require the use of new equipment and technologies to improve energy and fuel efficiency. As a result of the engagement, the firm's management understood the significance of disclosing transition-related activities and agreed to include them in the firm's sustainability report. Eastspring will continue to monitor the implementation of the firm's decarbonisation plan to ensure that the principles of just transition are being integrated into their business operations.

Mainstreaming responsible investments in emerging markets

As Prudential plc operates across Africa and Asia, we recognise the importance of supporting emerging economies throughout the transition process. Many of these countries will be disproportionately affected by the negative impacts of climate change despite contributing significantly less to historic and current greenhouse gas emissions. Wealthy nations can more easily transition to low-carbon energy models, but most developing countries are still heavily dependent on coal and petroleum to provide enough energy to power their industries and people.

Our Group's strategy seeks to address these challenges by using capital to advance a just and inclusive transition. As an active member of global initiatives such as the UN-sponsored NZAOA and the Just Energy Transition Partnership (JETP), our Group contributes by providing a voice on behalf of emerging markets.

For more information, please refer to our Group Sustainability Report 2023.

Investing for sustainability outcomes

We actively pursue other sustainability-related goals by channelling our funds to companies that generate positive social and environmental impacts. In 2023, Prudential Singapore committed over US$50 million in ArchiMED Platform II, a Sustainable Finance Disclosure Regulation (SFDR) Article 9 classified fund which integrates impact into its investment process and strategy. ArchiMED Platform II invests in companies which are developing products to improve the efficiency of healthcare services for underserved populations and report on the impact assessments[13]. In addition, over US$80 million was committed to two SFDR Article 8 funds, Norvestor IX and Parcom VII, which are expected to invest in a variety of sectors. Norvestor IX will include occupational healthcare services, technology recycling, renewable energy and sustainable agriculture[14]; while Parcom VII will include business and financial services, consumer and food, healthcare and industrials. Our investment manager Eastspring Singapore negotiated a seat in the Limited Partner Advisory Committee (LPAC) of these three private equity funds which provides the opportunity to directly advise on governance issues related to fund management and sustainability outcomes.

The SFDR is adopted by the European Union to address greenwashing by enhancing transparency regarding the sustainability features of financial products. This regulation requires asset managers to provide standardised disclosures on how ESG factors are being integrated at various levels. Article 8 funds are those which promote environment and/or social goals, while Article 9 funds have sustainable finance as a core objective. Both types of funds require good governance to be incorporated into the investment strategy and assess the portfolio against the principle of 'do no significant harm.'

[13] https://www.archimed.group/our-impact-approach/ [14] https://www.norvestor.com/disclosures

Strategic Pillar: *Sustainable* business

At Prudential Singapore, we focus on driving a purpose-led, values-driven culture that enables our people to grow, deliver on our customer promise, and perform to their best potential. We achieve this by creating an inclusive culture that values the voice and views of everyone; providing ample development opportunities so we have unparalleled capabilities across the organisation; and building a robust talent pipeline to ensure continuous growth. This aligns with our Group people strategy which places a focus on culture, capabilities and talent vitality to drive business growth.

VIVIEN WONG

HEAD, ORGANISATION CAPABILITIES AND BUSINESS PARTNERING

Empowering our people

Employment

Information on our employees is shown in the table below. All data provided within the "Empowering our people" section is based on our operations in Singapore only.

Total number of employees

Female	789
Male	498
Total	1,287

Number of permanent employees

Female	748
Male	459
Total	1,207

Number of temporary employees[15]

Female	41
Male	39
Total	80

Number of full-time employees

Female	788
Male	498
Total	1,286

Number of part-time employees

Female	1
Male	0
Total	1

[15]Temporary staff in Prudential Singapore refers to employees who are on a one-year or multi-year contract with us.

Culture

Creating a positive employee experience

Our organisational values form the cornerstone of our culture to help us create a healthy and fulfilling experience for our employees in the workplace. As a responsible employer, we recognise that it is important to look after the wellbeing of our employees. When individuals feel supported, valued and cared for, it creates a sense of belonging which will lead to greater engagement and productivity at work.

Our Wellbeing Ecosystem covers psychological safety, energy, how we work and the workplace. In 2023, 116 managers were empowered with psychological safety skills and tools, and all 38 people in the Leadership Team reviewed their ways of working to lead high-performing teams. Additionally, we launched the TeamEngage framework to help teams establish norms and best practices on optimisation, collaboration and wellbeing. This is supported by e-learning modules on effective meetings that leverage GenAI technology. These initiatives have earned Prudential a Silver for the Excellence in Workplace Culture award.

To support employee wellbeing, we also introduced the Reflect, Rejuvenate and Recharge (RRR) Leave where employees who have completed five years of employment with the company are given the option to take a two-month sabbatical, at half the pay for the period of leave. This allows them to take time off to rest, recharge and pursue personal goals. In 2023, 46 eligible employees took their RRR leave.

"Going on a sabbatical has been a privilege made possible by the support of my family, colleagues and the organisation. I took the Reflect, Rejuvenate, Recharge (RRR) Leave to study in London and travel across Europe for six weeks. As part of The London School of Economics and Political Science (LSE) Summer School Programme, I attended a course in International Journalism – The Role of Media in the Modern World. The opportunity to immerse myself in a different culture and focus on learning was an enriching experience."

Cindy Chan,
Corporate Communications Manager

Flexible working arrangements have been a hallmark of our working culture. This arrangement has been in place since 2017 as we wanted to create better work-life harmony for our people by giving them the opportunity to choose where and how they want to work. To support this, we launched PRUAnywhere in 2022, a programme which enables our staff to work conveniently from co-working spaces across the island. In 2023, over 100 employees utilised the programme each quarter which showed that our people continue to enjoy and benefit from the opportunity to work from anywhere.

To drive a greater sense of belonging, connection is key. To enable connection, the company organised an annual Collaboration Jam, a global engagement initiative that brings colleagues from Asia and Africa together over three days to discuss matters that are important to them. In 2023, almost 15,000 employees across the markets joined the Collaboration Jam to engage in conversations on how we can create the next Prudential, with our refreshed strategy, purpose and values.

We also provide opportunities for employees to bond over social activities. In 2023, our Staff Recreation Committee was renamed 'Sports, Recreation and Community Investment' (SRC) to emphasise building a positive work environment and community. We held quarterly inter-division events, including a bowling tournament, Chillax Night with a band performance, a go-karting Fun Day and other sports activities. More than 500 employees participated in these events, nurturing camaraderie and belonging across the organisation.

Prudential Employees enjoying a go-karting Fun Day as part of SRC engagements.

To appreciate employees for their hard work through the year, we held our biggest social event, PLAYDay, where employees could build bonds through games like a scavenger hunt which highlighted our PruWay values. The event also included a live charity auction organised by our Community Investment team with items donated by employees. Proceeds from the auction were donated to support our charity beneficiaries.

Prudential Singapore employees enjoying PLAYDay 2023.

Capability

Attracting and retaining talents

To attract and retain talents for our business, we are committed to offering our new and existing employees a competitive remuneration package. Since 2022, we do not look at the last-drawn salary as a benchmark for setting remuneration in our offer to new hires. Instead, we look at the market value of the role to determine an appropriate and competitive salary. We also do not require candidates to disclose their gender, race, nationality, or age as we prioritise skills and experience in our hiring.

In 2023, Prudential Singapore recorded a steady hire rate[16] of 13 per cent, following an exceptional growth year in 2022 where the hire rate was 27 per cent. The lower rate in 2023 reflects the successful retention of our workforce.

Hire rate of 13% in 2023

With a **low turnover rate of 9%** in 2023

Accelerating leadership capabilities

Our Future Ready Manager (FRM) programme is designed to help people managers develop capabilities and skills to lead high-performing teams. Since the launch of FRM in 2022, more than 200 people managers have received targeted leadership training which helped them to develop coaching, strategic thinking and communication skills. The programme also supports newly promoted people managers to help them in their role transition. New people managers receive curated leadership e-learnings and a comprehensive two-day training where they have the opportunity to learn from and network with senior leaders from across the organisation.

Building a continuous learning culture

We believe in empowering our employees to learn at their own pace, from anywhere and at any time, by giving them access to online learning platforms such as Udemy and myHR. In 2023, our employees clocked almost 30,000 learning hours through mandatory e-learning and self-directed learning.

[16]Employee hire rate is computed as total hire in reporting year divided by total number of employees in previous reporting year. Data compiled on employee hires and turnover are calculated using FTE methodology and do not include interns, trainees, contingent workers, and international business financial representatives.

Talent vitality

Nurturing future leaders

To build a future-ready pipeline of talents, we have a structured programme to identify and nurture individuals with high potential. **Our Catalyst talent programme focuses on helping high-performing employees enhance their leadership capabilities through education, exposure and experience.** Personal mentoring, curated leadership trainings and cross markets assignments are offered through the programme to help prepare our talents for future leadership roles. In 2023, the talent pool constitutes 7 per cent of employees with 75 per cent of talents successfully achieving their development milestones.

Creating opportunities for internal mobility

Internal mobility within the broader organisation is a key priority at Prudential as it supports the career development of our employees, fosters a culture of learning and growth, and leverages the diverse talents and skills within the organisation. In 2023, we held our inaugural virtual career fair which showcased cross-markets mobility and short-term assignment opportunities across Prudential. More than 1,000 employees across the Group attended this event.

In Singapore, over 120 employees had the opportunity to experience internal mobility and short-term assignments in 2023, with one in four of our open positions being filled by internal candidates. Through internal mobility, we are able to enhance the capabilities and competencies of our workforce, as well as drive the innovation and performance of our business through the sharing and transfer of skills and knowledge.

Driving diversity and inclusion in the workplace

A diverse organisation can enhance creativity, problem-solving and innovation as individuals from different cultures, backgrounds and experience come together to share their various perspectives. More importantly, a diverse and inclusive workplace deepens a sense of belonging, which is essential for employee satisfaction and retention.

Our culture of diversity and inclusion (D&I) is embedded in our Group Code of Conduct which highlights a non-discriminatory approach, and our Employee Handbook which covers a host of policies related to D&I. One such policy is our Interchangeable Public Holiday policy designed to cater to our workforce comprising 24 nationalities. Under this policy, we offer employees the flexibility to substitute a gazetted public holiday in exchange for a cultural and/or religious holiday on a different day based on their ethnicity and religion.

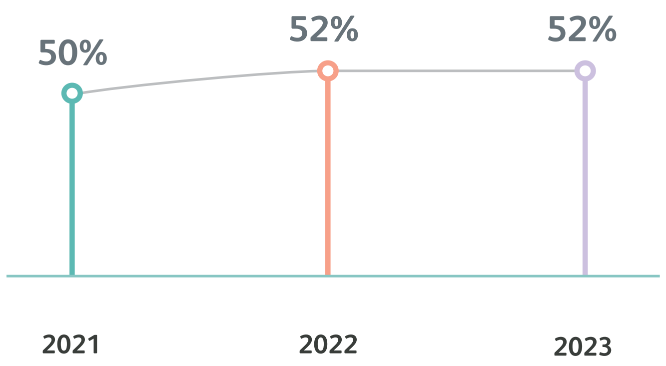
Promoting gender equality

As part of our D&I efforts, we have been actively promoting gender equality since 2020 with goals set to increase the female participation ratio and reduce the gender pay gap. Promoting female participation at senior levels is not just a matter of social responsibility, but also a strategic imperative.

Organisations that prioritise gender diversity benefit from a wider talent pool, improved decision-making and increased overall organisational effectiveness. We believe that it is a critical step towards building workplaces that are high performing and resilient in a rapidly changing world.

We have set a target to maintain the participation rate for senior managers and above[17] at between 50 per cent and 55 per cent. We are pleased to report that since 2021, we have met our target each year. In 2023, the female participation rate stands at 52 per cent.

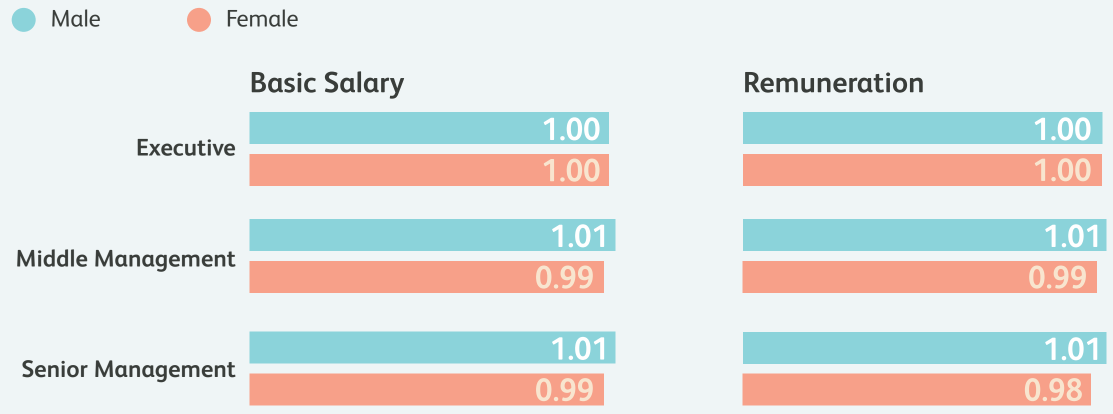
Female participation rate for senior managers and above



[17]For female participation rate, the total number of employees (male and female) in-scope (senior managers and above) for the calculation was 396 employees. This represents 31% of our total workforce made up of 1,287 employees.

Prudential Singapore employees celebrating International Women's Day 2023.

The ratio of basic salary[18] and remuneration[19] of women to men for each employee category by significant locations of operations[20] is shown below:



Our ambition for 2023 to 2024 is to close the gender pay gap[21] to a range of -0.5 per cent to 0.5 per cent for senior managers and above. We have defined this range because constant staff movement makes a zero pay gap an unrealistic target. In 2023, **we achieved a gender pay gap of -0.1 per cent[22] compared to -0.3 per cent in 2022**.

[18]Basic salary is defined as a fixed, minimum amount paid to an employee for performing their duties.

[19]Remuneration is defined as basic salary plus additional amounts paid to a worker which can include bonuses, benefit payments, overtime and any additional allowances.

[20]Location of operations is for Singapore only. For the calculation of basic salary, remuneration and gender pay gap, the data is computed based on teams with more than five males and five females to ensure sufficient sample size and a meaningful analysis.

[21]For For gender pay gap, the total number of employees (male and female) in-scope (senior managers and above and based on the methodology) is 233 employees. This represents 18 % of or total workforce made up of 1,287 employees.

[22]This gender pay gap is for senior managers and above only. Data is computed based on teams with more than five males and five females to ensure sufficient sample size and a meaningful analysis.

Performance and rewards

We recognise our employees for their contributions through appropriate reward and appreciation. Performance feedback and career development reviews are essential for guiding our employees in their career journeys. Formal performance and career development review for employees[23] occur at least twice a year.

Our wide range of employee benefits[24] and rewards, including the RRR leave, aims to enhance our employees' wellbeing and boost their morale at work.

Insurance

All full-time employees are entitled to life insurance, disability and invalidity protection, such as Group Term Life coverage with a supplementary support of six months guaranteed cash and Group Pre-Crisis Guard which covers medical conditions in its early and intermediate stages. Group Accidental Death and Dismemberment has also been in place with effect from 1 January 2023.

Parental leave

In line with the Singapore 2023 Budget announcement on longer Government-Paid Paternity Leave, we welcome and fully support this move. We will be providing four weeks of paid paternity leave to our male employees with children born from 1 January 2024. Female employees are entitled to 24 weeks of paid maternity leave.

Parenthood

Eligible employees will receive $3,500 per delivery of child to celebrate the newborn and support the parent's wellbeing. In 2023, 36 employees received this benefit.

Retirement provision

Employees shall receive a retirement payout of S$14,750 following their retirement. In addition, employees with more than 15 years of service who retire from the Company will receive S$3,000 worth of vouchers.

We have normalised CPF contributions for senior employees older than 55 years by obtaining their consent to increase the CPF contribution rate to 17%.

Stock ownership

Employees can partake in PRUshareplus, a share plan that gives employees the opportunity to invest in Prudential. For every two shares bought by our employees, Prudential gives our employees one more share for free. In 2023, 39.5% of our full-time employees are active in this scheme.

Other benefits

A new holistic phygital coaching programme was launched in 2023. This programme aims to support our employees' physical and mental health through the provision of tools and professional coaches.

As part of our continuous effort to promote a family-friendly culture, all permanent employees are entitled to six days of PruCare Leave to spend quality time with their family.

Lifestyle dollars allowance is paid to all permanent employees to encourage spending on lifestyle needs and wants with no restrictions on the type of expenses the Lifestyle Dollars can be used on.

[23]Employees who joined after 1 Oct 2023, interns, trainees, contingent workers, contract staff and international financial representatives are excluded from the performance review.

[24]The benefits mentioned in this section are applicable only to full-time employees.

Remuneration

A fair compensation strategy is essential for talent retention and contributes to employee motivation. The following section provides information on our remuneration policies and total annual compensation ratios.

The remuneration policies for our senior executives and directors:

	Senior executives	Board of Directors
Fixed pay	Fixed pay consists of basic salary.	
Variable pay	Variable pay consists of performance-based variable bonus and long-term incentives such as share awards.	Executive directors' payment policies follow that of senior executives.
Sign-on bonuses or recruitment incentive payments	Guaranteed bonuses to new hires are permissible on condition that these have been pre-defined in the employment contract and are applied for a specific performance period, subject to the company's corporate governance requirements.	Independent directors are paid directors' fees which are reviewed annually, and any changes are subject to the Nomination and Remuneration Committee (NRC)'s recommendation to the Board and Board's approval.
Termination payments	Any payments made relating to the early termination of a contract will consider performance over time and adhere to the principle of avoiding payments that reward failure. Any payments made in respect of outstanding long-term incentive plans and/or deferred bonus awards will be subject to the relevant plan rules.	The review considers factors such as directors' contributions, effort and time spent, frequency of meetings, respective responsibilities, industry benchmarks and market practices for independent director compensation.
Clawbacks	Clawback and/or malus provisions are normally applied to support the risk management objectives of the business area or to satisfy regulatory requirements.	
Retirement benefits	Contribution to CPF is one of the retirement benefits. A select few senior executives may be eligible to participate in the Group's retirement plan.	

The review and update of the Group Remuneration Policy is the responsibility of the Group Human Resources Director. When reviewing the policy, factors such as best practice, relevant regulations and legislation are considered. Views of stakeholders and remuneration consultants were not sought while determining remuneration, in accordance with the practices defined in the policy.

Prudential Singapore has a Nomination and Remuneration Committee (NRC) which oversees the review of remuneration packages for independent directors, members of the core leadership team, Appointed Actuary and relevant senior management staff. For more information on the NRC's role, please refer to the page 137.

Establishing sustainable operations and value chain

Responsible environmental practices

As a Group, we have set a target to become carbon neutral across our Scope 1 and 2[25] (market-based) emissions by the end of 2030. The aim is to deliver a 25 per cent reduction in operational emissions per full-time employee (FTE) from a 2016 baseline and abate the remaining emissions via carbon offsetting initiatives. This commitment is in recognition that the planet needs to achieve net zero emissions by 2050 to keep global warming to 1.5°C above pre-industrial levels as outlined in the Paris Agreement.

In Singapore, our decarbonisation strategy is guided by our Group Environmental policy, which requires us to incorporate climate change considerations into our decisions, proactively manage our direct operational impact on the environment and promote sustainable practices.

In 2020, we set a target to achieve a 5 per cent savings in our electricity use each year from 2020 to 2023. In 2023, electricity consumption increased by 1.36 per cent compared to 2022. The post-pandemic return of a larger workforce to the office and an increase in corporate events and activities in 2023 contributed to this. We are committed to finding ways to reduce our total electricity consumption.

Improving our resource efficiency

In support of the Group's Scope 1 and 2 carbon neutrality commitment, Prudential Singapore adopted a new emission target as a business objective of the CEO and Core Leadership Team (CLT) in March 2023. The goal is to achieve a 2-6 per cent reduction in our Scope 1 and 2 emissions per FTE from a 2022 baseline. To reinforce our commitment to sustainability and to ensure shared accountability, this was directly linked to our CLT's remuneration.

To achieve this target, we ran a year-long programme that included initiatives such as switching off lights in low-traffic office spaces on Fridays and over the weekends. We also displayed the monthly electricity consumption rate in our offices to create awareness. Employees who demonstrated a commitment to reduce energy were recognised with an appreciation sticker to celebrate their efforts. Our efforts yielded good results. We improved our resource efficiency and reduced our operational emissions intensity by over 10 per cent from 0.53 t CO2e/FTE in 2022 to 0.47 t CO2e/FTE in 2023. This was achieved as our electricity consumption in 2023 remained fairly stable increasing 1.36 per cent compared to 2022, while the number of people using the office significantly increased in 2023. Compared to a 2016 baseline, Singapore has achieved a reduction of more than 60 per cent in operational emissions intensity as of end-2023.

To raise awareness of electricity conservation among our financial representatives, we held a competition for the agency offices at Scotts. From June to September 2023, the agency offices on each level in Scotts were given a target to limit their electricity usage to not more than 10,473kWh. While none of the levels achieved this target, the second floor of our Scotts office managed to reduce their electricity consumption by almost 7 per cent. A donation of S$2,500 was made to Nature Society Singapore as a celebration of this achievement.

Our energy consumption

Energy Consumption			
	2021 (% change over previous year)	2022 (% change over previous year)	2023 (% change over previous year)
Fuel† (GJ)	249.01 (+21.97%)	296.84 (+19.2%)	259.42 (-12.6%)
Electricity (GJ)	5,975.80 (-7.29%)	5,938.51 (-0.62%)	6,019.12 (+1.36%)
Electricity (kwh)	1,659,945.69 (-7.29%)	1,649,586.38 (-0.62%)	1,671,978.00 (+1.36%)
Total Energy Consumption (GJ)	6,224.81 (-6.39%)	6,235.35 (+0.17%)	6,278.54 (+0.69%)

† Petrol used for company vehicles. No other types of fuel are consumed at our office sites or in support of our daily operations.

[25] Scope 1 and 2 emissions refers to the emissions directly produced in our daily operations and by the electricity we use.

Our waste management

Waste generated	2021	2022	2023
Total waste generated† (kg)	38,293	34,851	44,859
Non-recyclable waste			
General waste* (kg)	31,944	32,598	40,454
Food waste~ (kg)	282	236	311
Recyclable waste			
Total waste recycled (kg)	6,215	2,253	4,406
Paper waste (kg)	5,743	1,843	3,088
Plastic waste (kg)	176	105	243
E-waste^ (kg)	134	293	1,051
Toner cartridges^^ (kg)	14	12	24

Note: Data from 2021 uses the Jan-Dec reporting cycle, data from 2022 and 2023 use the Oct-Sep reporting cycle.

† Includes general waste, e-waste and all recycled waste; no hazardous waste was produced

* Includes all waste that is sent to incineration and landfill

^ E-waste is collected at Marina One, Prudential@Scotts and UE Bizhub offices only and sent for recycling at a certified facility. Does not include toner cartridges

~ Food waste does not include coffee grounds as they are repurposed and not disposed of.

^^ We support the Canon Take Back programme and recycle all our ink and toner cartridges.

Solid waste contributes directly to greenhouse gas emissions through the generation of methane from the anaerobic decay of waste in landfills and nitrous oxide emission from combustion facilities. In 2023, we recorded a 29 per cent increase in waste generated compared to the year before. Similar to the increase in our electricity consumption, this was due to a rise in the number of employees returning to the office and an increase in corporate events.

The increase in waste included disposable food containers, paper, and other disposable items.

We continuously strive to find ways to reduce unnecessary consumption, repurpose equipment, and promote recycling of paper, plastics, and e-waste to scale back the amount of unrecoverable waste produced in our offices.

In April 2023, we introduced a recycling corner to encourage employees to donate their used textiles, nearly expired food items, and used light bulbs and batteries. We also encouraged them to share their reusable/paper bags with their colleagues. We partnered with Cloop, FoodBank and Alba to recycle the textile, food, and electronic waste respectively. In 2023, we collected a total of 488kg of recyclable items and 61 units of food donations through the recycling corner. In January 2023, our Workplace Services team also organised a Lunar New Year collection drive to collect used clothes, shoes, and bags from employees for donation to The Salvation Army. In total, around 175kg of items were collected through the drive. We also continued our practice of distributing used coffee grounds from our Marina One PRUBistro to our employees and shared tips on how to use them for gardening and cleaning.

In 2023, we collected a total of **488kg of recyclable items** through the recycling corner.

And **61 units of food** donations through the recycling corner.

Encouraging environmental sustainability among employees

To encourage and empower employees to be more environmentally sustainable, our Sustainability team organised an Impact Week which featured workshops and talks to help employees gain knowledge and hands-on experience.

The week-long activities which took place in April 2023 included upcycling workshops, a lunch-and-learn session on climate change impact and a seminar with our Risk, Community Investment and Human Resource functions about the importance of sustainability across our business functions.

Our Workplace Services team also organised a Sustainable Rangoli Challenge and Christmas Ornament Contest as part of our Diwali and Christmas celebrations. Our employees were encouraged to showcase their creativity and use eco-friendly and recycled items to create rangolis and Christmas tree ornaments.

Prudential Singapore employees enjoying the activities during Impact Week which included a lunchtime discussion on climate change with Dr Winston Chow, hands-on upcycling workshops and a session with Grobrix on food sustainability in Singapore.

Responsible procurement practices

At Prudential Singapore, we understand that the suppliers we engage can impact our overall business sustainability and reputation.

Hence, we have a robust due diligence process for supplier selection to ensure we do not inadvertently support companies that engage in unsustainable environmental practices or exploitative labour practices.

We also recognise that we can make a positive impact through responsible procurement practices. In 2023, our Procurement team added three more social enterprises to our preferred vendor programme to support their social or environmental causes, bringing the total to five. We also have a list of over 100 preferred business hotels which have put in place sustainable programmes or sustainable practices.

Our responsible supplier guidelines

Our Group Third Party Supply and Outsourcing (GTPSO) policy outlines our supply chain management approach, covering due diligence, selection standards, contractual obligations and supplier relationship monitoring. The Responsible Supplier Guidelines, part of the GTPSO policy, provide additional factors to consider when assessing a supplier's sustainability practices. Since 2022, as part of the due diligence process, our suppliers are required to complete a questionnaire that evaluates their sustainability practices. The topics include:

- Sustainability transparency and disclosure of regulatory non-compliance;
- Environmental protection, including carbon emissions, resource efficiency and waste management;
- Labour practices, anti-slavery, fair pay and health and safety; and
- Sustainability governance and measures to ensure adequate management

In 2023, we met our target to have 100 per cent of our suppliers comply with our sustainability due diligence process. This achievement was driven by the efforts of our Procurement team who provides additional support to new and existing suppliers to guide them through the completion of the sustainability due diligence questionnaire.

Supporting local suppliers

In 2023, Prudential Singapore had 715 suppliers who provided goods and services in IT infrastructure, advertising, marketing, communications, contingent workforce recruitment, travel and events. The combined spending on all third-party supply and outsourcing amounted to S$392 million in 2023 which is a 4 per cent increase from 2022.

We continued to prioritise the use of local suppliers to support the growth of Singapore's economy. In 2023, 89 per cent of our suppliers are companies located in Singapore, and they account for 73 per cent of our total procurement spending. Over S$288 million was spent locally, which is S$29 million more than 2022 (S$259m).

The procurement spending on local SMEs in 2023 was S$34.5 million (represents 8.8 per cent of total procurement spend).

	2021	2022	2023
Total spend on local vendors	**72%** Total approved spend: **S$189m**	**69%** Total approved spend: **S$376m**	**73%** Total approved spend: **S$392m**
	Local vendor spend: **S$136m**	Local vendor spend: **S$259m**	Local vendor spend: **S$288m**
Breakdown of local vs. overseas vendors	Total vendor count: **954**	Total vendor count: **711**	Total vendor count: **715**
	Local Vendor: **849** (89%)	Local Vendor: **634** (89%)	Local Vendor: **633** (89%)
	Overseas Vendor: **105** (11%)	Overseas Vendor: **77** (11%)	Overseas Vendor: **82** (11%)

We continue to operate our procurement and vendor payment systems without the use of paper. By doing so, we eliminate resource consumption related to printing and mailing. In 2023, we processed almost 5,900 purchase orders using our paperless system (representing over 99 per cent of all purchase orders).

Continuous training for employees

Procurement plays a significant role in driving sustainability efforts in our value chain. As part of our commitment to raising awareness of issues related to modern slavery-related, 16 employees from the Procurement, Risk, Legal and Sustainability teams attended a risk awareness training on modern slavery in December 2023. Conducted by The Remedy Project, a not-for-profit organisation that works to combat labour exploitation in global supply chains, the course trained employees on identifying the signs and risks of modern slavery within the supply chain. Remediation actions were also discussed as part of the training.

Additionally, our entire Procurement team completed an ethical procurement and supply course from the Chartered Institute of Procurement & Supply's (CIPS) in August 2023. The course covered topics such as environmental procurement, human rights, fraud, bribery and corruption. Prudential Singapore was among the first three organisations in ASEAN to be awarded the CIPS Corporate Ethics kitemark. This award recognises the team for successfully completing all trainings and obtaining the certification for Corporate Ethical Procurement and Supply.

Workplace Health & Safety

We strive to enhance our people's wellbeing by fostering a safe and healthy workplace. We are pleased to report that in 2023, our robust measures in managing workplace health and safety practices across our organisation was recognised with two significant certificates.

In February 2023, we obtained the bizSAFE STAR level certificate, the highest level that can be obtained in the nationally recognised programme led by the Workplace Safety and Health Council and the Ministry of Manpower. This certificate affirms that we have a strong system that enables us to identify and manage workplace risks or hazards in compliance with the Workplace Safety and Health Act and international standards such as ISO 45001.

Simultaneously, we also obtained the ISO 45001:2018 certification which is an internationally accredited standard for workplace health and safety. This certificate endorses our approach in managing potential workplace risks and our steadfast commitment towards continuous workplace improvement.

In achieving both certifications, we have demonstrated our ability to meet both national and international best practices for workplace health and safety, as well as comply with legal requirements for our industry.

Harnessing thought leadership to shape the agenda

As a company that provides life and health insurance and asset management to 18 million customers across 24 markets in Asia and Africa, Prudential believes in using our position to advocate for sustainability issues. We consider the perspectives of emerging markets against the global context to drive change. At Prudential Singapore, our engagements with the government, regulatory stakeholders and the industry in 2023 covered a broad range of themes, including the impact of climate change on health, regulatory reform and driving corporate sustainability.

Driving research on climate change and health

In 2022, Prudential plc and the Earth Observatory of Singapore (EOS) at Nanyang Technological University (NTU) embarked on a two-year research partnership titled the Prudential EOS Climate Impacts Initiative. The objective of the study is to explore the impacts of climate change on air quality and its associated health impacts in 10 key markets across Asia and Africa, including Singapore[26]. The first phase of the study examined historical records of air quality and health impacts in the markets between 2000 to 2020.

In August 2023, Prudential Singapore and the EOS jointly organised a meeting with the Monetary Authority of Singapore (MAS) and the Global Asia Insurance Partnership (GAIP) to present the Singapore-specific findings from phase one of the Prudential EOS Climate Impacts Initiative study and discuss ideas to guide the next phase.

We also held a roundtable discussion in September 2023 to kickstart conversations around the topic and exchange knowledge with valued partners. The discussion was attended by representatives from the MAS, the Ministry of Sustainability and the Environment, GAIP, WWF-Singapore, Asia Philanthropy Circle and Science Centre Singapore.

The second phase of the study, to be concluded in 2024, will entail projecting future air quality and its health impact on individuals that consider several emission scenarios including SSP3-7.0 and SSP5-8.5[27]. We are hopeful that the outcome and findings of the research will help us generate ideas and evaluate market opportunities in terms of investments and products linked to climate resilience.

[26]The nine other markets are: Hong Kong, Cote d'Ivoire, Nigeria, Kenya, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam.

[27]Shared Socio-economic Pathways (SSPs) refer to five modelled pathways the world might take in the future, each with widely different predispositions to climate change mitigation and adaptation considering socio-economic factors such as population, economic growth, education, urbanisation and rate of technological development.

Advocating for a sustainable future at the Singapore FinTech Festival

Prudential Singapore has been the Grand Sponsor of the Singapore FinTech Festival (SFF) for the past seven years. In 2023, the Sustainability team shared the work that we are doing to support a just and inclusive transition to a low-carbon economy, to mainstream responsible investments in emerging markets and to uncover the impact of climate change on health outcomes.

Together with **Professor Steve Yim** from the Earth Observatory of Singapore (EOS), Prudential Singapore's former Head of Sustainability Yeoh El Lynn presented at an open mic session titled 'Breathing Room – The Impact of Air Quality on Health'. They shared more about the study that Prudential has embarked on with EOS to explore the trends and impacts of air pollution on health outcomes in cities across Asia and Africa.

Diana Guzmán, Prudential plc's Group Director of Sustainability, took part in a panel discussion centred on the topic, 'Unlocking the Climate Transition: Markets, Data and Technology'. The insightful session, which also involved distinguished panellists such as the Chief Sustainability Officer of MAS and the Deputy State Secretary of State Secretariat for International Finance, explored the critical components of the transition to a sustainable future. The panellists shared their views on the dynamics of carbon markets, strategies for phasing out coal and the pivotal role of investments in achieving net zero goals.

Supporting knowledge building in sustainability

In 2023, we continued to engage with the institutes of higher learning to support knowledge building in sustainability. In September 2023, we partnered with the NUS Centre for Future-ready Graduates and hosted over 40 students from the National University of Singapore at our office. The session included a fireside chat and networking event involving our employees across various functions, allowing the students to understand more about pursuing a career in corporate sustainability.

In November 2023, we hosted lecturers and students from the Institute of Technical Education at our office where we shared more about sustainability at Prudential Singapore. The session covered topics on corporate governance, environmental stewardship and social responsibility.

Good governance and responsible business practices

In this dynamic business landscape, strong governance processes are crucial for fostering sustainable growth and strengthening stakeholder trust. We recognise that earning the trust of our stakeholders is a long-term process and we are committed to safeguarding their invaluable confidence and belief in us. We continue to place customers at the heart of everything we do and engage with them in an honest, respectful and transparent manner in line with the MAS Fair Dealing Guidelines.

Our emphasis on sound corporate governance practices including having a strong ethical culture, coupled with effective risk policies and control systems, have resulted in no significant instances of legal or regulatory non-compliance in 2023. We also recognise the utmost importance of safeguarding our customers' interests by protecting their personal data and keeping up with technological advancements such as Artificial Intelligence (AI)

Our Customer is Our Compass

Customer Fair Dealing

Our customer is our compass, and it is our responsibility to elevate their experiences with us. We are committed to engaging our customers in an honest, respectful and transparent manner that is in line with the MAS Fair Dealing Guidelines.

We developed our Fair Dealing Charter, a collection of 12 promises, in accordance with the five core principles and outcomes of the MAS Guidelines on Fair Dealing. By adhering to our Fair Dealing Charter, we aim to enhance customer satisfaction and loyalty.

Fair Dealing Charter

Core principles		Promises
Corporate culture: Making Fair Dealing a central principle in our company culture and how we serve our customers	01	**We promise** to ensure that all employees and financial representatives understand the importance of treating customers fairly and their role in delivering our Fair Dealing customer promises.
	02	**We promise** to ensure that our stakeholders and customers are aware of our commitment to treating customers fairly.
Customer segments: Offering products and services that are appropriate for our customers' needs, and distribute them responsibly	03	**We promise** to ensure that every product is designed appropriately for the needs of the intended customer segment.
Competent representatives: Providing our customers with quality advice and suitable recommendations	04	**We promise** to provide our financial representatives with regular in-depth training, so they are equipped to provide quality advice and appropriate recommendations.
	05	**We promise** to ensure that our financial representatives will employ fact finding and needs analysis so that customers are offered products that are appropriate for their circumstances and risk appetite.
	06	**We promise** that our renumeration structure ensures that financial representatives provide quality advice and appropriate product recommendations.
Clear, relevant and timely information: Being clear and timely in all our interactions with and communications to them, so that they can make informed financial decisions	07	**We promise** that our communications will be clear, simple and easy-to-understand.
	08	**We promise** that our product information will be available to customers in English and Chinese.
	09	**We promise** to provide customers with relevant and timely information about their policies.
Complaint handling: Responding to customers' complaints in an independent, effective and prompt manner	10	**We promise** to ensure that our staff are equipped to address customer complaints in a timely, effective and independent manner.
	11	**We promise** to promptly acknowledge customer complaints and keep customers informed via regular updates.
	12	**We promise** to fairly assess complaints, ensure we have the right policies and processes in place to address them and provide customers with the options to seek an alternative independent review.

Sustainability

Based on our Fair Dealing strategy, our Group Customer Commitments Policy extends across the following five areas:

01	02	03	04	05
Treat customers fairly, openly and honestly	Provide and promote a range of products and services that meet customer needs, are clearly explained and deliver real value	Maintain the confidentiality of our customer information	Provide and promote high standards of customer service	Act fairly to address customer complaints and any errors

The Fair Dealing Committee (FDC), led by the Head of Customer Experience (CX), is accountable for the overall implementation of Fair Dealing outcomes and making sure we adhere to regulatory guidelines.

The FDC, which reports to the CEO CX Forum, is also responsible for raising awareness on Fair Dealing within the organisation. The CEO CX Forum is a monthly forum attended by the Core Leadership Team as well as representatives from teams overseeing our customer touchpoints. Our efforts and initiatives are tracked against the 12 promises of the Fair Dealing charter and updated via a dashboard on a quarterly basis. The progress is reviewed by the Board annually to ensure that there is adequate attention and resources allocated for promoting Fair Dealing outcomes in Prudential.

In 2023, these engagement efforts included:

The annual Fair Play campaign which gamifies the learning experience on Fair Dealing to enable employees to learn and internalise the concepts in a fun and accessible way.

The annual CX Week which offers a platform for various functions across the business to showcase their strategic initiatives in response to customers' needs and experiences.

Furthermore, the CX team regularly engages the organisation through divisional townhalls to stress the importance of customer experience and highlight the role that each function plays to drive customer centricity.

We also conduct mandatory Fair Dealing training for employees and financial representatives during onboarding and annually as part of ongoing education.

Customer satisfaction

In a competitive business landscape, the key to sustainable growth lies in maintaining customer satisfaction. This not only fosters greater customer loyalty but also enhances the lifetime value of customers and strengthens our reputation. On the flip side, customer dissatisfaction can erode confidence in the company, potentially tarnishing the brand image.

Our approach to enhancing customer satisfaction is guided by our Group Customer Commitments Policy as well as Fair Dealing principles. This approach encompasses a robust customer complaint and incident management framework to deal with customer grievances carefully and as best as we can.

Monitoring and measuring customer satisfaction

We constantly monitor customer satisfaction through PRUVoice, a programme that measures customers' level of satisfaction and loyalty for each of our customer touchpoints. We make use of these insights to anticipate potential triggers of frustration or root causes of negative experiences and work towards addressing these pain points at the source. Since the launch of PRUVoice in 2018, the programme has grown steadily with the integration of new customer touchpoints as they emerge. For each customer touchpoint, a monthly performance review with the responsible department is conducted, and findings from the review are shared with our Group and Singapore leadership teams at the monthly CEO CX Forum.

PRUVoice Customer Satisfaction Scores[28]

Agency Force (measures the sales experience as accorded by the Financial Representatives)	99%
Bancassurance (measures the sales experience as accorded by the Standard Chartered Bank Financial Services Consultants)	100%
Bancassurance (measures the servicing experience as accorded by the Standard Chartered Bank Financial Services Consultants)	94%
Customer Service Centre	97%
Contact Centre	91%
Claims Submission Experience	82%
Claims Decision Experience	90%
Policy Services Usage Experience	85%
PRUAccess Usage Experience	71%
Video Chat Usage Experience	97%

[28]Average satisfaction score per touchpoint for the period January to December 2023.

In 2023, Prudential Singapore started monitoring the Net Promoter Score (NPS) through PRUVoice to measure our customers' propensity to recommend Prudential as a brand. We have set a target on NPS which is linked to remuneration for employees. This aims to instil greater commitment to customer centricity and service excellence, which in turn translates into higher levels of customer satisfaction and loyalty.

At the Group level, the Bain Prism Benchmark Survey acts as one of our annual performance surveys. This survey is based on NPS as it measures a customer's willingness to recommend Prudential. The results from the Bain survey conducted in 2022 indicated that Prudential Singapore ranked within the top three insurers in Singapore. Through this survey, we were also able to identify areas of improvement such as accessibility and speed, which have been taken into consideration to improve our customers' experience.

"The financial consultant does not push products but tries to understand my needs and recommend relevant policies. Very elaborate, patient and went the extra mile to find out and explain the best options. I am more than satisfied with his efforts and sincerity."

Customer feedback, Agency Force

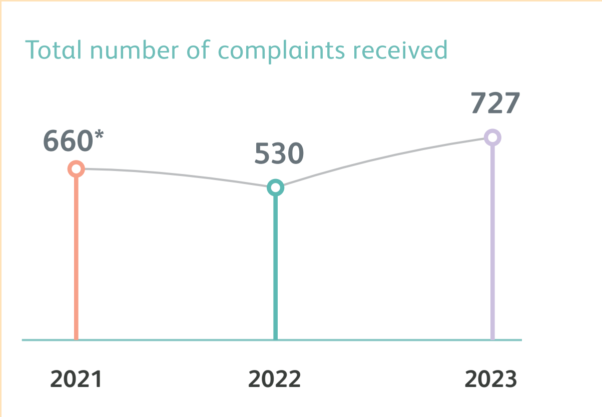
"I have called the contact centre several times recently and every single Customer Service Officer has been fantastic. Knowledgeable, patient, clear [and] very good people skills. The technical terms of my policy are not simple for me to understand but they have explained and taught me how to read the policy document."

Customer feedback, Contact Centre

Customer complaints

Effective complaints handling is one of the key components of the MAS Fair Dealing Guidelines. At Prudential Singapore, we listen to our customers and proactively respond to their concerns to improve our processes and the customer experience.

Prudential Singapore has set a target of resolving at least 70 per cent of all escalated complaints within an expected turn-around time (TAT) since 2021. This includes all complaints received by our Customer Resolution team, including those that fall beyond the criteria outlined in the MAS's regulations for handling and resolving complaints for market conduct related complaints. **In 2023, we continued to exceed the target by closing 81 per cent of complaints received within the expected TAT.**



*There was a typographical error in Page 62 of the Prudential Singapore ESG Report 2022. The correct figure for the total number of complaints received in 2021 should be 660 instead of 630.

There was a 37 per cent increase in total complaints for 2023 as compared to 2022, largely due to service- related and market conduct complaints.

Throughout 2023, we continued to ensure effective customer resolution by regularly reviewing our complaints resolution process. This practice ensures our ongoing compliance to the Fair Dealing Guidelines. Additionally, we have included a framework on handling vulnerable customers as part of our standard operating procedure for complaints resolution. As part of the complaints resolution process, we prioritise conducting root cause analyses to identify areas of improvement. Where relevant, we direct complaints to our business partners for resolution. In such instances, we share the acquired insights with our partners to help them improve their business processes to better serve our customers.

To help our agency deal with customers' concerns more effectively, we regularly share customer complaints as relevant case studies. Additionally, our Customer Resolution team worked with the Compliance Distribution Engagement team on the Comply with Confidence series, which aimed to reduce complaints related to confidentiality breaches. They also collaborated with our Risk and Distribution teams to post scam alerts on Prudential's platforms to warn customers about potential scams like impersonation of our financial representatives.

Although we have a dedicated Customer Resolution team tasked to handle complaints, we believe all employees have a role to play in ensuring good customer experience. This responsibility is outlined in our Complaints Management Framework and disseminated to all employees.

We will continue to put our customers at the heart of everything that we do by putting a focus on understanding their needs and addressing their pain points.

Corporate governance

Our Group Governance Manual (GGM) clearly articulates the expected standards of behaviour which guides our business conduct and how we operate daily, from how we deal with customers and suppliers to how we safeguard against financial crime.

The GGM which applies to all Prudential employees, including contingent workers, encompasses the Group Code of Conduct that sets out the general principles by which we conduct our business. In 2023, we refreshed our Group Code of Conduct, with the incorporation of the PruWay, a set of fundamental values which define who we are and what we represent. To reinforce the importance of practicing good business conduct and adhering to our core values, the Group Code of Conduct has been integrated into our employee onboarding experience and twice-yearly mandatory training for all employees.

Launch of Group Code of Conduct

Subsumed under our GGM is our Group Customer Conduct Risk Policy, which outlines how we prioritise the customer experience from sales to after-sales service.

Prudential has also implemented corporate governance policies to ensure that our Board of Directors perform their duties effectively and are accountable for their decisions. The Board Governance Policy and Guidelines as well as the Remuneration Framework set out clear division of responsibilities and fair compensation, enabling our directors to guide our business more effectively. For more information, please refer to page 136.

Risk policies and control systems

The implementation of risk management policies is crucial for recognising and controlling business risks, thereby promoting effective governance within the organisation. Our Risk Management Framework provides the overarching structure for Prudential's approach towards risk management. A core component of the Risk Management Framework is the Operational Risk Policy, which sets out clear definitions on operational risks and the processes necessary for identifying, assessing, mitigating and monitoring these risks. This is intended to cover all business activities and units which are exposed to operational risks.

Additionally, our Policy on Internal Incident Reporting and Management is a critical component of the overall risk management framework as it supports the effective and prompt resolution of risk events. This policy provides guidance on the identification, reporting, escalation and management of internal incidents. The efficient management of risk events minimises potential financial and reputational damages and ensure that the interests of our customers are taken care of.

All our risk management policies are reviewed by our Risk Committee on an annual basis to ensure that we are equipped to manage ever-changing risks. Furthermore, our Group-wide Internal Audit (GwIA) function independently performs risk and internal control assessments to ascertain the effectiveness of our risk management processes and recommend areas of improvement.

Anti-bribery and corruption

Trust and integrity are paramount as financial institutions manage large sums of money and serve as custodians of stakeholder trust. Prudential values its reputation for honesty, business ethics and reliability. Therefore, the implementation of robust anti-bribery and corruption (ABC) measures is of utmost importance.

We remain committed to conducting business in a fair and responsible manner and adopt a zero-tolerance approach to bribery and corruption. Based on our Group Anti-Bribery and Corruption Policy which falls under the Group Governance Framework, we have established policies and standards to detect, report and prevent bribery and corruption. We also abide by all relevant laws to counter bribery and corruption. As part of our preventive measures, we conduct an annual enterprise-wide ABC Risk Assessment which is reviewed and approved by the Board of Directors. ABC-related metrics are also consistently reported to the Risk and Audit Committees on a quarterly basis for accountability. In 2023, no incidents of bribery and corruption were reported. During the annual enterprise-wide ABC Risk Assessment, there were also no significant risks related to corruption identified.

Beyond mitigating legal risks, responsible business practices safeguard us against financial crimes such as fraud and corruption, protect shareholder interests and preserve stakeholder trust, contributing to the long-term success of the company. Financial crimes can potentially cause disruptions to the company, resulting in financial losses as well as serious reputational and legal risks. Ensuring that Gifts and Hospitality (G&H) are appropriately declared and managed is an instance of how we conduct business practices responsibly. To help strengthen our G&H approach, Prudential Group launched StarCompliance, a new Conflicts of Interest (COI) and G&H declaration platform in January 2023. Through this system, employees are required to submit declarations and obtain approvals regarding COI and G&H. Besides the in-built approval function, the system also enables escalation matrices whereby certain claims such as those exceeding the threshold set will be automatically escalated to the relevant parties for approval.

We regularly communicate these policies and standards to all our employees and stakeholders, including our business partners, as part of our continuous efforts to increase awareness on this topic. We require all Prudential's employees and financial representatives to complete the mandatory training on ABC annually, which explains their personal responsibility to prevent and report instances of bribery or corruption that they may encounter. Employees in functions deemed to be of higher risk such as those in claims adjudication, payments authorisation or in decision-making roles are required to attend advanced ABC training. The advanced ABC training focuses on associated persons and facilitation payments, G&H, dealing with government officials, third parties, sponsorship and corporate social responsibility as well as risk-based due diligence.

We will continue to educate and support our employees to prevent any occurrence of wrongdoing and ensure that risk factors are proactively identified for correction before they escalate.

Ethics and responsible business practices

The trust our stakeholders place in us is the cornerstone to our business success. To earn and maintain this trust, we must always do the right thing for our customers, employees, distributors, partners and the community.

Prudential Singapore's ethical culture continues to underpin our sustainable business conduct. Our Code of Ethics, which applies to all employees and financial representatives, outlines the conduct expectations at work and employees' ethical obligations. It also serves as an important piece of information for our external stakeholders to understand how we actively upkeep good ethical practices and mitigate potential ethical risks when conducting our business. These policies and standards act as a framework that holds everyone accountable for their actions. When the consequences of unethical behaviours are clearly defined and communicated, it reinforces accountability and deters individuals from engaging in such activities. This in turn helps to maintain trust with our stakeholders and safeguard our reputation.

We refreshed our Code of Ethics in early 2023 to provide more clarity on behavioural expectations towards stakeholders. The Ethics and Sustainability Committee continues to monitor and evaluate programmes underpinning our ethical culture and reviews all policy and guidance documents, including the Code of Ethics. We also expect high ethical standards from our business partners, guided by our Supplier Code of Conduct.

In 2023, we continued to hold ethics training for our financial representatives, including new joiners through post-induction sessions.

The Prudential Singapore Ethics & Conduct Award recognises agency leaders and financial representatives who exhibit strong ethical behaviour and raise compliance and conduct standards. We believe that driving a positive ethical culture requires motivating the right behaviours.

Since 2019, we have been conducting an annual Ethical Culture Survey to measure the effectiveness of our ethics initiatives. **In 2023, Prudential Singapore maintained a score of 87, higher than the benchmark score (84) for companies of comparable size and revenue.**

The Ethics team in Prudential Singapore places a strong focus on creating awareness around ethical practices in the organisation. The team publishes a regular newsletter on ethics-related content and developed multiple bespoke Ethics campaigns in 2023, one of which is titled #Ethify where employees are recognised for their ethical behaviour at work.

Other ethics awareness-building activities and initiatives include:

- A segment on Ethics for new corporate hires in our mandatory immersion programme, PRUImmersion;
- Divisional outreach and training sessions for existing employees, where the Ethics team shared the Ethical Culture Survey results and discussed how to address issues raised by employees; and
- Our Ethics Advisers, a group of volunteers across the organisation, who champion and promote ethical practices. These advisers also provide a listening ear to employees who are facing ethical dilemmas or require assistance on ethics-related resources.

We encourage our employees and agency representatives to speak up and report incidents of observed misconduct via platforms, such as our local #DORight reporting channel and the global Prudential Speak Out channel. Our commitment to facilitating the reporting of misconduct is backed by our Non-Retaliation Policy which takes a zero-tolerance approach to retaliatory behaviour and serves to create a safe reporting environment.

We channel reports of misconduct to the appropriate departments for investigation. The People Disciplinary Committee (PDC) will then review the presented evidence and decide on the course of action. For cases involving our agency distributors, the Sales Force Disciplinary Committee (SFDC) presides over case reviews and appeals.

The emphasis on ethics within our organisation is highlighted by the support and resources we provide. Our commitment to uphold the utmost standards of professional and ethical behaviour remains our priority.

Data privacy and protection

In 2017, The Economist published an article stating that 'the world's most valuable resource is no longer oil, but data'[29]. In today's digital age, this statement underscores the immense value that data holds, being an asset that can be leveraged to drive business growth and success. **As a life insurer, we recognise the importance of prioritising data privacy and protection.** Failure to safeguard our customers' personal information will lead to a loss of trust and adversely impact our business.

Prudential Singapore has a robust framework to help identify, detect and mitigate digital risks as well as policies on information security, data protection and privacy. In Singapore, our Data Protection Policy is reviewed periodically and is regularly updated with the latest regulatory requirements from the Personal Data Protection Commission (PDPC).

Consistent with previous years, we require all employees to undergo data protection training in 2023. In July 2023, a cybersecurity incident simulation was conducted at Prudential Singapore with participation expanded from the Core Leadership Team (CLT) to include the wider Leadership Team (LT) who have access to more sensitive data. The exercise was held to drive enhanced cyber resilience and preparedness as well as evaluate the proficiency of our Incident Management Team (IMT) in managing cyber incidents, based on realistic and current threat intel scenarios. Forty-one employees attended the exercise and learnt directly from our CLT on how to approach cyber incidents. The exercise also raised awareness of the support provided by the Group Information Security and Privacy (GISP) team and the internal PACS processes in the event of a cyber incident.

We also conduct regular phishing exercises and training for employees to enhance the organisation's ability to spot technological vulnerabilities, risks and cyberattacks. Employees who do not pass the phishing exercise will need to attend re-training. All re-trainings for the phishing exercise have been completed as of January 2024.

Like our employees, our financial representatives play an important role in protecting our organisation and customers against technological risks. We conduct an annual Technical Knowledge Assessment for our financial representatives to ensure they have fundamental knowledge of data privacy, information security and technological risks. We also regularly communicate regulatory requirements and best practices to our agency force.

As data breaches can lead to significant penalties and reputational damage, we have strict internal processes in place to mitigate such incidents. For a start, all data breaches are managed as incidents by our internal incident reporting group. Where required, we report incidents to our regulator and the Risk Committee. Should a matter require escalation, the Risk Committee will inform the Board Risk Committee, who has oversight on technology risk, among other topics. In 2023, we reported 13 cases of identified leak, theft and loss of customer data to the PDPC.

Internal investigations have been carried out and remedial actions have been put in place where gaps are identified. We also received six substantiated complaints concerning breaches of customer privacy[30]. Corrective actions such as updating of procedures and system enhancements to minimise risk were taken to prevent recurrence of the incidents.

We remain committed to upholding our customers' trust by prioritising the privacy and protection of their data and acting with integrity. We strive to continuously improve on our security risk and controls.

Data governance

The Data Governance Council (DGC) is accountable for ensuring that we manage our data assets effectively to meet our regulatory, compliance and financial reporting obligations and to enable continuous growth and improvement of customer experiences.

In 2023, the DGC focused on unlocking the potential of our core data's business glossary, its data lineage and data quality monitoring which we initiated in 2022. The goal is to generate more robust business insights and drive better decisions by providing data tailored to specific needs. Furthermore, we rolled out use cases on data quality and established workflow processes such as PruDefine to standardise business terminology, promote solution reusability and bring governance to the process of data usage and requests.

Artificial intelligence and machine learning governance

The growth of artificial intelligence (AI) and machine learning (ML) has made these technologies more accessible and affordable. This has led to greater use of these technologies in the insurance industry to improve productivity and the customer experience, especially in areas such as underwriting, claims assessment and servicing. In 2023, we focused heavily on building processes to ensure we use AI and ML responsibly to the benefit of our business, employees and customers. The development of a robust AI Governance framework was driven by strong collaboration from across the business with the Ethics, Legal, Data Governance and AI development teams.

In 2023, we implemented PruSafeAI, an internal framework for developing responsible AI systems in accordance with our Governance processes. This framework incorporates Responsible AI and Governance processes into the design and development stages, ensuring adherence to the Fairness, Ethics, Accountability and Transparency (FEAT) principles stipulated by the MAS. During the year, a total of 20 AI systems were approved by Group's AI Working Group and our AIDA (Artificial Intelligence and Data Analytics) Working Group. **We continue to monitor global, regional and local regulations to ensure our processes are compliant, current and put our customer at the centre of our AI system developments.**

[29]The Economist, "The world's most valuable resource is no longer oil, but data" https://www.economist.com/leaders/2017/05/06/the-worlds-most-valuable-resource-is-no-longer-oil-but-data

[30]Incidents and complaints reported in this section cover corporate incidents only.

Board of Directors

Ben Bulmer

Chairman and Non-Executive Director
(Appointed on 28 August 2023)

Ben Bulmer is a Director, the Chairman of the Board of Directors and a member of the Nomination and Remuneration Committee of Prudential Singapore with effect from 28 August 2023, in place of Mark FitzPatrick.

Mr Bulmer was appointed Chief Financial Officer of Prudential plc in May 2023. He joined Prudential in 1997 and has held various leadership roles including CFO, Insurance and Asset Management, Regional CFO of Prudential Asia, CFO of Eastspring Investments, the Group's asset management business, CFO of Prudential Hong Kong's Life and General Insurance businesses and Chief Accountant of Prudential Asia. He is a member of the Group Executive Committee and as CFO is responsible for overseeing all financial matters such as Performance Management, Financial Reporting, FP&A, Capital Management, Investment Management as well as the Group Actuarial Function, Strategy, Investor Relations and Sustainability.

Mr Bulmer is a Chartered Accountant (The Chartered Institute of Management Accountants) and holds a Bachelor of Arts (Hons) degree from The London School of Economics.

Mark FitzPatrick

Chairman and Non-Executive Director
(17 November 2022 to 28 August 2023)

Mark was the Group Chief Executive Officer of Prudential plc from April 2022 to March 2023, having previously served as Group Chief Financial Officer since joining the Board in July 2017. He was appointed as a Director, the Chairman of the Board and a member of the Nomination and Remuneration Committee of Prudential Singapore in November 2022. Mark was previously also Chief Operating Officer of Prudential plc from July 2019 to March 2022.

Mark led Prudential's life and health insurance and asset management businesses across Asia and Africa, where Prudential has been providing familiar, trusted financial security for almost 100 years. He has a strong background across financial services, insurance and investment management, encompassing wide geographical experience relevant to the Group's key markets.

Mark previously worked at Deloitte for 26 years, building his industry focus on insurance and investment management globally. During this time, Mark was Managing Partner for Clients and Markets, a member of the executive committee and a member of the board of Deloitte UK. He was a Vice Chairman of Deloitte for four years. Mark previously led the Insurance & Investment Management audit practice and the insurance industry practice.

Mark was a Director of Prudential Services Limited which is a wholly-owned Prudential subsidiary. He also holds the position of Director at Prudential Corporation Asia Ltd, the British Heart Foundation, and Scottish Mortgage Investment Trust PLC, in the United Kingdom. He was also a Director of Eastspring Investments Group Pte Ltd Singapore since August 2022. Mark also served as co-Chair of the Prudential Diversity and Inclusion Council and the Chair of the Group ESG Committee.

Mark holds a Master of Business Administration, a Bachelor of Commerce (Honours) Degree in Accounting, and a Postgraduate Diploma in Accounting from the University of Cape Town, South Africa.

Dennis Tan

Chief Executive Officer and Executive Director

Dennis Tan is the Chief Executive Officer of Prudential Singapore. At the Group level, he was also appointed Managing Director of the Strategic Business Group covering Singapore, Thailand and Vietnam since July 2022. In this role, Dennis is responsible for the business and operational results of the three markets.

A veteran banker, Dennis has 26 years of experience in consumer banking spanning product development, segment management, marketing and sales and distribution.

Prior to joining Prudential in February 2020, Dennis was with OCBC Bank for 10 years, of which seven were spent leading a 3,100-strong consumer banking division as Head, Consumer Financial Services. Dennis also spearheaded the growth of OCBC's Premier Banking business in Singapore, Malaysia, Indonesia and China as Head of Branch and Group Premier Banking. He was also a member of OCBC Bank's Management Committee.

Dennis is a Non-Executive Director and Chairman of the Board of Directors of Prudential Financial Advisers Singapore Pte. Ltd. and Prudential Life Assurance (Thailand) Public Company Limited. He is President of the Life Insurance Association's Management Committee and Council Member at The Institute of Banking and Finance Singapore. He is also Director at Prudential Singapore Holdings Pte. Limited and Director at Singapore College of Insurance. In addition, Dennis is also Chairperson and Member of the Members' Council at Prudential Vietnam Assurance Private Limited.

Dennis is Singaporean. He holds a Bachelor of Science in Business (Honours with Distinction) from Indiana University and has completed the Stanford Executive Programme at Stanford University's Graduate School of Business. He is a Certified Financial Planner.

Annie Koh

Non-Executive Director

Professor Annie Koh was appointed as a Non-Executive Director of Prudential Singapore in August 2018, and is the Chair of the Nomination and Remuneration Committee and a member of the Audit Committee and the Board Risk Committee.

Prof Koh possesses a wealth of experience and expertise in education and management in the banking and finance markets. She started her career as Treasury Manager of DBS Bank Singapore in 1976. Since then, she has worked in educational institutions such as the National University of Singapore (NUS) and the Singapore Management University (SMU).

Prof Koh is Professor Emeritus of Finance (Practice) at Lee Kong Chian School of Business, SMU, since 2021. She is a renowned conference speaker, panel moderator and commentator. Prof Koh chairs the Asian Bond Fund 2 supervisory committee of the Monetary Authority of Singapore (MAS) since 2016, and is a committee member of Singapore's Customs Advisory Council.

With effect from February 2022, in addition to being a member on the Audit and Risk committee and Nomination and Remuneration committee, Prof Koh now serves as Chair of the Board and Independent Director of KBS US Prime Property Management. She is also an Independent Director of AMTD IDEA Group since May 2020 and a member of the Audit Committee of AMTD IDEA Group since December 2020. In addition, Prof Koh is also an Independent Director of Yoma Strategic Holdings Ltd since November 2020, a Director of EtonHouse Community Fund Limited since February 2023 and a Director of Singapore Food Agency (Government) since April 2023. She previously served on PBA, GovTech, Singapore's CPF, HMI, K1 Ventures boards and was a member of the World Economic Forum Global Future Council from 2019 to 2022.

Prof Koh also advises privately owned enterprises such as Flexxon Pte Ltd, TOP International, and startups such as Dedoco, Hyperscal Solutions Pte Ltd, Pyxis Maritime Pte Ltd, Float Foods Pte Ltd and non-profits such as Cyber Youth Singapore and WWF Singapore. She has been an investment committee member of iGlobe Partners since July 2010 and advisor to CUBE3 Ventures since October 2021 and Asia Food Sustainability Fund since February 2022. Previously held leadership positions at SMU include Vice President for Business Development; V3 Group Professor of Family Entrepreneurship; Academic Director of Business Families Institute and International Trading Institute; Associate Dean, Lee Kong Chian School of Business; and Dean, Office of Executive and Professional Education.

Prof Koh's achievements include being awarded a MAS Scholarship for NUS BSc in Economics (Hons) and a Fulbright scholar for her PhD degree in International Finance from Stern School of Business, New York University in 1988. Her research interests are in Family Office and Family Business, Investor Behaviour, Alternative Investments and Enterprise Risk Management. She is co-author of Financial Management: Theory and Practice, 2nd edition (2021), and Financing Internationalisation – Growth Strategies for Successful Companies (2004), co-editor of Asian Family Business: Succession, Governance and Innovation (2020), and author of a number of Asian family business cases and survey reports. In recognition of her contribution to education and the public sector, she was awarded the bronze and silver Singapore Public Administration medal in 2010 and 2016 respectively, and the Adult Education Prism Award in 2017.

Simon Christopher John Machell

Non-Executive Director

Simon Machell was appointed as a Non-Executive Director of Prudential Singapore in March 2020 and is Chair of the Board Risk Committee and a member of the Audit Committee and Nomination and Remuneration Committee.

Simon has over 30 years of CEO experience in both the life and general insurance sectors in Europe and Asia, and has a wealth of experience and expertise in the areas of management, operations, finance, risk and strategy. Simon qualified as a Chartered Accountant with Ernst and Young in London in 1988 and held auditing and finance roles at Legal & General before joining Norwich Union (later renamed Aviva) in 1994. Simon spent almost 20 years with Aviva where he started as a finance executive in the general insurance business before taking on claims and operations roles. He became the Managing Director of RAC when Aviva bought that business and subsequently became the CEO of the UK general insurance business. From 2002 to 2007, Simon was also the Chair of the Motor Insurers Bureau.

In 2007, Simon moved to Singapore to become the CEO of Aviva's business in Asia. The markets in eastern Europe were added to the portfolio in 2012. He was responsible for all aspects of the business and was accountable for relationships with regulators and joint venture partners. Simon was also a Non-Executive Director of Aviva's asset management business in Asia.

In 2013, Simon became a Non-Executive Director of Tesco Bank in the UK and also a member of the Audit, Risk, Nomination and Remuneration Committees. He became the Chair of Tesco Underwriting which is Tesco Bank's insurance underwriting vehicle in 2016. Simon is also the chair of the Tesco Underwriting Remuneration Committee. He continues to hold both roles today.

In 2015, Simon became a Non-Executive Director of Pacific Life Re and a member of the Risk Committee. In 2018, he became the Chair of Pacific Life's Australian entity and sat on the risk, audit, and remuneration committees. Simon joined the Prudential Corporation Asia Board in 2016 and became Chair of the Risk Committee. He continued in this role until the board was disbanded in 2020. Simon was elected to the Board of Suncorp in Australia in 2017, and he is a member of the People and Remuneration Committee and the Audit and Nomination Committee. In April 2021, Simon became a Non-Executive Director and Non-Executive Chair of GreenPlace Assets Pte. Ltd.

Simon has a Bachelor of Art degree in Economics from University of Durham and is a Fellow Member of the Institute of Chartered Accountants in England and Wales (ICAEW). He is also a Guest Professor at the Southwest University of Finance and Economics in Chengdu, China.

6 Board of Directors

Teo Teow Hock (Daniel Teo)

Non-Executive Director

Daniel Teo was appointed as a Non-Executive Director of Prudential Singapore in October 2018 and is Chair of the Audit Committee and a member of the Board Risk Committee and the Nomination and Remuneration Committee.

Daniel started his banking career at Standard Chartered Bank Singapore in 1984. From 1989 to 2000, he was Commercial Banking Manager and Operations Manager at the Republic National Bank of New York, Singapore. From 2001 to 2012, he was Regional Chief Operating Officer at ING Asia Private Bank Ltd Singapore (later renamed Bank of Singapore Ltd). In 2012, Daniel joined ABN AMRO Bank NV Singapore and held the roles of Country Operating Officer (COO) and Deputy Country Executive, Singapore, and COO Private Banking International Asia and Middle East.

From 2014 to 2016, Daniel was an Alternate Council Member at the Association of Banks in Singapore. Professionally, his achievements include the "Leading Individual" award at the 2015 Wealth Briefing Asia Awards.

Since 2016, Daniel has been active in non-profit work. He was Chair of the board for a cooperative for ex- offenders from June 2016 to May 2022. He has also served on various other non-profit boards. He was awarded the Minister for Home Affairs National Day Award in 2022 for his service as a Home Team Volunteer.

Since June 2021, he has been the Chairman of Audit Committee and member of the Advisory Board of Singapore Photographic Society, a non-profit organisation. Daniel is also a Director and Chairman of Audit Committee in RSVP Singapore The Organisation of Senior Volunteers since September 2022, and a Director and Chairman of Finance and Investment Committee of HCA Hospice Limited (HCA) since September 2023. In September 2023, he was appointed by the Ministry of Home Affairs as a member of a Singapore Prison Service Advisory Committee, independently reviewing the suitability of inmates recommended to go on rehabilitative Home Detention and Employment Preparation programmes.

Daniel has a Bachelor of Business Administration degree from National University of Singapore and has completed executive programmes at INSEAD Singapore and IMD Lausanne.

Wan Mei Kit

Non-Executive Director

Wan Mei Kit was appointed as a Non-Executive Director of Prudential Singapore in January 2018, and is a member of the Audit Committee, Board Risk Committee, and Nomination and Remuneration Committee. She is also a Director and the Chair of Audit and Risk Committee and Member of Nominations Committee of Singapore Pools (Private) Limited and Member of Tote Board Audit and Risk Committee (ARC) since July 2022 and a Director of CapitaLand China Trust Management Limited since October 2023.

Mei Kit is an experienced professional in audit, risk control, governance and compliance roles across leading international banks, with knowledge spanning across Asia Pacific. She began her career in audit with Coopers & Lybrand Public Accountants (now PricewaterhouseCoopers). Since then, Mei Kit has worked in various global financial institutions, including Bank of America as the Regional Auditor, South East Asia, and Union Bank of Switzerland as the Head of Internal Audit, Singapore. She held various regional head and leadership roles in the global audit, compliance and operational risk functions within Standard Chartered Bank Singapore from 1989 to 2015. In her most recent corporate role, she was the Regional Head of Audit, ASEAN, at Standard Chartered Bank Singapore.

She currently volunteers at various non-profit organisations as Audit and Risk Committee member of the National Kidney Foundation in Singapore, Chair of the Advisory Committee on Oversight of the United Nations Entity for Gender Equality and the Empowerment of Women (United Nations Women) in New York, and a Board member of Asia Philanthropic Ventures Pte Ltd.

Mei Kit is a Fellow of the Association of Chartered Certified Accountants UK and of the Institute of Singapore Chartered Accountants. She is a member of the Singapore Institute of Directors and a Graduate of the Australian Institute of Company Directors.

7 Leadership Team

1 **Dennis Tan**
Chief Executive Officer and Executive Director, Managing Director of Strategic Business Group, Prudential plc

2 **Jackie Chew**
Chief Risk Officer

3 **Goh Theng Kiat**
Chief Customer Officer

4 **Tomasz Kurczyk**
Chief Information Technology Officer

5 **Neetha Nair**
Chief Human Resources Officer

6 **Andreas Rosenthal**
Chief Financial Officer

7 **Vikas Sinha**
Chief Operations Officer

8 **Ben Tan**
Chief Distribution Officer and Chief Corporate Development Officer

9 **Bernard Chai**
Chief Executive Officer, Prudential Financial Advisers Singapore

10 **John Chow**
Chief Partnership Distribution Officer

11 **Rom Lee**
Chief Agency Officer

12 **Liauw Lee Jiat**
Chief Actuary and Appointed Actuary

Leadership Team

Dennis Tan

Chief Executive Officer and Executive Director
Managing Director of Strategic Business Group, Prudential plc

Dennis Tan is the Chief Executive Officer of Prudential Singapore. At the Group level, he was also appointed Managing Director of the Strategic Business Group covering Singapore, Thailand and Vietnam, since July 2022. In this role, Dennis is responsible for the business and operational results of the three markets.

A veteran banker, Dennis has 26 years of experience in consumer banking spanning product development, segment management, marketing and sales and distribution.

Prior to joining Prudential in February 2020, Dennis was with OCBC Bank for 10 years, of which seven were spent leading a 3,100-strong consumer banking division as Head, Consumer Financial Services. Dennis also spearheaded the growth of OCBC's Premier Banking business in Singapore, Malaysia, Indonesia, and China as Head of Branch and Group Premier Banking. He was also a member of OCBC Bank's Management Committee.

Dennis is a Non-Executive Director and Chairman of the Board of Directors of Prudential Financial Advisers Singapore Pte. Ltd. He is President of the Life Insurance Association's Management Committee, and Council Member at The Institute of Banking and Finance Singapore.

Dennis is Singaporean. He holds a Bachelor of Science in Business (Honours with Distinction) from Indiana University and has completed the Stanford Executive Programme at Stanford University's Graduate School of Business. He is a Certified Financial Planner.

Jackie Chew

Chief Risk Officer

Jackie Chew is Chief Risk Officer at Prudential Singapore. She oversees Enterprise Risk Management, Technology Risk Management, Compliance and Risk Analytics.

She is a trained accountant who has more than 22 years of work experience in insurance, asset management, investment banking and private banking.

Jackie joined Prudential in 2011 and has a distinguished career in various Prudential entities. Her most recent role was in Group-wide Internal Audit as Audit Director, Fund Management, Prudential Corporation Asia. Prior to that, Jackie was the Chief Executive Officer of Eastspring (Singapore) Investments. Her previous experience also includes roles at Merrill Lynch, ING Bank and PwC.

Jackie is a Board Director of Prudential Financial Advisers Singapore Pte. Ltd. She holds a Master of Business Administration in Finance (Merit) from the University of Leeds, UK and a Bachelor of Accountancy (Hons) from Nanyang Technological University, Singapore. A Singaporean, she is a certified public accountant and a fellow, Life Management Institute with Distinction, LOMA.

Goh Theng Kiat

Chief Customer Officer

Goh Theng Kiat is Chief Customer Officer at Prudential Singapore. In his role, Theng Kiat champions customer-centricity across the organisation and is responsible for the delivery of a differentiated proposition and experience to our customers in both the retail and enterprise segments. He oversees Prudential Singapore's customer strategy and initiatives, marketing and events.

Theng Kiat brings with him more than 27 years of marketing and business management experience across different industries, from FMCG to financial services.

Prior to joining Prudential Singapore in August 2018, he was Chief Marketing Officer at the consumer arm of OCBC Bank Singapore, where he helped build its brand, product, customer segments and digital marketing practice. He has also held a number of regional and global responsibilities in marketing and innovation.

Theng Kiat is a Board Member at the European Chamber of Commerce in Singapore.

Theng Kiat is Singaporean and holds a Bachelor degree in Electrical Engineering from the National University of Singapore.

Tomasz Kurczyk

Chief Information Technology Officer

Tomasz Kurczyk is Chief Information Technology Officer at Prudential Singapore. He is responsible for the information technology functions of the company and leads our efforts to strengthen our digital capabilities.

Tomasz has over 18 years of experience across multiple industries and geographies building and growing business, products, and platforms to deliver tangible impact. He started his career in Poland as an entrepreneur before becoming a technology and strategy consultant.

He has spent the last 12 years in the insurance industry. Prior to joining Prudential in August 2022, Tomasz spent 10 years with AXA Group working across Europe, US and Asia, holding roles such as Chief Digital and Transformation Officer at AXA Insurance in Singapore.

Tomasz also actively participates in FinTech ecosystem development as an advisor to FinTechs, and he also served as an Executive Committee Board Member at the Singapore FinTech Association, and as Chairman of its Audit and InsurTech Committees.

Tomasz is Polish and holds a Master of Business Administration from the Kellogg School of Management, Northwestern University, United States, as well as a Master of Science in Computer Systems from Politecnico di Milano, Italy.

Neetha Nair

Chief Human Resources Officer

Neetha Nair is Chief Human Resources Officer at Prudential Singapore, and was appointed on 1 April 2023. In her role, Neetha creates enriching and inspiring people practices that enable individuals and organisations to achieve their goals.

Prior to her appointment as Chief Human Resources Officer, she was Head of Future Ready Workforce. She joined Prudential Singapore in February 2018 as Head of HR Centre of Excellence, and successfully led the Talent Acquisition, Strategic Workforce Planning, Learning and Development, Talent Management, People Analytics, Total Rewards and Performance Management teams.

Before Prudential, Neetha was a Director at PwC, Singapore and New Zealand, for 10 years, and led the HR transformation practice.

With over 21 years of experience as a HR practitioner and consultant across industries and geographies, she specialises in large-scale business transformation, change management, embedding new and agile ways of working, and talent management.

Neetha is a Singapore PR and holds a Master in Business Administration (Human Resources) from Visva-Bharati University and Bachelor in Sociology (Honours) from Delhi University.

Andreas Rosenthal

Chief Financial Officer

Andreas Rosenthal is the Chief Financial Officer (CFO) of Prudential Singapore. He oversees Finance (Operations), Financial Reporting, Actuarial Financial Management, Actuarial Products and Advisory, Distribution Compensation and Analytics, Performance and Expense Management, Finance Projects and Transformation, and Procurement.

A finance and actuarial veteran with over 22 years of insurance industry experience, Andreas has held regional and local CFO roles in markets across Asia including Korea, Singapore, Taiwan, Thailand, and the Philippines.

Prior to joining Prudential Singapore in January 2018, Andreas was CFO at AIA Philam Life and AIA Korea. He was also previously the regional CFO of Allianz till 2011.

Andreas is a Board Member of the Global Asia Insurance Partnership (GAIP). He is also an Advisory Committee Member of Elevandi, a non-profit set up by the Monetary Authority of Singapore to foster an open dialogue between the public and private sectors to advance FinTech in the digital economy.

A qualified German Actuary, Andreas holds a Masters in Mathematics from the FU University of Berlin, Germany and a PhD in Mathematics from the University of Bielefeld, Germany.

Leadership Team

Vikas Sinha

Chief Operations Officer

Vikas Sinha is Chief Operations Officer at Prudential Singapore. He is responsible for the life operations functions of the company including claims, new business and customer operations.

Prior to his appointment as Chief Operations Officer, Vikas led the Operational Excellence function within the Operations Division. As Head of Transformation - Customer Fulfilment, he was involved in delivering major operational transformation programmes including designing and rolling out the new Target Operating Model, digitalisation of operational processes through automation using artificial intelligence and intelligent automation, and driving the culture of continuous improvement through Operational Excellence Academy.

Vikas has over 20 years of experience in the insurance industry working in various markets across Europe and Asia Pacific in the areas of Operations, Transformation and Digital. Prior to joining Prudential Singapore in 2019, Vikas was the Regional Head of Transformation and Operational Performance at Generali Asia.

Vikas holds a Master of Business Administration in Finance and Bachelor in Computer Application from Makhanlal Chaturvedi National University of Journalism and Communication. He also holds a certification in Master Black Belt in Six Sigma from the Indian Statistical Institute and is a SMU-AXSI Digital Finance Leader.

Ben Tan

Chief Distribution Officer and Chief Corporate Development Officer

Ben Tan is Chief Distribution Officer at Prudential Singapore. In this role, he manages both agency and partnerships distribution, driving performance, ensuring alignment of strategies across channels, and developing new partnerships to accelerate growth.

He is also Chief Corporate Development Officer and is responsible for Corporate Strategy, Change Management, Analytics, Strategic Change, Enterprise Data Governance, Future Workplace, as well as driving our innovation agenda.

Ben has more than 27 years of experience in the insurance industry, with roles spanning sales and marketing as well as channels development and management.

Prior to joining Prudential Singapore on 21 December 2020, Ben spent 13 years with Great Eastern Life (GE Life) where he was Head of Customer Acquisition, then Chief Distribution Officer and subsequently Managing Director. He was responsible for the development and implementation of the strategic plan and business initiatives for GE Life's distribution channels in Singapore. He also provided governance oversight and regional support to the distribution teams in Malaysia, Indonesia and Brunei.

Earlier in his career, Ben spent 12 years with AIA where he held multiple leadership roles in the General and Life insurance businesses, including being the Regional Director of Agencies.

Ben is a Board Director of Prudential Financial Advisers Singapore Pte. Ltd. He is also a Multilateral Healthcare Insurance Committee Member at the Ministry of Health Singapore, a Member of The Institute of Banking and Finance Financial Planning Industry Workgroup, and a Member of Insurance Culture and Conduct Steering Committee.

Ben is Singaporean and holds a Bachelor of Science in Business from Indiana University.

Bernard Chai

Chief Executive Officer, Prudential Financial Advisers Singapore

Bernard Chai is Chief Executive Officer of Prudential Financial Advisers Singapore (PFA), the financial advisory arm of Prudential Singapore. Bernard played a key role in obtaining the licence to establish PFA and manages the financial representatives who join the company.

Bernard is a Prudential veteran who joined Prudential Singapore in 2003. He has held various roles such as Head of Standard Chartered Bank (SCB) Partnership, Director of Partnerships Development, and Head of Business Development. He was most recently Prudential's Head of Agency Transformation before being appointed the CEO of PFA.

Prior to Prudential Singapore, Bernard was with AIA Singapore as a financial consultant and agency leader for 25 years. Bernard is Singaporean.

John Chow

Chief Partnership Distribution Officer

John Chow is Chief Partnership Distribution Officer at Prudential Singapore. In this role, he oversees our partnership distribution business, particularly the strategic partnerships with UOB and SCB.

John has more than 17 years of partnership distribution experience in both the banking and insurance industry.

Prior to joining Prudential Singapore on 6 January 2021, John spent five years with Manulife, where he held various roles in regional partnerships, including leading performance management for the insurer's regional DBS partnership. In his most recent role, John was based out of Kuala Lumpur as Chief Partnership Officer of Manulife Insurance Berhad (MIB) and Manulife Labuan International Limited (MILL). He was responsible for MIB's exclusive bancassurance partnership with Alliance Bank Berhad and MILL's omni-channel distribution strategy, including the exclusive bancassurance partnership with Standard Chartered Bank (Malaysia).

John was also previously with OCBC Bank for four years. In his last role as Head of Bancassurance, he developed and executed the strategies to grow the bancassurance business of OCBC and Great Eastern Life in Singapore.

John is Singaporean and holds a Master of Engineering in Aeronautical Engineering from Imperial College London, as well as an Executive Diploma in board directorship from Singapore Management University – Singapore Institute of Directors.

Rom Lee

Chief Agency Officer

Rom is Chief Agency Officer at Prudential Singapore. Appointed to his role in September 2022, he manages our 5,200-strong agency force.

Rom is a Prudential veteran who has contributed to the company's growth in both bancassurance and agency distribution since he joined Prudential Singapore in 2003.

Under his tenure, the team has consistently attained high sales growth and increased agency productivity. He was instrumental in guiding the agency through the pandemic period, ensuring that digital technology such as remote advisory and servicing, new ways of working and safe management measures were adopted so our agency could continue to serve customers safely and effectively.

Rom joined Prudential upon graduation and has been with the company ever since. Rom is Singaporean. He holds a diploma in Mass Communications from Ngee Ann Polytechnic, and is an SMU-AXSI Digital Finance Leader.

Liauw Lee Jiat

Chief Actuary and Appointed Actuary

Liauw Lee Jiat is Chief Actuary at Prudential Singapore, and was appointed the Appointed Actuary on 22 February 2021. In this role, she provides strategic direction and leadership across the Corporate Actuarial, Actuarial Pricing and Distribution Compensation functions.

Lee Jiat has held various roles in the Finance division since joining Prudential in 2013. As the Head of Distribution Compensation & Analytics, she led her team to revamp and implement the compensation structure for the Agency force to increase productivity. During her appointment as Head, Business Finance, she oversaw Finance Business Partnerships, Finance Performance Management, Distribution Compensation & Analytics and Finance Sales Reporting.

With close to two decades of experience in the Finance and Actuarial Field, Lee Jiat was previously the Head of Capital Management & MCEV Reporting and Appointed Actuary (HK) at Aviva, and the Head of Pricing and Product Development for Bancassurance Channel at Great Eastern Life.

Lee Jiat is Singaporean. A qualified Actuary, she graduated with a Bachelor of Business (Actuarial Science) from Nanyang Technological University, Singapore.

Corporate Governance

Board's Conduct of Affairs

Board Responsibility and Accountability

The Board oversees the affairs of Prudential Singapore, including providing oversight over the setting of the strategic goals of the Company, ensuring that there are adequate resources available, establishing a framework of controls to assess and manage risks, and reviewing the business performance of the Company.

Board Committees

Prudential Singapore is an indirect wholly-owned subsidiary of Prudential plc. The Board at Prudential Singapore has established several Board committees consisting of the Audit Committee, Board Risk Committee, and Nomination and Remuneration Committee, which have been constituted with clear Board-approved written terms of reference.

Board/Committee Meetings and Attendance

The Board meets at least four times a year to review business performance and key activities, as well as to approve policies. Board Risk Committee and Audit Committee meetings are also held not less than four times a year and usually before the Board meetings. At least one meeting of the Nomination and Remuneration Committee is held in a year. Ad- hoc Board or Board Committee meetings will be convened if warranted. The table below lists the number of meetings of the Board and the Board committees held and attended by each director (including his/her attendance as an invitee) throughout 2023.

The Board has developed internal guidelines on matters which require its approval, as well as matters for which it has to be informed on a regular basis. The types of material transactions that require Board approval include non-routine transactions that are not made in the ordinary course of business and/or any transactions exceeding its approved pre- defined limits.

Board/Committee Meetings and Attendance	Board Meetings (include one Adhoc Board Meeting and one Strategic Planning Meeting)	Board Risk Committee Meetings	Audit Committee Meetings	Nomination and Remuneration Committee Meetings (include one Adhoc NRC Meeting)
Number of meetings held in 2023	6	4	6	3
Chairman				
Mark Thomas FitzPatrick (Note 1)	3	2	4	2
Benjamin James Bulmer (Note 2)	2	1	1	1
Chief Executive Officer				
Tan Thean Oon Dennis	6	4	5	3
Non-Executive Director				
Annie Koh	6	4	6	3
Teo Teow Hock	6	4	6	3
Wan Mei Kit	6	4	6	3
Simon Christopher John Machell	6	4	6	3

Note 1: Stepped down as Non-Executive Director, Board Chairman and Member of Nomination and Remuneration Committee ("NRC") with effect from 28 August 2023
Note 2: Appointed as Non-Executive Director, Board Chairman and Member of Nomination and Remuneration Committee ("NRC") with effect from 28 August 2023

Board Composition and Independence

The Board conducts a review and determines the independence of its directors annually. In accordance with the Corporate Governance Regulations, an independent director in Prudential Singapore is one who is independent from management and business relationships with the Company, its substantial shareholders and has not served for more than nine years on the Board. The Board is required to have at least one-third of directors who are independent directors and at least a majority of directors who are independent from management and business relationships.

As at 31 December 2023, the Board comprises the Chairman, Mr Benjamin James Bulmer, the Chief Executive Officer (CEO), Mr Tan Thean Oon Dennis, and four non-executive directors, namely, Ms Wan Mei Kit, Prof Annie Koh, Mr Teo Teow Hock and Mr Simon Christopher John Machell. Further to the foregoing, there are four independent directors, namely Ms Wan Mei Kit, Prof Annie Koh, Mr Teo Teow Hock and Mr Simon Christopher John Machell. The current composition of the Board satisfies the statutory requirement of having a majority of directors who are independent from any management and business relationship with Prudential Singapore.

The directors possess a wide spectrum of competencies in finance, business/management, risk, strategy, sustainability and education. The non-executive directors are constructively involved in discussing strategic proposals, as well as in reviewing the performance of management in meeting agreed goals and objectives, and monitoring the reporting of performance. The directors' profiles can be found in the Board of Directors section of this Annual Report.

Chairman and CEO

The division of responsibilities between the Chairman and CEO has been approved by the Board and is set out in the Board Governance Policy and Guidelines.

Among the other responsibilities, the Chairman is tasked with the leadership and the governance of the Board as a whole. The Chairman approves the agenda of the Board, monitors the quality and timeliness of the flow of information to the Board, and promotes effective communication and constructive relationships between the Board and management.

With the assistance of members of the Core Leadership Team (CLT), Appointed Actuary and relevant senior management staff, the CEO is responsible for the management of Prudential Singapore and the implementation of the Company's strategies and plans, as well as oversight of its day-to-day operations.

The Board has not appointed a lead independent director because the Chairman and the CEO are separate persons and Prudential Singapore is a wholly-owned subsidiary of Prudential plc.

Board Membership

Role of the Nominating Committee

In performing the functions of a Nominating Committee, the Nomination and Remuneration Committee supports the Board with a formal, documented and transparent process for the nomination, selection, appointment, removal as well as succession of directors and the CLT, Appointed Actuary and relevant senior management staff of Prudential Singapore. The Nomination and Remuneration Committee assesses candidates for directorship and CLT, Appointed Actuary and relevant senior management staff positions and propose appointments for approval by the Board, taking into consideration the candidate's merit, as well as his/her fulfilment of pre-defined criteria. The Nomination and Remuneration Committee considers the re-appointment of directors every three years, and reasons for resignations of directors as well as the members of the CLT, Appointed Actuary and relevant senior management staff. Directors who are above 70 years of age are also subject to annual re-appointment at the Annual General Meeting (AGM).

As at 31 December 2023, the Nomination and Remuneration Committee comprises Prof Annie Koh (Chairman), Mr Benjamin James Bulmer, Mr Teo Teow Hock, Ms Wan Mei Kit and Mr Simon Christopher John Machell.

On an annual basis, the Nomination and Remuneration Committee determines whether each director remains qualified for office, taking into account various factors such as the extent of independence, fit and proper status and experience. It is Prudential Singapore's policy not to set a one-size-fits-all policy on the number of directorships which may be held by each director. Directors may serve on a number of other Boards, provided that they are able to demonstrate satisfactory time commitment to their roles at Prudential Singapore.

Process for Appointment of New Directors

Prudential Singapore has a transparent and established formal process for the appointment of new Directors. When there is a need for an appointment of a new Director, the search for new directors is conducted through a third party and/or through third party recommendations and suitable prospective candidates are evaluated thoroughly in view of the Nomination and Remuneration Committee deliberating and thereafter recommending the appropriate candidate to the Board for necessary approval.

Corporate Governance

In the process for appointment of new directors, the Nomination and Remuneration Committee considers a variety of factors such as diversity, independence, views of stakeholders and relevant competencies necessary for a director of Prudential Singapore. The Nomination and Remuneration Committee will head towards procuring the Board and Board Committees that are of an appropriate size, and comprise directors who, as a group, provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate.

Induction

Newly appointed directors are provided with induction/ orientation programmes covering an overview of the Company, its structure and principal activities.

All directors are also issued the Board Governance Policy and Guidelines, which covers internal policies and guidelines observed by the Board in its oversight activities.

Continuous Professional Development

Prudential Singapore has developed a continuous professional training programme which commences with a regular gap analysis on the required skill sets based on the expected business operating environment of the year. Directors complete survey forms to provide an assessment of how effective the training programme is. Based on the 2023 survey results, the training programme provided to directors was effective in equipping them with relevant knowledge and skills to perform their roles effectively.

Throughout their period in office, directors are also regularly updated on Prudential Singapore's businesses and the regulatory and industry specific environment in which the Company operates, as well as on their duties and obligations. These updates can be in the form of written reports to the Board, or presentations by internal staff or external professionals.

In addition to the regular schedule of meetings, the Board holds at least one "Away Day" on an annual basis to discuss the latest developments within the industry, including changes to regulations, corporate governance, accounting standards, risk management and control, where relevant.

Board Performance

Board evaluations are conducted on an annual basis. This process comprises evaluations by each director on the Board's performance as a whole and its Board committees, the contribution by the Chairman as well as self-evaluations of individual performance.

In carrying out their assessments, the following are considered: (a) the key performance criteria which include qualitative measures such as the provision of oversight over the establishment of strategic directions and impacts; and (b) the achievement of objectives where they have been set and approved by the Board.

Access To Information

All directors have direct access to the Company Secretary, who attends all Board meetings and prepares minutes of Board proceedings. Directors also have full access to members of the CLT, Appointed Actuary and relevant senior management staff.

The Board has approved a procedure, as established in the Board Governance Policy and Guidelines, whereby directors have the right to seek independent professional advice, to enable them to fulfil their obligations.

Remuneration

Development of Policies

The Board approves the remuneration framework for directors and members of the CLT, Appointed Actuary and relevant senior management staff as developed by Prudential Singapore and the Regional Head Office in Hong Kong respectively. In performing the functions of a Remuneration Committee, the Nomination and Remuneration Committee is tasked to, amongst others, review and recommend to the Board the remuneration packages for independent directors as well as the CLT, Appointed Actuary and relevant senior management staff. The Board endorses the remuneration packages for independent directors and members of the CLT, Appointed Actuary and relevant senior management staff.

The composition of the Nomination and Remuneration Committee is provided in the section above on Board Membership.

Director, CLT, Appointed Actuary and Relevant Senior Management Staff Remuneration

The independent directors are paid directors' fees which are reviewed regularly. Considerations such as the director's effort, time spent and responsibilities are taken into account during the review.

The remuneration policy for the members of the CLT, Appointed Actuary and relevant senior management staff, including the CEO, is formulated to ensure that they are compensated in line with individual performance and performance of Prudential Singapore based on a balanced scorecard of key performance indicators (KPIs) which include both financial and strategic objectives. Members of the CLT, Appointed Actuary and relevant senior management staff with control job functions such as risk management, compliance, etc, are also subject to these KPIs. Factors such as market competitiveness and industry benchmarks are taken into account.

The remuneration of members of the CLT, Appointed Actuary and relevant senior management staff largely comprises fixed remuneration, ie, their basic salary, variable remuneration, which is a performance-based variable bonus and closely linked to the performance of Prudential Singapore and the individual concerned, as well as long-term incentives which provide alignment to Prudential Group's value through making share awards to key individuals on a selected basis. The long-term incentive will vest after three years subject to continued employment.

The remuneration of the CEO and members of the CLT, Appointed Actuary and relevant senior management staff are reviewed by the Regional Head Office in Hong Kong as well as the Nomination and Remuneration Committee, and endorsed by the Board.

While the Regional Head Office takes into account the Implementation Standards[1] issued by the Financial Stability Board, its policies are intended for the broader audience of all Prudential entities across Asia. Consequently, there may be some differences between its policies and the Implementation Standards.

Disclosure on Remuneration

After careful consideration, Prudential Singapore has decided not to disclose information on the remuneration of directors and the members of the CLT, Appointed Actuary and relevant senior management staff. We are of the view that the disadvantages to Prudential Singapore'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 which are likely to result from such disclosure.

Accountability

As a private limited company, Prudential Singapore is accountable to its Regional Head Office and Group Head Office, and provides updates and reports on a regular basis. Financial updates on the performance, position and prospects are also provided to the Board on a quarterly basis, as well as on any significant events which have occurred or affected the Company during the year.

Risk Management and Internal Controls

Overall, the Board is satisfied that the internal control and risk management systems are adequate and effective, having considered factors such as the truth and fairness of the financial statements prepared by management, the internal auditors' independent assessment of the internal control, risk management practices and management letter points highlighted by the external auditors. The Board has received assurance from the CEO and the CFO that Prudential Singapore's risk management and internal control systems are effective, the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

Risk Management

Principles and objectives

Risk is defined as the uncertainty that Prudential Singapore faces in successfully implementing its strategies and objectives. This includes all internal or external events, acts or omissions that have the potential to threaten the success and survival of Prudential Singapore. Accordingly, material risks will be retained selectively where we think there is value to do so, and where it is consistent with the Company's risk appetite and philosophy towards risk-taking.

The control procedures and systems established within Prudential Singapore are designed to manage rather than eliminate the risk of failure to meet business objectives. They can only provide reasonable and not absolute assurance against material misstatement or loss and focus on aligning the levels of risk-taking with the achievement of business objectives.

Material risks will only be retained where this is consistent with Prudential Singapore's risk appetite framework and its philosophy towards risk-taking. Prudential Singapore's current approach is to retain such risks, where doing so contributes to value creation and Prudential Singapore is able to withstand the impact of an adverse outcome, and has the necessary capabilities, expertise, processes, and controls to appropriately manage the risk.

1 Please refer to the Financial Stability Board Principles for Sound Compensation Practices: Implementation Standards

Internal reporting is performed by the business in accordance with the standards set by the Group Risk function. Risks inherent in the business operations are reviewed as part of the annual preparation of the business plan. Clear escalation criteria and processes are in place for the timely reporting of risks and incidents by the business to the risk management and compliance functions and, where appropriate, the Board and regulators.

Risk Governance

Prudential Singapore's risk governance framework comprises organisational structures, reporting relationships, delegations of authority, roles and responsibilities, and risk policies to enable business units to make decisions and control activities on risk related matters. Business units establish processes for identifying, evaluating, and managing the key risks faced by Prudential Singapore. The framework is based on the concept of 'three lines of defence' comprising risk taking and management, risk control and oversight, and independent assurance.

Primary responsibility for strategy, performance management, and risk control lies with the Board, which had established a Board Risk Committee to assist in providing leadership, direction, and oversight in respect of Prudential Singapore's significant risks. The Board Risk Committee is supported by the Risk Committee at the management level.

Board Risk Committee

As at 31 December 2023, the Board Risk Committee comprises Mr Simon Christopher John Machell (Chairman), Mr Tan Thean Oon Dennis, Prof Annie Koh, Mr Teo Teow Hock and Ms Wan Mei Kit. The principal responsibilities of the Board Risk Committee are to provide oversight on:

- The operation and effectiveness of the independent risk management system for the management of all material financial and non-financial risks faced by Prudential Singapore on an enterprise-wide basis.
- Financial advisory and business quality across distribution channels in Prudential Singapore.
- Compliance with relevant Singapore regulatory requirements relating to risk and fair dealing with customers, sales advisory requirements, and Prudential Singapore's risk management framework.

Risk Committee

The Risk Committee comprises of selected members of the Core Leadership Team (CLT) and senior management representation as standing invitees to ensure that there is an adequate risk management system to identify, measure, monitor, control, and report risks.

The principal responsibilities of the Risk Committee are to:

- Review Prudential Singapore's enterprise risk management framework, as well as the risk appetite and risk policies, including the parameters used and methodologies and processes adopted for identifying and assessing risks.
- Review the material and emerging risk exposures of Prudential Singapore, including market, credit, insurance, operational, liquidity, environmental, model, and economic and regulatory capital risks as well as regulatory and compliance matters.
- Highlight to the Board Risk Committee significant matters arising out of the Risk Committee's review of Prudential Singapore's risks, including any breaches of risk appetite, indications that material risks may potentially crystallise, and significant modifications to risk mitigation strategies, controls, and action plans.

The Risk Committee ensures that the risk management function has adequate resources and is staffed by experienced and qualified employees. The risk management function is led by the Chief Risk Officer who is also accountable to the Board Risk Committee and the Board.

In 2023, the Risk Committee met at least four times and approved components of the Enterprise Risk Management framework, including Prudential Singapore's Own Risk and Solvency Assessment (ORSA) Report, Recovery Plan, and changes arising from the annual review of its risk management framework and related risk policies.

Risk Management Framework and Capital Management

As a provider of financial services, including insurance, the management of risk lies at the heart of Prudential Singapore's business. As a result, effective risk management capabilities represent a key source of competitive advantage for Prudential Singapore.

Prudential Singapore's risk framework includes its appetite for risk exposures as well as its approach to risk management. Under this approach, Prudential Singapore continuously assesses its top risks and monitors its risk profile against approved limits.

A. Risk Appetite

Prudential Singapore defines and monitors aggregate risk limits based on financial and non-financial stresses for its earnings volatility, liquidity, solvency, and operational risks.

Earnings volatility: the objectives of the limits are to ensure that the volatility of earnings is consistent with the expectations of stakeholders and earnings are managed properly. The measure used is the European Embedded Value (EEV) New Business Profits.

Liquidity: the objective is to ensure that Prudential Singapore is able to generate sufficient cash resources to meet financial obligations as they fall due in business-as-usual and stressed scenarios.

Solvency: the limits aim to ensure that supervisory intervention is avoided. The primary measure used is the Capital Adequacy Ratio (CAR) under the Singapore Risk Based Capital (RBC) requirements.

Operational Risk: limits are set to support the monitoring and management of risks as Prudential Singapore has no appetite for material losses suffered as a result of failing to develop, implement and monitor appropriate controls to manage operational risks.

B. Risk policies and risk exposures

Risk policies set out the specific requirements which cover the fundamental principles for risk management within the Risk Management Framework. Policies are designed to give some flexibility so that business users can determine how best to comply with policies based on their local expertise. There are core risk policies for insurance, market, liquidity, credit, and operational risks.

Risks are categorised as shown below:

Category	Risk type	Definition
Financial risks	Product and Insurance risk	The risk of negative impact resulting from the changes in the level, trend or volatility of a number of insurance risk drivers. This includes adverse mortality, longevity, morbidity, persistency, and expense experience.
	Market risk	The risk of loss of negative impacts resulting directly or indirectly from fluctuations in the level or volatility of market prices of assets and liabilities.
	Liquidity risk	The risk of being unable to generate sufficient cash resources or raise finance to meet financial obligations as they fall due in business as usual and stress scenarios.
	Credit risk	The risk of negative impacts resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors in the form of default or other significant credit event (e.g. downgrade or spread widening).
Non-financial risks	Operational risk	The risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events.
	Business environment risk	Exposure to forces in the external environment that could significantly change the fundamentals that drive Prudential Singapore's overall strategy.
	Strategic risk	Ineffective, inefficient, or inadequate senior management processes for the development and implementation of business strategy in relation to the business environment and Prudential Singapore's capabilities.
	Conduct and Regulatory Compliance	Failure to ensure the fair treatment of customers, to act in accordance with fair market practices, and to adhere to applicable legislative and regulatory requirements and expectations.
	Technology	The risk of loss (e.g. prolonged customer service interruption, degraded resilience and performance of critical system, and material loss of data) arising from inadequate or failed technology processes, systems or technology use and implementation.

The key financial and non-financial risks and uncertainties faced by Prudential Singapore that have been considered by the Risk Committee during the year, and Prudential Singapore's approaches to managing the financial risks are described in note 4 of the Financial Statements.

Corporate Governance

Risk Culture

Culture is a strategic priority of the Board who recognises the importance of good culture in the way that we do business. Risk culture is a subset of broader organisational culture, which shapes the organisation-wide values that we use to prioritise risk management behaviours and practices. Prudential Singapore defines its risk culture as the ecosystem of collective values, beliefs and attitudes of its employees that shapes their behaviour and conduct to manage risks in day-to-day business operations. As a further commitment to ensure business sustainability, Prudential Singapore became the first local business unit in the Prudential Group to develop and implement its own Risk Culture Assessment Framework in 2019. As per this framework, a regular risk culture assessment is carried out to identify areas of strength and improvement and develop action plans to make progress on a consistent basis.

Internal Controls

Prudential Singapore has established a sound system of internal controls to safeguard its investments and assets. A review of the effectiveness of controls is carried out by auditors from Group-wide Internal Audit (GwIA), with recommendations provided to the Audit Committee (AC). In turn, the AC provides oversight over processes developed to address these recommendations in a timely manner.

The AC believes that the system of internal controls (which covers financial, operational, compliance and information technology controls) and risk management systems provide adequate assurance against material financial, operational and compliance risks for this financial year.

Audit Committee

As at 31 December 2023, the AC comprises Mr Teo Teow Hock (Chairman), Ms Wan Mei Kit, Prof Annie Koh, and Mr Simon Christopher John Machell who are all non-executive directors. All the AC members have significant financial management expertise and experience.

The AC provides oversight over financial reporting and internal controls, and reviews the scope and results of audits. In addition, the AC is tasked with reviewing material related party transactions and informing the Board of such transactions.

In consultation with the Group AC, Prudential Singapore's AC also makes recommendations to the Board on the appointment, re-appointment, terms of engagement and remuneration of the external auditor. It also reviews the independence of external auditors.

The aggregate amount of fees, including those relating to non-audit services, paid to the external auditors for 2023 was not significant. The AC has reviewed the volume and nature of non-audit services provided by the external auditors during the year and is satisfied that their independence and objectivity have not been impaired by the provision of those services.

On an annual basis, the AC meets with the internal and external auditors without the presence of members of the CLT, Appointed Actuary and relevant senior management staff. The AC is of the view that the internal audit function is independent, effective and adequately resourced.

The Group AC has instituted an independent confidential whistle-blowing programme that includes helpline, web and mobile reporting options, available in multiple languages across all of Prudential's entities to support the Company's whistle-blowing policy. Employees of these companies may, in confidence, raise concerns about possible improprieties, whether in financial reporting or other matters. The AC of Prudential Singapore provides oversight over arrangements for the independent investigation of such matters within the Singapore business and for appropriate follow-up action.

Internal Audit

The internal audit function, GwIA, is a group-wide function reporting to the Group Chief Internal Auditor (GCIA), who is accountable to the Group Audit Committee (AC) through a functional reporting line to the Chair of the Committee. In turn, the GCIA is directly responsible for the internal audit of Prudential entities throughout the Asia and Africa region.

The scope and role of GwIA activities encompass the examination and evaluation of the adequacy and effectiveness of the Prudential Group's system of internal controls and the quality of performance in carrying out assigned responsibilities. This includes performing an independent assessment of the risk and the adequacy of controls to ensure that the control environments are operating in a manner that commensurate with the risk appetite of the organisation.

It also includes making objective and appropriate recommendations to improve the organisation's control environment and to assist the business in achieving its strategies. GwIA has unfettered access to the AC, Board and senior management of all Prudential entities, including Prudential Singapore as well as the right to seek information and explanations.

In carrying out its audits, GwIA is compliant with Group Audit Standards, which adheres to the Institute of Internal Auditors' (IIA) requirements as set out in the IIA's "Code of Ethics" and "International Standards for the Professional Practice of Internal Auditing". GwIA will conduct itself in accordance with standards, policies and practices as set out in the GwIA Procedures Manual, and will carry out its audit work in accordance with the GwIA Methodology.

GwIA provides its services through Regional Teams located across the region, whose structure reflects its independence through direct reporting lines within GwIA, and, where required by local regulations, to the AC of the local unit, including Prudential Singapore.

Being a group-wide function, the appointment, remuneration, resignation or dismissal of the GCIA is made by the Group AC. On a semi-annual basis, GwIA will prepare and present audit plans to the Group AC, as well as the AC of various Prudential entities, including Prudential Singapore, for approval.

Shareholder Communication

As a private limited company, Prudential Singapore has a limited number of shareholders. Nonetheless, Prudential Singapore continues to place great significance on regular and effective communication with all its stakeholders, including policyholders.

The Annual Report, which contains the financial statements of the Company, is available on our corporate website.

Board Executive Committee

Between its regular meetings, the Board continues to exercise its oversight of Prudential Singapore via electronic mail, a directors' online secured portal, as well as regular teleconversations with the CEO and members of the CLT, Appointed Actuary and relevant senior management staff. Given the ease with which the Board can be contacted for decisions on significant matters, as well as the regularity with which the Board is engaged in between meetings, a separate Board Executive Committee is not required.

Related Party Transactions

Related party transactions framework is established at the Company. Related parties, their relationships, material transactions and outstanding balances are disclosed in the Section on Financial Statements in this Annual Report.

9

Financial *Statements*

Directors’ Statements

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

In our opinion:

(a) the financial statements set out on pages 145 to 232 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards; 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:

Benjamin James Bulmer	(Appointed on 28 Aug 2023)
Mark Thomas FitzPatrick	(Resigned on 28 Aug 2023)
Wan Mei Kit	(Resigned on 23 Jan 2024)
Annie Koh	
Teo Teow Hock	
Tan Thean Oon Dennis	
Simon Christopher John Machell	

Directors’ interests

The Company has obtained approval from the Accounting and Corporate Regulatory Authority for relief from the requirements of section 202 of the Singapore Companies Act 1967. Under the relief, the Company is exempted from disclosure of directors’ interests in the shares and debentures of the Company and its related corporations.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Statements

Share Options

During the financial year, there were:

(a) no options granted by the Company to any person to take up unissued shares in the Company; and

(b) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Tan Thean Oon Dennis
Director

Benjamin James Bulmer
Director

28 March 2024

Independent auditor's report

For the financial year ended 31 December 2023
Independent Auditor's Report to the Member of Prudential Assurance Company Singapore (Pte) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Prudential Assurance Company Singapore (Pte) Limited (the "Company"), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *'Auditor's Responsibilities for the Audit of the Financial Statements'* section of our report. We are independent of the Company 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 Information

Management is responsible for the other information. The other information comprises the Directors' statement set out on pages 145 to 146, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Independent auditor's report

Member of the Company
Prudential Assurance Company Singapore (Pte) Limited

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
28 March 2024

Statement of financial position

As at 31 December 2023

	Note	31 Dec 2023 $'000	31 Dec 2022 restated $'000	1 Jan 2022 restated $'000
Assets				
Property and equipment	6	64,135	57,147	63,654
Intangible assets	7	261,611	267,477	267,796
Right-of-use assets	8	34,117	72,588	73,162
Investments				
– Equity securities	9	10,392,844	7,832,481	4,345,116
– Debt securities	9	16,731,953	16,494,894	17,531,688
– Collective investment schemes	9	25,659,634	23,918,442	30,410,506
– Derivative financial instruments	9	433,304	513,739	195,337
Insurance contract assets	10	1,266,134	1,266,063	1,386,357
Reinsurance contract assets	10	415,933	261,597	251,782
Other receivables	11	414,117	346,602	307,904
Cash and cash equivalents	12	433,662	865,678	1,240,416
Total assets		56,107,444	51,896,708	56,073,718
Liabilities				
Insurance contract liabilities	10	50,726,337	46,798,106	50,825,321
Reinsurance contract liabilities	10	422,776	499,324	329,596
Other payables	13	801,323	813,617	840,898
Derivative liabilities	14	156,571	301,724	118,505
Provision for tax		169,530	104,834	122,992
Deferred tax liabilities	15	431,404	388,523	436,591
Lease liabilities	16	35,522	76,316	74,221
Total liabilities		52,743,463	48,982,444	52,748,124
Net assets		3,363,981	2,914,264	3,325,594
Equity				
Share capital	17	526,557	526,557	526,557
Retained earnings	18	2,837,424	2,387,707	2,799,037
Total equity		3,363,981	2,914,264	3,325,594

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

Statement of comprehensive income

Year ended 31 December 2023

	Note	2023 $'000	2022 restated $'000
Insurance revenue	19	2,652,102	2,498,273
Insurance service expense			
– Claims incurred		(902,513)	(855,568)
– Directly attributable expenses incurred	21	(372,358)	(349,246)
– Amortisation of insurance acquisition cash flows		(582,695)	(521,901)
– Other insurance service expenses		(41,981)	(72,306)
Net expense from reinsurance contracts held		(22,883)	(6,463)
Insurance service result		729,672	692,789
Investment income/(expense)	20	3,711,971	(7,467,781)
Finance (expenses)/income for insurance contracts issued	20	(3,577,983)	6,798,503
Finance income for reinsurance contracts held	20	10,374	9,914
Net investment result		144,362	(659,364)
Other income		165	1,242
Other operating expenses	21	(29,478)	(17,813)
Other income and expenses		(29,313)	(16,571)
Profit before tax		844,721	16,854
Tax expense	22	(226,804)	(81,884)
Profit/(Loss) for the year		617,917	(65,030)
Total comprehensive income for the year		617,917	(65,030)

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

Statement of changes in equity

Year ended 31 December 2023

	Note	Share capital $'000	Revaluation reserve $'000	Retained earnings $'000	Total $'000
Balance as at 31 December 2021, as previously reported		526,557	21,721	641,680	1,189,958
Impact of initial application of FRS 117		–	(21,721)	2,157,357	2,135,636
Restated balance as at 1 January 2022		526,557	–	2,799,037	3,325,594
Total comprehensive income for the year					
Profit/(Loss) for the year		–	–	(65,030)	(65,030)
Transactions with owner, recorded directly in equity					
Dividends to equity holder	18	–	–	(346,300)	(346,300)
Total transactions with owner		–	–	(411,330)	(411,330)
At 31 December 2022		526,557	–	2,387,707	2,914,264
At 1 January 2023		526,557	–	2,387,707	2,914,264
Total comprehensive income for the year					
Profit for the year		–	–	617,917	617,917
Transactions with owner, recorded directly in equity					
Dividends to equity holder	18	–	–	(168,200)	(168,200)
Total transactions with owner		–	–	449,717	449,717
At 31 December 2023		526,557	–	2,837,424	3,363,981

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

Statement of cash flows
Year ended 31 December 2023

	Note	2023 $'000	2022 restated $'000
Cash flows from operating activities			
Profit before tax		844,721	16,854
Adjustments for:			
Depreciation of property and equipment	6	14,199	14,372
Net amortisation of intangible assets	7	(2,563)	7,154
Depreciation on ROU assets	8	22,824	24,926
Fair value (gain)/loss of property and equipment	6	–	(1,500)
Interest and other investment income		(1,145,637)	(1,063,601)
Investment realised loss		327,688	1,910,744
Investment unrealised (gain)/loss		(2,876,431)	6,668,862
Rental income	20	(1,221)	(1,194)
Interest expense on lease liabilities	8	1,383	2,041
Modification or derecognition of lease asset/liabilities		1,360	1,965
		(3,658,398)	7,563,769
Changes in operating assets and liabilities:			
Other receivables		(55,022)	(12,084)
Pre-recognition of non-acquisition cash flow assets		1	(15)
Pre-recognition of non-acquisition cash flow liabilities		(23)	55
Accruals and deferred income		(10,562)	(30,029)
Other payables		(1,709)	2,693
Insurance contract assets		(71)	120,294
Reinsurance contract assets		(154,336)	(9,815)
Insurance contract liabilities		3,928,231	(4,027,215)
Reinsurance contract liabilities		(76,548)	169,728
Cash generated from operations		816,284	3,794,235
Income taxes paid		(119,227)	(148,111)
Net cash from operating activities		697,057	3,646,124
Cash flows from investing activities			
Dividends received		536,589	576,937
Interest received		596,557	460,068
Rental income	20	1,221	1,194
Purchase of property and equipment	6	(28,060)	(6,382)
Proceeds from disposal of property and equipment	6	6,873	17
Net purchase of intangible asset		8,429	(6,835)
Net purchase of investment		(2,054,592)	(4,673,297)
Net cash used in investing activities		(932,983)	(3,648,298)
Cash flow from financing activities			
Dividends paid	18	(168,200)	(346,300)
Payment of lease liabilities	16	(26,507)	(24,223)
Interest paid on lease liabilities	16	(1,383)	(2,041)
Net cash used in financing activities		(196,090)	(372,564)
Net (decrease)/increase in cash and cash equivalents		(432,016)	(374,738)
Cash and cash equivalents at beginning of the year		865,678	1,240,416
Cash and cash equivalents at end of the year		433,662	865,678
Cash and cash equivalents comprise:			
Cash at bank and in hand, including short-term time deposits	12	242,430	619,730
Cash collaterals received	12	191,232	245,948
		433,662	865,678

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

Notes to the financial statements
Year ended 31 December 2023

These notes form an integral part of the financial statements.

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

1 Domicile and activities

Prudential Assurance Company Singapore (Pte) Limited (the "Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is 30 Cecil Street, #30-01 Prudential Tower, Singapore 049712.

The principal activities of the Company consist of transacting life insurance business including linked and accident and health business.

The Company's immediate holding company is Prudential Singapore Holdings Pte Limited, which is incorporated in the Republic of Singapore. The Company's intermediate and ultimate holding companies are Prudential Corporation Holdings Limited and Prudential Public Limited Company respectively. Both are incorporated in England and Wales.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS").

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"). Such assets and liabilities are accounted for in the books of the insurance funds established under the Insurance Act. Assets held in the insurance funds may be withdrawn only if the withdrawal meets the requirements stipulated in Section 17 of the Insurance Act and the Company continues to be able to meet the solvency requirement of Section 18 of the Insurance Act.

The changes to significant accounting policies are described in Note 2(e).

(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: leasehold property and certain financial instruments designated at fair value through profit or loss.

(c) Functional and presentation currency

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

2 Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRS requires management to make judgements, 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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are disclosed in Note 4.

(e) New standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2023:

- FRS 117: *Insurance Contracts*
- FRS 109: *Financial instruments*

(i) FRS 117 Insurance Contracts

FRS 117 introduces significant changes to the way insurance and reinsurance contracts held are accounted for. The adoption of FRS 117 did not change the classification of the Company's insurance contracts and reinsurance contracts held. All of the Company's insurance contracts that were previously accounted for under FRS 104 are now accounted under FRS 117.

FRS 104 permitted insurers to apply the statutory basis of accounting for insurance assets and liabilities that existed in their jurisdictions prior to January 2005. FRS 117 replaces FRS 104 with new measurement models that establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts held.

Under FRS 117 insurance contracts are measured under the General Measurement Model ("GMM"), Variable Fee Approach ("VFA") or Premium Allocation Approach ("PAA"). The Company uses the VFA and GMM, depending on the specific characteristics of the insurance contracts. Reinsurance contracts held are measured under the GMM.

FRS 117 is applied retrospectively unless impractical to do so. The effect of adopting FRS 117 retrospectively adjusts shareholders' equity as at the date of transition of 1 January 2022. At the transition date, the opening balance sheet for FRS 117 is established, as set out in the section 'Effect of adoption of FRS 117' below.

With the adoption of FRS 117, certain line items in the Company's statement of financial position have been replaced with new line items. For example, the Company now presents separately the carrying amount of portfolios of:

- Insurance contracts issued that are assets;
- Insurance contracts issued that are liabilities;
- Reinsurance contracts held that are assets; and
- Reinsurance contracts held that are liabilities.

2 Basis of preparation (continued)

(e) New standards and amendments (continued)

(i) FRS 117 Insurance Contracts (continued)

Further, the line items in the statement of comprehensive income have been changed significantly compared with reporting under FRS 104. In accordance with the FRS 117 requirements, the following line items are no longer reported: Insurance/Reinsurance Premiums, Fees and Commission Income, Gross Claims, Maturity and Surrender Benefits, Reinsurers' share of Claims and Benefits Incurred, Movements in Insurance/Reinsurance Contracts Liabilities and Acquisition portion of the Operating Expenses. Those are replaced with the following FRS 117 line items:

- Insurance revenue;
- Insurance service expenses;
- Net income (expense) from reinsurance contracts held; and
- Net insurance finance income (expenses).

Transition

The Company's opening balance sheet as at 1 January 2022 has been restated on FRS 117 basis upon transition. The future cash flows and risk adjustment are measured on a current basis in the same manner as they would be calculated for subsequent measurement. The key component of transition is therefore the determination of the contractual service margin ("CSM").

The requirements under FRS 117 shall be applied retrospectively to the insurance contracts and reinsurance contracts held as if it had always been applied to the extent practicable (the "Full Retrospective Approach"). If it is impracticable to apply FRS 117 retrospectively, there is an option to apply either Modified Retrospective Approach or Fair Value Approach. If reasonable and supportable information necessary to apply the modified retrospective approach is not available, the fair value approach must be applied.

The CSM of the groups of insurance contracts transitioned under retrospective approaches (i.e., full retrospective approach and modified retrospective approach) has been calculated as if the Company had only prepared annual financial statements before the transition date (i.e., transition CSM has been measured using a year-to-date approach).

Full Retrospective Approach (FRA)

Under the FRA, each group of insurance contracts has been identified, recognised and measured as if FRS 117 had always applied. The CSM was calculated at initial recognition of a group of contracts based on the facts and circumstances at that time (i.e., without use of hindsight). This CSM was then rolled forward to the transition date in line with the requirements of the standard.

Modified Retrospective Approach (MRA)

The Company did not adopt MRA for any groups of contracts on transition from FRS 104 to FRS 117.

2 Basis of preparation (continued)

(e) New standards and amendments (continued)

(i) FRS 117 Insurance Contracts (continued)

Fair Value Approach (FVA)

The insurance contracts of the Company under the FVA generally represent groups of contracts that were written many years ago where suitable historical information required to apply the retrospective transition approaches is no longer practicably available.

Under the FVA, the CSM or loss component at the transition date is the difference between the fair value of the group of insurance contracts, determined in accordance with FRS 113 Fair Value Measurement, and the fulfilment cash flows measured at that date.

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

The present value of best estimate of future cash flows under fair value has been based on the same scope of cash flows as are included in the calculation of the best estimate liability under FRS 117. In particular, the same contract boundaries are assumed in the calculation of the fair value and best estimate liability. However, the measurement of those cash flows need not be the same.

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

- To use information at the transition date to identify groups of insurance contracts;
- To use information at the transition date to assess eligibility for the VFA;
- To use information at the transition date to identify discretionary cash flows;
- To use information at the transition date to assess whether a contract meets the definition of an investment contract with Discretionary Participating Features (“DPF”); and
- To group together in one single cohort, with no further split to annual cohorts.

Effect of adoption of FRS 117

The adoption of FRS 117 has significant changes to the accounting for insurance and reinsurance contracts, as discussed above. The Company’s approach to transition to FRS 117 is set out in the preceding section. The Company has restated the 2022 comparative amounts and presented a restated statement of financial position as at 1 January 2022.

Notes to the financial statements
Year ended 31 December 2023

2 Basis of preparation (continued)

(e) New standards and amendments (continued)

(i) FRS 117 Insurance Contracts (continued)

Statement of financial position at transition date 1 January 2022

The following table shows the Company’s statement of financial position as at 1 January 2022 restated under the FRS 117 basis and the summarised effects of the adoption of the new standard.

		Effects of adoption of FRS 117 ($’000)		
	At 31 Dec 2021 (as reported under FRS 104)	Presentation changes	Measurement changes	At 1 Jan 2022 (as reported under FRS 117)
Assets				
Property and equipment	63,654	–	–	63,654
Intangible assets	279,711	–	(11,915)	267,796
Right-of-use assets	73,162	–	–	73,162
Investments, including derivatives	52,482,647	–	–	52,482,647
Loans and receivables	660,695	(660,695)	–	–
Insurance contract assets	–	–	1,386,357	1,386,357
Reinsurance contract assets	426,630	(70,675)	(104,173)	251,782
Insurance receivables	231,375	(231,375)	–	–
Other receivables	67,784	240,120	–	307,904
Cash and bank balances	1,240,416	–	–	1,240,416
Total assets	55,526,074	(722,625)	1,270,269	56,073,718
Liabilities				
Insurance contract liabilities	48,489,612	1,863,921	471,788	50,825,321
Reinsurance contract liabilities	–	–	329,596	329,596
Insurance payables	2,636,623	(2,636,623)	–	–
Other payables	793,513	47,385	–	840,898
Derivative financial instruments	118,505	–	–	118,505
Provision for tax	122,992	–	–	122,992
Deferred tax liabilities	2,100,650	–	(1,664,059)	436,591
Lease liabilities	74,221	–	–	74,221
Total liabilities	54,336,116	(725,317)	(862,675)	52,748,124
Net assets	1,189,958	2,692	2,132,944	3,325,594
Equity, policyholders’ funds and liabilities				
Share capital	526,557	–	–	526,557
Revaluation reserve	21,721	–	(21,721)	–
Retained earnings	641,680	2,692	2,154,665	2,799,037
Total equity	1,189,958	2,692	2,132,944	3,325,594

2 Basis of preparation (continued)

(e) New standards and amendments (continued)

(ii) FRS 109 Financial Instruments

FRS 109 replaced FRS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after 1 January 2018. The Company met the eligibility criteria, under the amendments to FRS 104 to apply the temporary exemption from FRS 109, deferring the initial application date of FRS 109 to align with the initial application of FRS 117 on 1 January 2023.

The adoption of FRS 109 has affected the following three areas:

Classification and measurement of financial assets and liabilities

FRS 109 requires debt instruments to be classified either at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). Classification under FRS 109 for debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is classified as amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are classified as FVOCI. Under the new model, FVTPL is the residual category – financial assets should therefore be classified as FVTPL if they do not meet the criteria of FVOCI or amortised cost. Regardless of the business model assessment, an entity can elect to classify a financial asset at FVTPL if doing so eliminates or significantly reduces a measurement of recognition inconsistency. The gains or losses of debt instruments initially classified as FVOCI are recycled to profit or loss on derecognition.

FRS 109 requires all equity instruments to be carried at FVTPL, unless an entity chooses, on an instrument-by-instrument basis on initial recognition, to present fair value changes in other comprehensive income, with no recycling of gain or losses in profit or loss on derecognition.

Derivatives with financial asset hosts where contractual cash flows are not solely payments of principal and interest, are required to be classified at fair value through profit or loss.

Impairment calculation for financial assets held at amortised cost

FRS 109 introduces a new impairment model based on expected credit loss which replaces the incurred loss model under FRS 39, resulting in earlier recognition of credit losses compared to FRS 39. The expected credit loss model under FRS 109 requires significant judgements and estimates in assessing the impairment losses to be recognised.

The Company has assessed the scope of assets to which these requirements will apply and determined that the majority of its financial assets will be held at FVTPL to which these requirements will not apply. Accordingly, no significant amount of additional impairment was recognised by the Company under the expected credit loss approach as a result of the adoption of FRS 109.

2 Basis of preparation (continued)

(e) New standards and amendments (continued)

(ii) FRS 109 Financial Instruments (continued)

Hedge accounting requirements

The Company has not applied hedge accounting treatment under FRS 39 and therefore, there is no impact in this area for the Company upon the adoption of FRS 109.

Effect of adoption of FRS 109

The implementation of FRS 109 has an insignificant impact on the Company's financial statements. As permitted by FRS 109, the Company has not restated the comparatives on initial application of the standard but the Company is taking advantage of the classification overlay as permitted by the Amendment to FRS 117, 'Initial Application of FRS117 and FRS 109 – Comparative Information' issued in December 2021.

	Classification at initial application		Carrying value ($'000)	
	Original under FRS 39	New under FRS 109	Original under FRS 39	New under FRS 109
Financial Assets				
Investments				
– Equity securities	FVTPL	Mandatorily at FVTPL	7,832,481	7,832,481
– Debt securities	FVTPL	Mandatorily at FVTPL	16,494,894	16,494,894
– Collective investment schemes	FVTPL	Mandatorily at FVTPL	23,918,442	23,918,442
– Derivative financial instruments	FVTPL	Mandatorily at FVTPL	513,739	513,739
Other receivables	Loans and receivables	Amortised Cost	346,602	346,602
Cash and cash equivalents	Loans and receivables	Amortised Cost	865,678	865,678
Financial Liabilities				
Other payables	Amortised Cost	Amortised Cost	813,617	813,617
Derivative liabilities	FVTPL	Mandatorily at FVTPL	301,724	301,724

2 Basis of preparation (continued)

(f) New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

(i) Amendments to FRS 1: Classification of Liabilities as Current or Non-Current

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1 January 2023. However, the IASB has subsequently proposed further amendments to IAS 1 and the deferral of effective date of the 2020 amendments to no earlier than 1 January 2024. Due to these ongoing developments, the Company is unable to determine the impact of these amendments on the financial statements in the period of initial application. The Company is closely monitoring the developments.

Others

The following amendments to FRSs are not expected to have a significant impact on the Company's financial statements.

- Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*
- Amendments to FRS 1: *Non-current Liabilities with Covenants*
- Amendments to FRS 7 and FRS 107: *Supplier Finance Arrangements*
- Amendments to FRS 21: *Lack of Exchangeability*

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

(i) Business combination

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the consolidated financial statements of the Company's controlling shareholder, except for acquired value in-force business, distribution fee and goodwill. The acquired value in-force business was adjusted subsequently to take into consideration refinements to the estimates and assumptions used in the calculation. The distribution fee was also separately recognised from goodwill. Goodwill was restated to take into consideration of these changes.

Income and expenses of acquired interest are included in profit or loss from the date that common control was established.

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Collective investment schemes

The Company invests in a number of collective investment schemes of which it holds more than 50% of the units. These investments are measured in the Company's statement of financial position at fair value.

In accordance with FRS 27 *Separate Financial Statements* and Section 201 (12) of the Act, the Company need not prepare consolidated financial statements as it is a wholly-owned subsidiary of Prudential Public Limited Company, which prepares consolidated financial statements. The financial statements of Prudential Public Limited Company are available at its registered office, 1 Angel Court, London, EC2R 7AG, United Kingdom.

(b) Insurance contracts

(i) Definition and Classification

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Company to financial risk.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Company, unless otherwise stated.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts, and they follow financial instruments accounting under FRS 109. The Company does not have any contracts that fall under this category.

(ii) Separating Components

A contract has an investment component if there is an amount (which could be zero) that the contract requires the entity to repay to the policyholder in all circumstances that have commercial substance. The surrender value, net of policy loans (where these exist), is accounted as the investment component of a contract. Participating and non-participating (such as whole-life and endowment) and investment-linked contracts have explicit surrender values. There are a relatively small number of products that do not have a surrender value, and the investment components of these contracts are determined on a case-by-case basis.

At inception, the Company is required to separate distinct investment components, distinct services other than insurance contract services and embedded derivatives from an insurance contract and account for them as if they were stand-alone contracts. An investment is distinct if and only if (a) the insurance and investment components are not highly interrelated and (b) a contract with equivalent terms is, or could be, sold separately in the same market or jurisdiction.

Non-distinct investment components are excluded from insurance revenue and insurance service expenses.

Asset management services for investments held under an insurance contract are not separated.

3 Significant accounting policies (continued)

(b) Insurance contracts (continued)

(iii) Level of Aggregation

Insurance contracts are aggregated into groups at initial recognition 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 annual cohorts (i.e., by year of issue) and each annual cohort into groups based on the profitability and product features of contracts. Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued.

When determining "similar risks" the Company does not divide risks within a contract, e.g. riders sold under a single contract would not be split by risk type. The Company have therefore identified three broad categories of risks referred to as "dominant" risks, namely, protection, investment and to a less material extent longevity. Each ring-fenced fund is considered to be managed separately.

(iv) Initial recognition

The point of initial recognition of a group of contracts is the earliest of the premium due date, the coverage start date and, for an onerous contract, the date the contract is signed and accepted by both parties.

(v) Contract Boundary

The contract boundary defines which future cash flows are included in the measurement of an insurance contract. The boundary of the fulfilment cash flows under FRS 117 is considered to be the point at which the Company no longer has substantive rights and obligations under the insurance contract to provide services or compel the policyholder to pay premiums.

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

For most contracts issued by the Company, there is little judgement involved in determining the contract boundary as either a single premium is received for a contract which is expected to continue for a long period or a guaranteed premium is received for regular premium contracts.

For certain contracts where the premiums are not guaranteed, more judgement is involved in assessing the Company's substantive rights and obligations. When determining the boundary for these contracts various factors are taken into consideration by the Company such as the Company's practical ability to terminate or refuse renewal of a contract, the Company's ability to fully reprice at the individual contract level and whether the Company has the ability to reassess risks at a portfolio level and set a price that fully reflects the risk of that portfolio.

Where riders attached to and are not separated from a base contract, the contract boundary is determined based on the component of the contract which has the longest contract boundary.

Future cash flows relating to riders which are not purchased at the inception of the base contract, but are added at a later date, are not included within the contract boundary at initial recognition. As the addition of these riders is the exercise of an option under the contract it is not considered a contract modification but is instead treated as changes in fulfilment cash flows.

Similar considerations to those applying to underlying insurance contracts apply in determining the contract boundary of groups of reinsurance contracts held.

3 Significant accounting policies (continued)

(b) Insurance contracts (continued)

(vi) Initial measurement

Under FRS 117 groups of contracts are measured on initial recognition as the total of:

– Fulfilment cash flows, comprising the best estimate of the present value of future cash flows within the contract boundary that are expected to arise and an explicit risk adjustment for non-financial risk; and

– A contractual service margin (CSM) that represents the deferral of any day-one gains arising on initial recognition.

The risk adjustment for non-financial risk reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

When estimating future cash flows, the Company includes all cash flows that are within the contract boundary including:

a) Premiums from a policyholder and any additional cash flows that result from those premiums;

b) Payments to a policyholder, including claims that have already been reported but have not yet been paid (i.e., reported claims), incurred claims for events that have occurred but for which claims have not been reported and all future claims for which the entity has a substantive obligation;

c) Payments to a policyholder that vary depending on returns on underlying items;

d) Payments to a policyholder resulting from derivatives, for example, options and guarantees embedded in the contract, to the extent that those options and guarantees are not separated from the insurance contract;

e) An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs;

f) Claim handling costs;

g) Costs the entity will incur in providing contractual benefits paid in kind;

h) Policy administration and maintenance costs;

i) Transaction-based taxes and levies that arise directly from existing insurance contracts, or that can be attributed to them on a reasonable and consistent basis;

j) Payments by the insurer in a fiduciary capacity to meet tax obligations incurred by the policyholder, and related receipts;

k) Potential cash inflows from recoveries (such as salvage and subrogation) on future claims covered by existing insurance contracts and, to the extent that they do not qualify for recognition as separate assets, potential cash inflows from recoveries on past claims;

l) An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics; and

m) Any other costs specifically chargeable to the policyholder under the terms of the contract.

Day-one losses, any subsequent losses and reversal of those losses arising from groups of insurance contracts are recognised directly in the statement of comprehensive income.

3 Significant accounting policies (continued)

(b) Insurance contracts (continued)

(vii) Subsequent measurement

Under FRS 117 insurance contracts are measured applying the General Measurement Model (GMM), Variable Fee Approach (VFA) or Premium Allocation Approach (PAA). The Company applies the GMM or VFA based on the specific characteristics of the insurance contracts issued. Reinsurance contracts held are measured under the GMM.

Fulfillment cashflows
The fulfilment cash flows are updated at each reporting date to reflect current conditions. For contracts with direct participating features which are accounted for under the VFA, the CSM represents the variable fee to shareholders and it is adjusted to reflect the effect of changes in economics as well as experience variances and/or assumptions changes that relate to future services. For contracts accounted for under GMM, the CSM is accreted using the locked-in discount rates and only adjusted to reflect the effect of non-economic experience variances and/or assumptions changes that relate to future services. The adjustments to the CSM are determined using the locked-in discount rates.

Contractual service margin (CSM)

The CSM of each group of contracts is calculated at each reporting date as follows.

The carrying amount of the CSM of contracts measured under the GMM at each reporting date is the carrying amount at the start of the year, adjusted for: (a) the CSM of any new contracts that are added to the group in the year; (b) interest accreted at locked-in discount rate; (c) changes in fulfilment cash flows arising from operating changes that relate to future services except for those relating to onerous contracts; (d) the effect of currency exchange differences on the CSM; and (e) the amount of CSM recognised in profit or loss in the year based on the coverage units.

The carrying amount of the CSM of contracts measured under the VFA at each reporting date is the carrying amount at the start of the year, adjusted for: (a) the CSM of any new contracts that are added to the group in the year; (b) the change in the amount of the Company's share of the fair value of the underlying items; (c) changes in fulfilment cash flows arising from both operating and economic changes that relate to future services except for those relating to onerous contracts; (d) the effect of currency exchange differences on the CSM; and (e) the amount of CSM recognised in profit or loss in the year based on the coverage units.

3 Significant accounting policies (continued)

(b) Insurance contracts (continued)

(vii) Subsequent measurement (continued)

The table below provides a description of the material features of each of the key products written by the Company, together with the measurement model used to determine their contract liabilities under FRS 117.

Contract type	Description and material features	Measurement model
Participating contracts	Provides savings and/or protection where the basic sum assured can be enhanced by a profit share (or bonus) from the underlying fund as determined at the discretion of the local business unit. With-profits products often offer a guaranteed maturity or surrender value. Declared regular bonuses are guaranteed once vested. Future bonus rates and cash dividends are not guaranteed. Additional health and protection benefits can be provided through riders (which are not separated from the base with-profits contracts).	All with-profits contracts are measured applying the VFA model.
Unit-linked contracts	Combines savings with health and protection riders (which, under FRS 117, are not separated from the base contract). The cash value of the policy primarily depends on the value of the underlying unitised funds.	Unit-linked contracts are measured either under the VFA or the GMM depending on the relative size of the savings and protection benefits of the contract. The larger the protection component the more likely the contract is required to be measured under the GMM.
Health and protection	In addition to supplementary heath and protection contract products attached to with-profits and unit-linked contracts described above, the Company also offers stand-alone health and protection products. These are non-participating contracts that provide mortality and/or morbidity benefits including health, disability, critical illness and accident coverage.	Stand-alone non-par health and protection (excluding shareholder-backed participating critical illness) contracts are measured under the GMM.
Non-participating term, whole life and endowment assurance contracts	Non-participating savings and/or protection where the benefits are guaranteed, determined by a set of defined market-related parameters, or determined at the discretion of the Company.	These contracts are measured under the GMM.

3 Significant accounting policies (continued)

(b) Insurance contracts (continued)

(vii) Subsequent measurement (continued)

The fair value of underlying items of the Company's direct participating contracts at 31 December 2023, is $46.8 billion (31 December 2022: $42.4 billion). The Company's direct participating contracts are the contracts that are measured under the VFA model and as discussed in the table above comprise primarily the Company's with-profits and unit-linked contracts. Those underlying items comprise primarily investments in debt securities, equity securities and holdings in collective investment schemes.

Insurance acquisition cashflows

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs.

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 incurred by the Company.

Insurance acquisition cash flows that are directly attributable to a group of insurance contracts (e.g. non-refundable commissions paid on issuance of a contract) are allocated to that group and to the groups that will include renewals of those contracts.

Bancassurance payments (e.g., upfront payments to sell insurance contracts to distribution partners) are capitalised under FRS 38 as intangible assets and amortised on a basis to reflect the pattern in which the future economic benefits are expected to be consumed by reference to new business production levels. The amortisation of the bancassurance intangibles is considered to constitute insurance acquisition cash flows. They form part of fulfilment cash flows, only when such payments are linked to the sale of an insurance contract and are then amortised implicitly in line with the coverage unit pattern.

(viii) Derecognition and Contract Modification

An insurance contract is derecognised when it is:

– The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired); or

– The contract is modified and certain additional criteria discussed below are met.

The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

(a) if the modified terms had been included at contract inception and the Company would have concluded that the modified contract:

(i) is not within the scope of FRS 117;
(ii) results in different separable components;
(iii) results in a different contract boundary; or
(iv) belongs to a different group of contracts

3 Significant accounting policies (continued)

(b) Insurance contracts (continued)

(viii) Derecognition and Contract Modification (continued)

(b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa

When a new contract is required to be recognised as a result of modification and it is within the scope of FRS 117, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the VFA eligibility component separation requirements and contract aggregation requirements.

When an insurance contract accounted for under VFA and GMM is derecognised from within a group of insurance contracts, the Company:

(a) adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;

(b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:

(i) if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;

(ii) if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party; or

(iii) if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium that the Company would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, the Company assumes such a hypothetical premium as actually received; and

(c) adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

(ix) Reinsurance contracts held

The Company cedes certain business to other insurance companies. Although the ceding of insurance does not relieve the Company from its liability to its policyholders, the Company participates in such agreements largely for the purpose of managing its loss exposure.

The Company cedes insurance risk to limit exposure to underwriting losses under various agreements that cover individual risks, group risks or defined blocks of business, on a co-insurance, surplus, quota share, or catastrophe excess of loss basis. The amount of each risk retained depends on the evaluation of the specific risk, subject to certain circumstances, to internally set maximum limits based on characteristics of coverage.

3 Significant accounting policies (continued)

(b) Insurance contracts (continued)

(ix) Reinsurance contracts held (continued)

As required by FRS 117, all reinsurance contracts held by the Company are measured using the GMM. The Company has not applied PAA which is an optional simplified measurement model.

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

– Reinsurance contracts held by the Company that provide proportionate coverage: The later of the start date of the coverage period, and the date on which any underlying insurance contract is initially recognised. This applies to the Company quota share reinsurance contracts.

– Other (non-proportionate) reinsurance contracts held by the Company: The earlier of beginning of the coverage period of the group of reinsurance contracts or the recognition date of an underlying onerous group of insurance contracts issued.

On initial recognition, the CSM of a group of reinsurance contracts held represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date. However, if the net cost of purchasing reinsurance relates to past events, the Company recognises the net cost immediately in statement of comprehensive income.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is measured in the same way as the underlying insurance contracts under GMM. Reinsurance contracts held are subject to the same modification and derecognition requirements as insurance contracts.

(x) Presentation and Disclosure

<u>Insurance Revenue</u>

The Company recognises insurance revenue as it satisfies its performance obligations, i.e., as it provides services under groups of insurance contracts. The insurance revenue relating to services provided for each period represents the total of the changes in the liability for remaining coverage that relate to services for which the Company expects to receive consideration and comprises the following items.

– CSM released based on the coverage units;

– Changes in the risk adjustment for non-financial risk relating to current services;

– Claims and other insurance service expenses for the period expected at the beginning of the year; and

– Other amounts, if any, for example, experience adjustments for premium receipts for current or past services.

3 Significant accounting policies (continued)

(b) Insurance contracts (continued)

(x) Presentation and Disclosure (continued)

In addition, the Company allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period using the same amortisation factor used to amortise CSM. The Company recognises the allocated amount, adjusted for interest accretion, as insurance revenue and an equal amount as insurance service expenses.

Non-distinct investment components are excluded from insurance revenue and insurance service expenses.

<u>Insurance service expenses</u>

Insurance service expenses arising from insurance contracts are recognised in the statement of comprehensive income generally as they are incurred. They exclude repayments of investment components and comprise:

– incurred claims and other insurance service expenses;

– amortisation of insurance acquisition cash flows;

– losses on onerous contracts and reversals of such losses;

– adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein; and

– impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

<u>Net insurance and reinsurance finance income (expense)</u>

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service 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 Company does not disaggregate insurance finance income or expenses between comprehensive income and other comprehensive income.

c) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss in the statement of profit or loss and other comprehensive income.

3 Significant accounting policies (continued)

d) Property and equipment

(i) Recognition and measurement

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for leasehold property, which is stated at fair value.

When FRS117 was issued, it amended the subsequent measurement requirements in FRS 16 Property, plant and equipment by permitting entities to elect to measure owner-occupied properties at fair value through profit or loss. As a result, owner-occupied property held within Singapore participating fund that is valued under VFA is remeasured from revaluation model to fair value at the transition date.

Fair value is determined based on the best price that would reasonably be expected in an orderly transaction between market participants at the measurement date. Valuations are carried out by independent professional valuers regularly such that the carrying amount of this asset does not differ materially from that which would be determined using fair value at the reporting date.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The gain or loss on disposal of property and equipment and fair value changes of leasehold property is recognised in profit or loss.

(ii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of the items of property and equipment. Depreciation is recognised from the date that the property and equipment are installed and are ready for use. The depreciation based on estimated useful lives for the current and comparative years are as follows:

Office equipment	20%
Computer equipment	20% to 33 1/3%
Motor vehicles	20%
Office renovations	20%

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

(e) Intangible assets

(i) Goodwill

Goodwill represents the excess of the fair value of the consideration transferred over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Goodwill is measured at cost less accumulated impairment losses.

3 Significant accounting policies (continued)

(e) Intangible assets (continued)

(ii) Others

Others represent amounts paid to third parties under certain distribution agreements and agency development expenses. The amounts paid have finite useful lives ranging from eight to twelve years and three years respectively. They are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated as follows:

Distribution agreements	Sales generated over the duration of the agreements
Agency development expenses	Straight-line basis

(f) Financial Instruments (Policy applicable before 1 January 2023)

(i) Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and make purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

The Company's investments in equity securities, debt securities and collective investment schemes have been designated at fair value through profit or loss as these instruments are managed and their performance evaluated on a fair value basis.

3 Significant accounting policies (continued)

(f) Financial Instruments (Policy applicable before 1 January 2023) (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise, investment income receivables, other receivables and cash and cash equivalents. Other receivables are recognised when due.

With the exception for infrastructure loans which have been designated at fair value through profit or loss to reduce accounting mismatch arising from insurance liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, bank deposits and pledged deposits. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

(ii) Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other non-derivative financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise other payables.

3 Significant accounting policies (continued)

(f) Financial Instruments (Policy applicable before 1 January 2023) (continued)

(iii) Derivative financial instruments

The Company, as stipulated in its Investment Policy, uses derivative financial instruments only for the purposes of hedging existing risk elements (such as interest rate, exchange rate and equity price) pertaining to either asset or liability positions, or to facilitate efficient portfolio management. The Company does not hold derivative financial instruments for speculative purposes. Derivative financial instruments are classified as held for trading and accounted for at fair value through profit or loss.

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value. Changes in the fair value are recognised in profit or loss. The notional amounts of derivative financial instruments are not recognised in the financial statements.

(iv) Share capital

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

(g) Financial Instruments (Policy applicable after 1 January 2023)

FRS 109 'Financial Instruments' was effective for annual periods beginning on or after January 1, 2018 replacing FRS 39 'Financial Instruments: Recognition and Measurement'. The Company qualifies for the temporary exemption under the guidance on 'Amendments to FRS 104 – Applying FRS 109, Financial Instruments with FRS 104, Insurance Contracts' and has accordingly deferred the adoption of FRS 109. The Company adopted FRS 109 together with FRS 117 'Insurance Contracts' for the financial year beginning on or after 1 January, 2023. The Company's accounting policies for classification and measurement of financial instruments and impairment of financial assets in accordance with FRS 109 as below:

Classification and Measurement of Financial Assets

The Company classify all its financial assets based on the way in which the assets are managed in order to generate cash flows and their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principals and interest', i.e. SPPI test). Financial assets are measured at either Amortised Cost ("AC") or Fair Value through Profit or Loss ("FVTPL"). A financial asset for investment purpose which do not meet the criteria of both "Hold to collect contractual cash flows" and "Hold to collect contractual cash flows and sell". This financial asset shall be managed on fair value basis through profit or loss and measured at FVTPL. A financial asset for the purpose of "Hold to collect contractual cash flows", and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal shall be measured at AC.

Classification and Measurement of Financial Liabilities

There was no change to the Company's classification and measurement of financial liabilities on the adoption of FRS 109.

3 Significant accounting policies (continued)

(h) Impairment (Policy applicable before 1 January 2023)

(i) Impairment of non-derivative financial assets

A financial asset that is not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific and collective level. All individually significant loans and receivables are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss in the statement of profit or loss and other comprehensive income and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss in the statement of profit or loss and other comprehensive income.

Notes to the financial statements
Year ended 31 December 2023

3 Significant accounting policies (continued)

(h) Impairment (Policy applicable before 1 January 2023) (continued)

(ii) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its related Cash Generating Unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate of 3.48% to 7.90% (2022: 3.88% to 6.89%) that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in respect of prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 Significant accounting policies (continued)

(i) Impairment (Policy applicable after 1 January 2023)

FRS 109 requires the Company to measure Expected Credit Loss ("ECL") on all financial instruments that are accounted for at amortised cost. The ECL replaces the existing FRS 39 incurred loss impairment model, resulting in earlier recognition of credit losses compared to FRS 39.

The methodology outlined by FRS 109 is a three-stage approach based on the change in the credit quality of the financial instrument since inception and the measurement of ECL for these assets is dependent on the stage classification as of the reporting date.

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

Under FRS 109's general approach, the company assesses on a forward looking basis the loss allowance for lifetime expected credit losses is recognised for a financial instrument if there has been a significant increase in credit risk, measured using the lifetime probability of default, since initial recognition of the financial instruments. If, at the reporting date, the cred risk on a financial instrument has not increased significantly since initial recognition, a loss allowance for 12-month expected credit losses is recognised. All deposits with financial institutions and cash and bank balances are covered under general approach.

FRS 109 allows entities to apply a simplified approach for receivables. The simplified approach allows entities to recognise lifetime expected losses on all these assets without the need to identify significant increases in credit risk. The Company applies simplified approach on other receivables by performing ageing analysis for arriving at ECL estimates. The Company adopted zero impairment approach on the other receivables that measured at AC given the balances are short-term in nature, majority of receivables are received post-balance sheet date and no history of default on collection over the past few years.

(j) Leases

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3 Significant accounting policies (continued)

(j) Leases (continued)

As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property which are carried at fair value.

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 Company uses the lessee's incremental borrowing rate as the discount rate.

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

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

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

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

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

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

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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

3 Significant accounting policies (continued)

(j) Leases (continued)

As a lessor (continued)

To classify each lease, the Company 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 is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies FRS 115 to allocate the consideration in the contract.

The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Rental income from sub-leased property is recognised as 'other income'.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(l) Tax

Taxation expenses comprise current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or 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 substantially 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 the 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
– taxable temporary differences arising on the initial recognition of goodwill.

Notes to the financial statements
Year ended 31 December 2023

3 Significant accounting policies (continued)

(l) Tax (continued)

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount 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 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.

A deferred tax asset is 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.

In the ordinary course of business, there are many transactions and calculations for which the ultimate tax treatment is uncertain. Therefore, the Company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when the Company believes that certain positions may not be fully sustained upon review by tax authorities, despite the Company's belief that its tax return positions are supportable. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of multifaceted judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact taxation expense in the period that such a determination is made.

(m) Other revenue and expenditure recognition

(i) Dividend income

Dividend income is recognised in profit or loss when the Company's right to receive payment is established.

(ii) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(iii) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iv) Employee benefits – defined contribution plans

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

(v) Short-term employee benefits

Short term employee benefits obligations comprising salaries, bonuses and fees are measured on an undiscounted basis and are expensed as the related service is provided.

3 Significant accounting policies (continued)

(n) Share-based payment

The Company offers share-based compensation plans to its employees and non-employee advisors. The arrangements for distribution to its employees and non-employee advisors of share-based share compensation plans depend upon the particular terms and conditions of each plan.

For cash settled share-based plans, the compensation expense charged to profit or loss with a corresponding increase in liabilities is primarily based upon the fair value of the shares granted, taking into consideration of the vesting period and vesting conditions. The Company revises its estimate of the cash settled share-based payment likely to occur at each reporting date and adjusts the charge to profit or loss accordingly.

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

(o) Key management personnel

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Chief Executive Officer and the senior management team are considered as key management personnel of the Company.

4 Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognised within the period in which the estimates are revised and in any future periods affected.

(a) Insurance contract liabilities

The preparation of these financial statements requires the Company to make accounting estimates and judgements about the amounts of assets, liabilities, revenues and expenses, which are both recognised and unrecognised (e.g., contingent liabilities) in the financial statements. The Company evaluates its critical accounting estimates, including those related to insurance business provisioning and the fair value of assets as required. The notes below set out those critical accounting policies, the application of which requires the Company to make critical estimates and judgements. Also set out are further critical accounting policies affecting the presentation of the Company's results and other items that require the application of critical estimates and judgements.

Notes to the financial statements
Year ended 31 December 2023

4 Critical accounting estimates and judgements in applying accounting policies (continued)

(a) Insurance contract liabilities (continued)

(i) Critical accounting policies with associated critical estimates and judgements – Measurement of insurance and reinsurance contracts under FRS 117

FRS 117 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts held. The standard introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM. The process of determining the present value of future cashflows involves a number of estimates and judgments, which are set out below.

Determination of fulfilment cashflows used in the measurement of insurance and reinsurance contract assets and liabilities

Estimates of future cash flows	The Company's process for estimating future cash flows incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events. As this is a prediction of the future, significant judgement is applied in determining the assumptions that underpin the estimation of future cash flows. These assumptions include, but are not limited to, operating assumptions such as morbidity, mortality, persistency and expenses, and economic assumptions such as risk-free rates and illiquidity premium. Individual assumptions are set at a business unit level. The demographic assumptions are consistent with those used in other metrics such as EEV reporting. When estimating future cash flows, the Company takes into account current expectations of future events (other than those from future legislation or regulatory changes that have not been substantively enacted) that might affect those cash flows. Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include future premium receipts, payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. In relation to reinsurance contracts held, the probability weighted estimates of the present value of future cash flows includes the potential credit losses and losses from other disputes to reflect the non-performance risk of the reinsurers.

4 Critical accounting estimates and judgements in applying accounting policies (continued)

(a) Insurance contract liabilities (continued)

(i) Critical accounting policies with associated critical estimates and judgements – Measurement of insurance and reinsurance contracts under FRS 117 (continued)

Expense assumptions used in future cash flow estimation	The Company projects estimates of future expenses relating to the fulfilment of contracts within the scope of FRS 117 using current expense levels adjusted for inflation. Costs that are incurred in fulfilling the contracts include, but are not limited to claims handling costs, policy administration expenses, investment management expenses, income tax and other costs specifically chargeable to the policyholders under the terms of the contracts. Expenses included in estimated future cash flows comprise expenses directly attributable to the groups of contracts, including an allocation of fixed and variable overheads incurred by the insurance entities. Investment management expenses in relation to the management of the assets backing policyholder liabilities are included in the fulfilment cash flows for business using the VFA model, indirect participating business using the general model and general model non-participating business where the Company performs investment management activities to enhance benefits from insurance coverage for policyholders. Most of the costs incurred by the Company are considered to be incurred for the purpose of selling and fulfilling insurance contracts and are hence treated as attributable expenses. Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating expenses as incurred.
Policyholder benefits	The assumptions used to project the cash flows also reflect the actions that management would take over the duration of the projection, the time it would take to implement these actions and any expenses incurred in taking those actions. Management actions encompass, but not confined to, investment allocation decisions, levels of regular and final bonuses for Participating contracts and crediting rates for universal life contracts. For participating contracts, estimated future claim payments include bonuses paid to policyholders determined by reference to the relevant profit-sharing arrangement. For example, asset shares are used to determine payments to policyholders. Where cash flows from one group of contracts affect, or are affected by, cash flows in other groups of contracts (e.g., for with-profits business), the fulfilment cash flows for a group include payments arising from the terms of existing contracts to policyholders in other groups and exclude payments to policyholders in the group that have been included in the fulfilment cash flows of another group.

Notes to the financial statements
Year ended 31 December 2023

4 Critical accounting estimates and judgements in applying accounting policies (continued)

(a) Insurance contract liabilities (continued)

(i) Critical accounting policies with associated critical estimates and judgements – Measurement of insurance and reinsurance contracts under FRS 117 (continued)

Discount rate and fund earned rate

The discount rate is determined on a bottom-up basis, starting with a liquid risk-free yield curve and adding an illiquidity premium to reflect the characteristics of the insurance contracts.

Risk-free rates are based on government bond yields for all currencies. Yield curves are constructed by using a market-observed curve up to a last liquid point and then extrapolating to an ultimate forward rate.

Where cash flows vary based on the return on underlying items, the projected earned rate is set equal to the discount rate. Where stochastic modelling techniques are used, the projected average investment returns are calibrated to be equal to the deterministic discount rate (including the illiquidity premium).

The illiquidity premium is calculated as the yield-to-maturity on a reference portfolio of assets with similar liquidity characteristics to the insurance contracts, less the risk-free curve, and an allowance for credit risk.

The allowance for credit risk includes a credit risk premium which is derived through a lifetime projection of expected bond cash flows, allowing for the cost of downgrades and defaults, a rebalancing rate of projected downgrades and a recovery rate in the event of default.

A proportion of the reference portfolio's illiquidity premium is applied to portfolios of insurance contracts reflecting the liquidity characteristics of the insurance contracts. The liquidity characteristics are assessed from the policyholders' perspective. A product's illiquidity premium is restricted to be no greater than reasonably expected to be earned on the assets backing the insurance contract liabilities, over the duration of the insurance contracts.

The following tables set out the range of yield curves used to discount cash flows of insurance contracts for major currencies:

	31 Dec 2023 (%)				
	1 year	5 years	10 years	15 years	20 years
Singapore dollar (SGD)	3.62 to 4.37	2.67 to 3.42	2.71 to 3.46	2.77 to 3.52	2.74 to 3.50
United States dollar (USD)	4.81 to 5.22	3.86 to 4.28	3.90 to 4.31	4.01 to 4.43	4.36 to 4.77

	31 Dec 2022 (%)				
	1 year	5 years	10 years	15 years	20 years
Singapore dollar (SGD)	3.83 to 4.94	2.86 to 3.98	3.11 to 4.22	2.91 to 4.02	2.49 to 3.61
United States dollar (USD)	4.75 to 5.33	4.02 to 4.60	3.89 to 4.47	3.98 to 4.56	4.27 to 4.85

4 Critical accounting estimates and judgements in applying accounting policies (continued)

(a) Insurance contract liabilities (continued)

(i) Critical accounting policies with associated critical estimates and judgements – Measurement of insurance and reinsurance contracts under FRS 117 (continued)

Determination of risk adjustment for non-financial risk

Risk adjustment for non-financial risk	The risk adjustment for non-financial risk reflects the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. The risk adjustment for non-financial risks also reflects the degree of diversification benefit the entity includes when determining the compensation it requires for bearing the risk. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer. The risk adjustment for non-financial risk is determined by the Company using a confidence level approach. This is implemented through the use of provisions for adverse deviations (PADs) calibrated using non-financial risk distributions and correlation assumptions. The PADs are applied to best estimate assumptions. The Company's risk adjustment allows for all insurance, persistency and expense risks and operational risks specific to uncertainty in the amount and timing of insurance contract cash flows. Reinsurance counterparty default risk is excluded from the calculation. By applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows. The confidence level is calibrated over a one-year period.

Notes to the financial statements
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4 Critical accounting estimates and judgements in applying accounting policies (continued)

(a) Insurance contract liabilities (continued)

(i) Critical accounting policies with associated critical estimates and judgements – Measurement of insurance and reinsurance contracts under FRS 117 (continued)

Determination of coverage units

Coverage units	The proportion of CSM recognised in the statement of comprehensive income at the end of each period for a group of contracts is determined as the ratio of: – the coverage units in the period; divided by – the sum of the coverage units in the period and the present value of expected coverage units in future periods. The total number of coverage units in a group is the quantity of insurance contract service provided determined by considering the quantity of benefits for each contract and its expected coverage period. The Company defines the quantity of benefits for insurance services as the maximum amount which a policyholder receives when an insured event takes place, for example the sum assured, the annual limit for a medical plan or the present value of a stream of payments. The quantity of benefits is updated each period to reflect the services provided in the period and expected to be provided in the future. Investment related and investment-return services for contracts that provide investment-return service or investment related services are assumed to be constant over time. Where there are multiple different services in a group of contracts (for example both insurance and investment services are provided), the quantities of benefits for the different types of service are combined using weighting factors. These weighting factors are defined as the present value of expected outflows for each type of service, determined at a contract level. The expected coverage period is the expected duration up to the contract boundary. The expected coverage period of the contracts in a group and the calculation of future coverage units allows for expected decrements (e.g., deaths and lapses) in each future period using current best estimate assumptions consistent with the best estimate liabilities (BEL) calculation. The time value of money will be reflected in future coverage units. Determination of coverage units for groups of reinsurance contracts held follow the same principles as for groups of underlying contracts.

4 Critical accounting estimates and judgements in applying accounting policies (continued)

(a) Insurance contract liabilities (continued)

(ii) Other items requiring application of critical estimates or judgement

VFA eligibility assessment

The Company applies judgements in assessing the VFA eligibility of contracts. Application of the VFA impacts the calculation of the CSM at the balance sheet date, which in turn impacts the future year's amortisation recognised in the statement of comprehensive income. Unlike the GMM approach, the VFA approach absorbs economic impacts within the CSM, rather than in the profit and loss account.	FRS 117 requires the use of the VFA for insurance contracts with direct participation features, i.e. substantially investment-related service 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 entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and – the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items. The following key judgements have been made in assessing VFA eligibility:

Definition of substantial	The term substantial is interpreted to mean greater than 50 per cent.
Contractual terms	In some circumstances contractual terms are implied by customary business practices.
Granularity of assessment	The assessment has been carried out at a contract level. However, to the extent insurance contracts in a group affect the cash flows to policyholders of contracts in other groups (referred to as "mutualisation"), eligibility for the VFA has been assessed at the level at which such mutualisation occurs (e.g., fund level).
Calculation basis	VFA eligibility assessments have been performed on a basis consistent with how the Company measures its realistic expectations, for example when pricing, monitoring or setting returns to policyholders.

Contracts not qualifying for the VFA are accounted for under the GMM.

The determination of insurance contract liabilities is dependent on assumptions made by the management of the Company. These estimates are reviewed each year and adjusted (if necessary) in order to establish contract liabilities which most accurately reflect the Company's long-term estimate of actual development of experience. The carrying amount as at the reporting date is disclosed in Note 10.

Notes to the financial statements
Year ended 31 December 2023

4 Critical accounting estimates and judgements in applying accounting policies (continued)

(a) Insurance contract liabilities (continued)

(iii) Process used to determine non-financial assumptions

At inception of the contract, the Company determines assumptions in relation to future mortality and morbidity, voluntary terminations and administration expenses. These assumptions are used for calculating the liabilities during the life of the contract.

Subsequently, as experience unfolds, the Company conducts experience studies to investigate the appropriateness of these assumptions. The initial assumptions will be adjusted according to the Company's experience.

The assumptions are required to be on a "best estimate" basis and are considered to be so, if on average, the results are expected to be worse than the assumptions in 50% of the possible scenarios and better in the other 50%. Additional provision is required in the valuation assumptions to allow for any adverse deviation from the best estimate experience.

Information regarding key assumptions used to calculate insurance contract liabilities is set out below:

Mortality

Estimates are made as to the expected number of deaths for each of the years in which the Company is exposed to risk. The Company bases the estimates as to the number of deaths/claims on the reinsurers' mortality tables. Where appropriate, the estimates are adjusted to reflect the Company's own experience. The estimated number of deaths determines the value of the benefit payments. The main source of uncertainty is that epidemics and wide-ranging lifestyle changes, such as changes in eating, smoking and exercise habits, could result in future mortality experience being significantly different than in the past for the age groups in which the Company has significant exposure to mortality risk. In addition, continuing improvements in medical care and social conditions could result in improvements in longevity with the Company being exposed to longevity risk.

Morbidity

The incidence rates of morbidity are based on the reinsurers' morbidity tables. Where appropriate, the estimates are adjusted to reflect the Company's own experience. For contracts that are exposed to increases in healthcare costs, appropriate allowance has been made to allow for future increases in such costs after taking into consideration of company's ability to review premium rate.

Persistency

An investigation into the Company's experience over the most recent five years is performed on an annual basis and statistical methods are used to determine an appropriate persistency rate. Persistency rates vary by product type and policy duration. The main source of uncertainty is policyholders' behaviour, which may be affected by market and economic conditions. Changes in policyholders' behaviour could result in future termination rates being different from what the Company experienced previously. Allowance will be made for any trends in the data to arrive at a best estimate of future persistency rates that takes into account of such policyholders' behaviour.

4 Critical accounting estimates and judgements in applying accounting policies (continued)

(a) Insurance contract liabilities (continued)

(iii) Process used to determine non-financial assumptions (continued)

Renewal expense level and inflation

The current level of expenses is taken as an appropriate expense base. Expense inflation is assumed to be at 1.75% (2022: 1.75%) per annum. The Company conducts an expense study on an annual basis, and utilises the results as a basis to derive expense loadings for calculating liabilities.

Tax

It has been assumed that current tax legislation and rates continue substantially unaltered, and computation of tax is based on MAS basis.

(iv) Sensitivity to insurance risks

The tables below show how the shareholders' equity and CSM would have increased or decreased if changes in insurance risk that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

Life insurance contracts

		Net effect on shareholders' equity*		Contractual service margin	
Variable	Change in variable	Gross of reinsurance 2023 $'000	Net of reinsurance 2023 $'000	Gross of reinsurance 2023 $'000	Net of reinsurance 2023 $'000
Expenses	+10%	(15,718)	(9,663)	(129,962)	(84,203)
Expenses	-10%	15,744	9,689	130,362	84,660
Lapse rates	+10%	(38,083)	7,326	(456,297)	(93,311)
Lapse rates	-10%	44,809	(9,769)	544,097	98,425
Mortality and morbidity	+5%	(37,338)	(25,455)	(231,979)	(90,082)
Mortality and morbidity	-5%	36,126	24,503	228,916	87,092

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

4 Critical accounting estimates and judgements in applying accounting policies (continued)

(a) Insurance contract liabilities (continued)

(iv) Sensitivity to insurance risks (continued)

Life insurance contracts (continued)

		Net effect on shareholders' equity*		Contractual service margin	
Variable	Change in variable	Gross of reinsurance 2022 $'000	Net of reinsurance 2022 $'000	Gross of reinsurance 2022 $'000	Net of reinsurance 2022 $'000
Expenses	+10%	(11,716)	(6,268)	(79,470)	(38,042)
Expenses	-10%	14,591	8,228	113,477	73,449
Lapse rates	+10%	(55,361)	3,244	(401,272)	(85,151)
Lapse rates	-10%	70,698	(2,983)	515,886	127,252
Mortality and morbidity	+5%	(28,018)	(21,452)	(175,384)	(55,007)
Mortality and morbidity	-5%	30,882	23,139	210,768	90,979

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

(b) Goodwill

Goodwill impairment testing requires the exercise of judgement by management as to prospective future cash flows. Further information is disclosed in Note 7.

5 Capital, insurance and financial risk management

This section describes the Company's risks exposure, their concentration and the way the Company manages them.

(a) Capital management

The Company's capital management policy is to maintain a strong capital base to meet policyholders' obligations and regulatory requirements, to create shareholder value, deliver sustainable returns to shareholders and to support future business growth. Capital consists of total equity with adjustments to inadmissible assets such as intangible assets, deferred tax asset and any other adjustments specified by MAS.

It is the Company's policy to hold capital levels in excess of higher intervention level ("HIL") and lower intervention level ("LIL"). Based on MAS Notice 133, the capital adequacy ratio ("CAR") of the Company as at the reporting date is 191% (2022: 184%).

5 Capital, insurance and financial risk management (continued)

(a) Capital management (continued)

Under the Insurance (Valuation and Capital) Regulations, all insurers are required to maintain a minimum fund solvency ratio ("FSR"), Tier 1 capital ratio ("T1R") and CAR above the HIL and LIL as specified in MAS Notice 133, in order to meet policyholders' obligations. The FSR and CAR apply a risk-based approach to capital adequacy and are determined by the sum of the aggregate of the total risk requirement of all insurance funds established and maintained by the insurer under the Insurance Act.

The total risk requirement consists of three components. They are insurance risk requirement, asset risk requirement comprising mainly asset specific and asset/liability duration mismatch charge and operational risk requirement.

The values, assumptions and methodology used for the measurement of the solvency position are in accordance with MAS Notice 133. The valuation of assets and liabilities identified as financial resources is closely aligned to those in the Company's statement of financial position, except for the exclusion of inadmissible assets and assets that exceed the concentration limit as prescribed in MAS Notice 133.

In addition to satisfying regulatory capital requirements, the Company conducts stress tests on the projected solvency position of the Company to ensure that the management is aware of the risks and threats to solvency that the Company faces and to plan for risk mitigation actions where necessary. The Company is also subject to the ultimate holding company's economic capital framework.

There were no changes in the Company's approach to capital management during the year.

(b) Insurance risk

The risk of loss for the business or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of a number of insurance risk drivers. This includes adverse mortality, morbidity, persistency and expense experience. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio.

MAS Notice 133 prescribes capital requirement to be held in respect of insurance risk as well as to maintain sufficient capital resources to cover any shortfall between the aggregate surrender value of contracts and the insurance contract liabilities for each individual insurance fund.

Risks that are specific to the various types of insurance contracts are elaborated below.

5 Capital, insurance and financial risk management (continued)

(b) Insurance risk (continued)

Life insurance par contracts

The amount of risk to which the Company is exposed to depends on the level of guarantees inherent in the contracts. As at 31 December 2023, the minimum condition liability, which includes only guaranteed benefits, is $22.5 billion (2022: $20.9 billion) and is significantly below the policy assets of $36.7 billion (2022: $33.1 billion). The corresponding policy liability, which would include future bonuses at a level which meets policyholders' reasonable expectations, is $33.5 billion (2022: $29.5 billion). The policy assets in excess of the policy liabilities, amounting to $3.2 billion (2022: $3.6 billion), are available to meet the insurance fund's solvency requirements and any adverse deviations in the Company's operating experience.

For life insurance par contracts, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the policyholder.

Life insurance non-par contracts

The life insurance non-par contracts consist of individual term insurance, annuity, universal life, health business and group business. The major health business written is the Integrated Shield plans which cover hospitalisation, surgical fees and certain outpatient treatment expenses. The key risks faced by the Company in respect of non-par contracts are mortality and morbidity risks.

Investment-linked contracts (unit reserves)

For these contracts, the insurance contract liabilities represent the fair value of the investment funds or assets linked to those contracts at the reporting date. Additional benefits may be payable upon death, total permanent disability and critical illness. The key risks faced by the Company in respect of investment-linked contracts are mortality and morbidity risks.

(i) Concentration of insurance risk

Concentration of risk may arise where a particular event or a series of events could impact heavily upon the Company's insurance contract liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts and relate to circumstances where significant liabilities could arise.

Insurance risk for contracts is also affected by the policyholders' right to pay reduced or no future premiums or to terminate the contract completely. As a result, the amount of insurance risk is also subject to policyholders' behaviour. On the assumption that policyholders will make decisions rationally, overall insurance risk can be assumed to be aggravated by such behaviour. The Company has factored the impact of policyholders' behaviour into the assumptions used to measure insurance contract liabilities.

The Company is also exposed to geographical concentration of risks as most of its contracts originate in Singapore.

5 Capital, insurance and financial risk management (continued)

(b) Insurance risk (continued)

(ii) Management of insurance risk

For the management of insurance risk, the Company has implemented guidelines and procedures for conducting insurance core activities which include product development, product pricing, underwriting, claims handling and reinsurance management.

The Company assesses the risks and opportunities of a product at the product development stage to ensure only products with risk consistent with the Company's risk appetite and create commensurable value to the Company are being developed.

Product pricing ensures products are appropriately priced to reflect their embedded risk exposures. It is conducted in a prudent manner with the aid of sensitivity and scenario analysis. It is the Company's philosophy to sell at a price sufficient to fund the cost it incurs to hedge or reinsure its risks and for the risk that the Company accepts and manages, to achieve an acceptable return for the shareholders.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of the type of risk and the level of insured benefits. The Company has developed its insurance underwriting strategy according to two main areas – risk selection and risk classification.

The risk selection process determines the groups of insurance risk that are acceptable to the Company so that diversification of insurance risk types is achieved. At the same time, this is to ensure that within each of these risk types, there is a sufficiently large population of risks to reduce the variability of the expected outcome.

Each group of insurance risks is classified into categories of standard and degree of substandard through underwriting. Medical selection and financial underwriting guidelines included in the Company's underwriting procedures allow the correct assignment of insurance risk to the appropriate classes. Each class has varied premium to reflect the health condition and family medical history of the applicants.

The Company has in place claims handling processes to handle claims efficiently, accurately and fairly. Claims are assessed at a level consistent with policy provision, statutory regulations and corporate governance.

The Company uses reinsurance in the normal course of business to diversify its risks and to limit its net loss potential. Reinsurance arrangements for risk undertaken by the Company have limited the Company's risk exposure. The Company has a maximum retention limit for any single life insured that is set according to the reinsurance management strategy guideline approved by the Board of Directors. Catastrophic reinsurance is used to limit the Company's maximum overall exposure to a single event.

(c) Financial risk

The investment objective for each insurance fund is to maximise the long-term returns including capital gains, having regard to the nature and term of the liabilities, the fund's financial strength, the desired level of risk, and any tax, statutory and regulatory constraints.

Transactions in financial instruments result in the Company assuming financial risks. These include market risk, foreign currency risk, liquidity risk and credit risk. Each of these financial risks is described below, together with a summary of the ways in which the Company manages these risks.

5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(i) Market risk

Market risk is the risk of loss for the business or of adverse change in the financial situation, resulting, directly or indirectly, from fluctuations in the level or volatility of market prices of assets and liabilities. The unexpected change in fair value of a financial instrument could be due to adverse movements in prices, interest rates, or foreign currency exchange rates.

Price risk is the risk that the market values of financial instruments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the financial instrument or its issuer or factors affecting similar financial instruments traded in the market.

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to the impact of changes in market interest rates on interest income from cash and cash equivalents and other fixed income instruments.

The Asset-Liability Management Committee and the Investment Committee of the Company reviews the investment policy of the Company on a regular basis. The investment policy establishes investment guidelines and limits and sets controls on the ALM process. The investment policy is approved by the Board of Directors before implementation.

Investment limits for each insurance fund are set with consideration for diversification by geographical area, markets, sectors, counterparties and currency to reduce the impact of non-systematic risks in the market.

The objective of the Company's ALM process is to meet policy liabilities with the returns generated from investment assets held by the Company, while maintaining appropriate financial strength. Additionally, the Company's ALM strategy adopted considers the following:

(a) liability profile of in-force business and new products;

(b) to appropriately manage investment risk in relation to liability related assumptions;

(c) to ensure that the ALM strategy is within the Company's risk appetite limits and able to withstand an appropriate range of different scenarios, in accordance with economic and local regulatory requirements;

(d) capital, solvency, profitability position, participating fund internal governance policy and universal life crediting rate policy; and

(e) other considerations such as availability of matching assets, diversification, currency, duration and transaction costs.

The values, key assumptions and methodology in the measurement of assets and liabilities used for ALM are closely aligned to those in the Company's statement of financial position. In addition, best estimate insurance liabilities are also taken into consideration.

MAS Notice 133 prescribes capital requirements to be held in respect of investment assets and market risk arising from interest rate sensitivity between assets and liabilities.

5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(i) Market risk (continued)

Risks that are specific to the various types of insurance contracts are elaborated below:

Life insurance par contracts

For par contracts, past experience has shown that surrender rates are relatively stable as compared to movements in interest rates and market values. This could be due to the nature of the contracts as early termination could result in financial losses to the policyholders.

The participating fund invests in a broad range of assets, including equities and corporate bonds, to provide long-term investment return, in the form of reversionary and terminal bonuses to participating policies. Investments in these assets may be subject to market fluctuations and thus affect the Company's ability to declare bonuses as originally illustrated.

Life insurance non-par contracts

For non-par contracts that are protection-based, they usually do not acquire surrender values and thus the Company's exposure to movements in interest rates and market value is limited.

For annuity contracts and universal life contracts, the duration of the liability is usually longer than the duration of the assets available in the market. As such, the Company is exposed to the risk of interest rates fluctuation.

Investment-linked contracts

For investment-linked contracts, the investment risk is largely passed on to the policyholders. As a result, the Company is not directly exposed to movements in interest rates and market values of the underlying assets.

The Company segregates the asset pool it manages into different funds. Each fund represents distinct characteristics in its objectives and the nature and term of its liabilities. The investment objective for each fund is to maximise the long-term returns including capital gains, having regard to the nature and term of the liabilities, the fund's financial strength, the desired level of risk, and any tax, statutory and regulatory constraints.

The Company establishes target asset portfolios for each fund, which represents the investment strategies used to profitably meet the liabilities from products written in the fund within acceptable levels of risk. Performance benchmarks are agreed for each fund and asset class where there is an appropriate and liquid benchmark available.

The Company's exposure to market risk for changes in interest rates is concentrated in its investment portfolio and insurance contract liabilities. Changes in investment values attributable to interest rate changes are mitigated by partially offsetting changes in the value of insurance contract liabilities. The overall objective of these asset/liability matching strategies is to limit the net changes in the value of assets and liabilities arising from interest rate movements.

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5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(i) Market risk (continued)

Stochastic simulations are commonly performed on the major participating sub-funds to investigate into the risks of not being able to meet the liabilities and statutory solvency under various investment strategies. The amounts and timing of payments to or on behalf of policyholders for insurance contract liabilities are regularly evaluated to ensure that matching and liquidity needs of each fund are taken into account in the investment strategy adopted. The projections of these cash flows may involve subjective assumptions and such subjectivity could impact the Company's ability to achieve its ALM objectives.

The table below presents the interest rate exposure of the Company's financial assets and liabilities:

	Fixed rate $'000	Floating rate $'000	Non-interest sensitive $'000	Total $'000
2023				
Assets				
Equity securities	–	–	10,392,844	10,392,844
Debt securities	15,243,634	1,488,319	–	16,731,953
Collective investment schemes	–	–	25,659,634	25,659,634
Derivative financial instruments	–	–	433,304	433,304
Other receivables	–	–	414,117	414,117
Cash and cash equivalents	433,659	–	3	433,662
	15,677,293	1,488,319	36,899,902	54,065,514
Liabilities				
Other payables	(191,232)	–	(610,091)	(801,323)
Derivative financial instruments	–	–	(156,571)	(156,571)
	(191,232)	–	(766,662)	(957,894)
2022 restated				
Assets				
Equity securities	–	–	7,832,481	7,832,481
Debt securities	15,129,466	1,365,428	–	16,494,894
Collective investment schemes	–	–	23,918,442	23,918,442
Derivative financial instruments	–	–	513,739	513,739
Other receivables	–	–	346,602	346,602
Cash and cash equivalents	865,675	–	3	865,678
	15,995,141	1,365,428	32,611,267	49,971,836
Liabilities				
Other payables	(245,948)	–	(567,669)	(813,617)
Derivative financial instruments	–	–	(301,724)	(301,724)
	(245,948)	–	(869,393)	(1,115,341)

5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(i) Market risk (continued)

The table below shows the sensitivity of profit after tax, shareholders' equity and CSM as at 31 December 2023 for insurance operations to the following market risks:

– 1 per cent increase and 0.5 per cent decrease in observable interest rates in isolation and subject to a floor of zero; and

– Instantaneous 10 per cent rise and 20 per cent fall in the market value of equity investments. The equity risk sensitivity analysis assumes that all equity indices fall by the same percentage.

The sensitivities below only allow for limited management actions such as changes to policyholder bonuses, where applicable. If the economic conditions set out in the sensitivities persisted, the financial impacts may differ to the instantaneous impacts shown below. Given the continuous risk management processes in place, management could take additional actions to help mitigate the impact of these stresses, including (but not limited to) rebalancing investment portfolios, increased use of reinsurance, repricing of in-force benefits, changes to new business pricing and the mix of new business being sold.

Interest rates and consequential effects	31 December 2023	
	Decrease of 0.5% $'000	Increase of 1% $'000
2023		
Financial assets	1,527,102	(3,054,203)
Net insurance contract liabilities	1,114,491	(2,259,911)
Contractual service margin	(85,062)	40,994
Net effect on shareholders' equity*	342,466	(659,263)

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

Interest rates and consequential effects	31 December 2022 restated	
	Decrease of 0.5% $'000	Increase of 1% $'000
2022 restated		
Financial assets	1,276,570	(2,553,018)
Net insurance contract liabilities	923,403	(1,821,302)
Contractual service margin	(286,869)	60,676
Net effect on shareholders' equity*	293,129	(607,324)

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

5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(i) Market risk (continued)

Equity market values and consequential effects	31 December 2023	
	Decrease of 20% $'000	Increase of 10% $'000
2023		
Financial assets	(4,363,645)	2,181,823
Net insurance contract liabilities	(4,274,355)	2,145,011
Contractual service margin	(549,448)	189,989
Net effect on shareholders' equity*	(74,111)	30,554

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

Equity market values and consequential effects	31 December 2022 restated	
	Decrease of 20% $'000	Increase of 10% $'000
2022 restated		
Financial assets	(3,841,429)	1,920,729
Net insurance contract liabilities	(3,724,582)	1,884,775
Contractual service margin	(603,004)	189,248
Net effect on shareholders' equity*	(96,983)	29,842

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

5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(ii) Foreign currency risk

The Company faces foreign currency risk, primarily because some of its investments in equity securities, debt securities and collective investment schemes are held in currencies other than Singapore Dollars to improve the diversification of its portfolio, while almost all its liabilities are denominated in Singapore Dollar ("SGD"). Other than SGD, the currencies in which these transactions are denominated include United States Dollar ("USD"), Euro ("EUR") and Hong Kong Dollar ("HKD"). The main exposure to other foreign currencies includes the Indian rupee, South Korean Won, Japanese Yen and Taiwanese Dollar.

Apart from natural offsets where the assets and liabilities are denominated in the same currency, the Company adopts the approach of hedging the currency risk of investments that generate stable cash flows. Currency risk derived from investments in foreign equities is generally not hedged.

MAS Notice 133 prescribes the capital requirement to be held in respect of foreign currency mismatch risk between assets and liabilities.

The following table presents the main currency exposures as of the reporting date, in Singapore Dollar equivalents:

	SGD $'000	USD $'000	EUR $'000	HKD $'000	Others $'000	Total $'000
2023						
Assets						
Property and equipment	64,135	–	–	–	–	64,135
Intangible assets	261,611	–	–	–	–	261,611
Right-of-use assets	34,117	–	–	–	–	34,117
Investments						
– Equity securities	2,031,272	3,345,700	561,192	769,296	3,685,384	10,392,844
– Debt securities	8,734,169	7,936,427	26,249	2,239	32,869	16,731,953
– Collective investment schemes	9,840,091	13,759,952	1,373,203	29,095	657,293	25,659,634
– Derivative financial instruments	14,327,920	(14,174,929)	186,421	(2,021)	95,913	433,304
Insurance contract assets	1,266,692	(558)	–	–	–	1,266,134
Reinsurance contract assets	10,927	405,006	–	–	–	415,933
Other receivables	157,968	246,745	2,118	1,368	5,918	414,117
Cash and cash equivalents	169,404	155,443	29,670	975	78,170	433,662
	36,898,306	11,673,786	2,178,853	800,952	4,555,547	56,107,444
Liabilities						
Insurance contract liabilities	(49,494,765)	(1,231,572)	–	–	–	(50,726,337)
Reinsurance contract liabilities	(421,810)	(966)	–	–	–	(422,776)
Other payables	(438,881)	(350,355)	(8,195)	(1,113)	(2,779)	(801,323)
Derivative financial instruments	736,437	1,928,127	(1,775,500)	–	(1,045,635)	(156,571)
Provision for tax	(169,530)	–	–	–	–	(169,530)
Deferred tax liabilities	(431,404)	–	–	–	–	(431,404)
Lease liabilities	(35,522)	–	–	–	–	(35,522)
	(50,255,475)	345,234	(1,783,695)	(1,113)	(1,048,414)	(52,743,463)

5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(ii) Foreign currency risk (continued)

	SGD $'000	USD $'000	EUR $'000	HKD $'000	Others $'000	Total $'000
2022 restated						
Assets						
Property and equipment	57,147	–	–	–	–	57,147
Intangible assets	267,477	–	–	–	–	267,477
Right-of-use assets	72,588	–	–	–	–	72,588
Investments						
– Equity securities	1,525,561	3,187,088	224,924	819,582	2,075,326	7,832,481
– Debt securities	9,520,313	6,901,389	24,658	12,335	36,199	16,494,894
– Collective investment schemes	8,961,345	12,366,514	2,109,835	256,372	224,376	23,918,442
– Derivative financial instruments	14,277,573	(14,141,902)	1,015,795	(12,887)	(624,840)	513,739
Insurance contract assets	1,266,179	(116)	–	–	–	1,266,063
Reinsurance contract assets	11,511	250,086	–	–	–	261,597
Other receivables	226,758	113,240	3,759	164	2,681	346,602
Cash and cash equivalents	379,228	295,629	163,696	1,226	25,899	865,678
	36,565,680	8,971,928	3,542,667	1,076,792	1,739,641	51,896,708
Liabilities						
Insurance contract liabilities	(45,428,961)	(1,369,145)	–	–	–	(46,798,106)
Reinsurance contract liabilities	(499,021)	(303)	–	–	–	(499,324)
Other payables	(516,496)	(292,422)	(3,141)	–	(1,558)	(813,617)
Derivative financial instruments	(1,175,195)	3,777,505	(2,067,230)	(2)	(836,802)	(301,724)
Provision for tax	(104,834)	–	–	–	–	(104,834)
Deferred tax liabilities	(388,523)	–	–	–	–	(388,523)
Lease liabilities	(76,316)	–	–	–	–	(76,316)
	(48,189,346)	2,115,635	(2,070,371)	(2)	(838,360)	(48,982,444)

5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(iii) Liquidity risk

Liquidity risk is the risk of the Company being unable to generate sufficient cash resources or raise finance to meet financial obligations as they fall due in business as usual and stress scenarios. Liquidity management seeks to ensure that, even under adverse conditions over a short-projected period, the Company has access to the funds necessary to cover surrenders, withdrawals and maturing liabilities and other unanticipated cash outflows.

In practice, most of the Company's invested assets are marketable securities. This, combined with the positive net cash flows, reduces the liquidity risk. The Company has in place a Liquidity Risk Policy, which governs the Company's appetite for liquidity risk, how these risks are measured, managed and reported to Senior Management. There are also documented management actions that will be considered depending on extent and nature of liquidity event.

The following table shows the Company's financial assets and liabilities with the remaining contractual maturities:

	Within one year $'000	After one year but within five years $'000	After five years $'000	No stated maturity $'000	Total $'000
2023					
Assets					
Investments					
– Equities	–	–	–	10,392,844	10,392,844
– Debt securities	2,334,840	1,285,412	13,111,701	–	16,731,953
– Collective investment schemes	–	–	–	25,659,634	25,659,634
– Derivative financial instruments	412,985	20,319	–	–	433,304
Other receivables	411,091	2,734	292	–	414,117
Cash and cash equivalents	433,659	–	–	3	433,662
	3,592,575	1,308,465	13,111,993	36,052,481	54,065,514
Liabilities					
Other payables	(796,883)	(4,440)	–	–	(801,323)
Derivative financial instruments	(71,978)	(84,593)	–	–	(156,571)
Lease liabilities	(24,753)	(10,769)	–	–	(35,522)
	(893,614)	(99,802)	–	–	(993,416)

5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(iii) Liquidity risk (continued)

	Within one year $'000	After one year but within five years $'000	After five years $'000	No stated maturity $'000	Total $'000
2022 restated					
Assets					
Investments					
– Equities	–	–	–	7,832,481	7,832,481
– Debt securities	3,040,697	1,869,497	11,584,700	–	16,494,894
– Collective investment schemes	–	–	–	23,918,442	23,918,442
– Derivative financial instruments	491,688	22,051	–	–	513,739
Other receivables	342,960	3,137	505	–	346,602
Cash and cash equivalents	865,675	–	–	3	865,678
	4,741,020	1,894,685	11,585,205	31,750,926	49,971,836
Liabilities					
Other payables	(809,474)	(4,143)	–	–	(813,617)
Derivative financial instruments	(294,237)	(7,487)	–	–	(301,724)
Lease liabilities	(24,785)	(51,531)	–	–	(76,316)
	(1,128,496)	(63,161)	–	–	(1,191,657)

5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(iii) Liquidity risk (continued)

The following table shows the maturity profile of the expected future cash flows on a discounted basis relating to insurance and reinsurance contract liabilities, respectively. The amounts in the table below include the expected amounts payable on demand at a timing of when they are expected to occur over the outstanding duration of the existing business:

	Up to 1 year $'000	1-2 years $'000	2-3 years $'000	3-4 years $'000	4-5 years $'000	>5 years $'000	Total $'000
2023							
Expected cash flows							
Insurance contract liabilities	941,839	1,084,241	1,741,577	2,188,333	2,288,794	38,702,134	46,946,918
Reinsurance contract liabilities	80,745	58,941	54,073	32,058	5,322	4,457	235,596
	1,022,584	1,143,182	1,795,650	2,220,391	2,294,116	38,706,591	47,182,514

	Up to 1 year $'000	1-2 years $'000	2-3 years $'000	3-4 years $'000	4-5 years $'000	>5 years $'000	Total $'000
2022 restated							
Expected cash flows							
Insurance contract liabilities	914,796	688,929	1,024,837	1,704,865	2,089,677	36,727,227	43,150,331
Reinsurance contract liabilities	105,287	77,316	65,809	50,340	21,125	(14,622)	305,255
	1,020,083	766,245	1,090,646	1,755,205	2,110,802	36,712,605	43,455,586

(iv) Credit risk

Credit risk is the risk of loss for the business or of adverse change in the statement of financial position, resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors in the form of default or other significant credit event (e.g. downgrade or spread widening).

The Company is exposed to substantial credit risk through its investments and reinsurance arrangements. At the reporting date, there were no significant concentration of credit risk. The maximum exposure to credit risk is represented by the aggregate carrying amount of all instruments from the same issuer.

5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(iv) Credit risk (continued)

The Company's exposure to credit risk relating to its debt securities, other receivables, cash and cash equivalents and reinsurance contract assets is summarised below:

	Credit ratings (from Standard & Poor's or equivalents)					
	AAA $'000	AA+ to AA- $'000	A+ to A- $'000	BBB+ to BBB- $'000	Below BBB- or not rated $'000	Total $'000
2023						
Debt securities						
– Government bonds	6,583,904	627,122	192,335	157,113	–	7,560,474
– Corporate and other bonds	701,110	955,649	4,344,397	3,079,506	90,817	9,171,479
Reinsurance contract assets (Expected cash flows)	–	211,452	209,630	–	–	421,082
Other receivables	–	140	2,015	–	411,962	414,117
Cash and cash equivalents	–	15,921	417,738	–	3	433,662
	7,285,014	1,810,284	5,166,115	3,236,619	502,782	18,000,814

	Credit ratings (from Standard & Poor's or equivalents)					
	AAA $'000	AA+ to AA- $'000	A+ to A- $'000	BBB+ to BBB- $'000	Below BBB- or not rated $'000	Total $'000
2022 restated						
Debt securities						
– Government bonds	7,658,987	38,216	112,751	122,643	14,846	7,947,443
– Corporate and other bonds	778,358	812,347	3,552,311	3,251,273	153,162	8,547,451
Reinsurance contract assets (expected cash flows)	–	224,263	20,836	–	–	245,099
Other receivables	–	22,524	–	–	324,078	346,602
Cash and cash equivalents	–	134,831	730,844	–	3	865,678
	8,437,345	1,232,181	4,416,742	3,373,916	492,089	17,952,273

The Company's investment policy sets limits on investments in bonds of different credit quality. The Company also imposes limits on each investment counterparty to control concentration risks.

Cash and deposits are placed with banks and financial institutions which are regulated and rated by rating agencies. Investments and transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality.

5 Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(iv) Credit risk (continued)

In addition, the Company accounts for credit risk by allowing for expected losses due to asset defaults in the determination of the premium rates for the products that will be supported by these assets.

MAS Notice 133 prescribes capital requirement to be held in respect of counterparty default risk exposure.

For receivables arising from insurance and reinsurance contracts, none of the Company's receivables due from policyholders are past due (2022: none past due).

In accordance with the reinsurance management strategy, the Company maintains a panel of reinsurers that the Company is allowed to transact business with. The reinsurers must be able to meet the minimum financial rating requirements before being selected and other internal compliance requirements for onboarding, and if there is exception, justification and approval are required. The Company monitors the aggregate exposure in terms of sum at risk reinsured to any one reinsurer according to internal risk limit.

(d) Estimation of fair values

Equity securities, debt securities and collective investment schemes

The fair values of investments are based on current mid prices or last traded prices at the reporting date, obtained from the Company's custodian's external price sources such as Bloomberg. For investments for which prices are not readily available, quotes are obtained from brokers or issuing agents. At least two quotes will be obtained if available, to ensure the reasonableness of the quotes.

Derivative financial instruments

The fair value of derivative financial instruments is their indicative price at the reporting date as quoted by banks or brokers.

The fair value of forward exchange contracts and futures contracts is based on their quoted market price, if available. If a quoted market price is not available, then the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The table below sets out the notional amounts and valuations of the Company's derivative financial instruments. The valuation of derivative financial instruments reflects amounts which the Company expects to pay or receive to terminate the contracts or replace the contracts at their current market rates at the reporting date.

Notes to the financial statements
Year ended 31 December 2023

5 Capital, insurance and financial risk management (continued)

(d) Estimation of fair values (continued)

Derivative financial instruments (continued)

	Notional amount (Assets) $'000	Notional amount (Liabilities) $'000	Positive revaluation $'000	Negative revaluation $'000
2023				
Forward exchange contracts	15,530,317	6,113,049	304,292	(136,139)
Futures contracts	5,755,641	1,661,138	127,048	(20,432)
Currency swap contracts	64,653	–	1,902	–
Interest rate swap contracts	1,327	–	51	–
Warrants	249	–	11	–
	21,352,187	7,774,187	433,304	(156,571)
2022				
Forward exchange contracts	15,508,950	6,319,919	500,237	(205,704)
Futures contracts	614,637	3,432,543	5,337	(88,440)
Currency swap contracts	61,549	13,280	898	(181)
Interest rate swap contracts	156,944	209,958	7,249	(7,399)
Warrants	264	–	18	–
	16,342,344	9,975,700	513,739	(301,724)

Other financial assets and liabilities

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

Fair value hierarchy

The table below analyses financial instruments carried at fair value with changes recognised in the statement of profit or loss and other comprehensive income, by classification. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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

5 Capital, insurance and financial risk management (continued)

(d) Estimation of fair values (continued)

Derivative financial instruments (continued)

Financial assets and financial liabilities carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2023				
Equity securities	10,242,706	2	150,136	10,392,844
Debt securities	13,856,228	2,875,725	–	16,731,953
Collective investment schemes	21,749,091	2,822,987	1,087,556	25,659,634
Derivative financial assets	127,059	306,245	–	433,304
Derivative financial liabilities	(20,432)	(136,139)	–	(156,571)
	45,954,652	5,868,820	1,237,692	53,061,164
2022				
Equity securities	7,694,585	–	137,896	7,832,481
Debt securities	13,036,899	3,457,995	–	16,494,894
Collective investment schemes	19,835,677	3,942,931	139,834	23,918,442
Derivative financial assets	5,355	508,384	–	513,739
Derivative financial liabilities	(88,440)	(213,284)	–	(301,724)
	40,484,076	7,696,026	277,730	48,457,832

Financial assets measured at fair value based on Level 3

	Equity securities $'000	Debt securities $'000	Collective investment schemes $'000	Total $'000
At 1 January 2023	137,896	–	139,834	277,730
Net gains/(losses) included in profit or loss for the year presented in investment income	11,944	–	(10,220)	1,724
Purchases	1,035	–	57,464	58,499
Sales	(739)	–	–	(739)
Transfers	–	–	900,478	900,478
At 31 December 2023	150,136	–	1,087,556	1,237,692
At 1 January 2022	129,971	–	166,633	296,604
Net gains/(losses) included in profit or loss for the year presented in investment income	5,275	–	(41,357)	(36,082)
Purchases	2,365	–	14,358	16,723
Sales	–	–	–	–
Transfers	285	–	200	485
At 31 December 2022	137,896	–	139,834	277,730

Notes to the financial statements
Year ended 31 December 2023

5 Capital, insurance and financial risk management (continued)

(d) Estimation of fair values (continued)

Derivative financial instruments (continued)

The following table shows the key valuation techniques and the key unobservable inputs used in the determination of fair value of the financial assets measured based on Level 3.

During the year, there were transfers between from level 2 to level 3 of $900 million in the period relating to certain of the underlying investments of the Company's collective investment schemes, which are now deemed to have more unobservable inputs.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
• The fair value is determined by adjusting the underlying property value, which forms part of the net asset value of the investment. The estimated fair value of the underlying property is determined by discounting the expected cash flows at a risk-adjusted discount rate which is considered appropriate for the inherent, observable risks within the cash flows.	Risk-adjusted discount rates used by the external licensed appraiser which reflect the nature, location and tenancy profile of the property together with current market investment criteria.	Fair value will increase if the risk adjusted discount rates decrease.
• Valuation by Net Asset Value of the fund or unquoted equity.	Not applicable.	Not applicable.

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have immaterial effects on profit or loss and equity as these financial instruments are mostly held by the Company's participating funds.

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

– are offset in the Company's statement of financial position; or

– are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Financial instruments such as trade receivables and trade payables are not disclosed in the tables below unless they are offset in the statement of financial position.

The Company's derivative transactions that are not transacted on an exchange are mostly entered into under International Swaps and Derivatives Association ("ISDA") Master Agreements. In general, under such agreements, the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

5 Capital, insurance and financial risk management (continued)

(d) Estimation of fair values (continued)

Offsetting financial assets and financial liabilitie (continued)

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Company or the counterparties. In addition, the Company and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangements

	Note	Gross amounts of recognised financial assets/ (liabilities) $'000	Gross amounts of recognised financial assets/ (liabilities) offset in the statement of financial position $'000	Net amounts of financial assets/ (liabilities) presented in the statement of financial position $'000	Related amounts not offset in the statement of financial position – Financial instruments $'000	Net amount $'000
2023						
Financial assets						
Amount due from related companies (non-insurance)	11	8,408	(7,580)	828	–	828
Other receivables	11	210,422	–	210,422	(106,951)	103,471
		218,830	(7,580)	211,250	(106,951)	104,299
Financial liabilities						
Amount due to related companies (non-insurance)	13	(68,383)	7,580	(60,803)	–	(60,803)
Other payables and accrued expenses	13	(520,158)	–	(520,158)	106,951	(413,207)
		(588,541)	7,580	(580,961)	106,951	(474,010)
2022 restated						
Financial assets						
Amount due from related companies (non-insurance)	11	10,585	(10,252)	333	–	333
Other receivables	11	135,470	–	135,470	(38,165)	97,305
		146,055	(10,252)	135,803	(38,165)	97,638
Financial liabilities						
Amount due to related companies (non-insurance)	13	(51,761)	10,252	(41,509)	–	(41,509)
Other payables and accrued expenses	13	(494,697)	–	(494,697)	38,165	(456,532)
		(546,458)	10,252	(536,206)	38,165	(498,041)

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the statement of financial position that are disclosed in the above tables are measured in the statement of financial position on the following basis:

– receivables and payables – amortised cost.

The amounts in the above tables that are offset in the statement of financial position are measured on the same basis.

6 Property and equipment

	Leasehold property $'000 Valuation	Office equipment $'000 Cost	Computer equipment $'000 Cost	Motor vehicles $'000 Cost	Office renovations $'000 Cost	Total $'000
Cost/Valuation						
At 1 January 2022	34,500	5,268	97,811	511	35,867	173,957
Additions	–	137	6,021	–	224	6,382
Disposals	–	(2)	(18)	–	–	(20)
Fair value changes	1,500	–	–	–	–	1,500
At 31 December 2022	36,000	5,403	103,814	511	36,091	181,819
At 1 January 2023	36,000	5,403	103,814	511	36,091	181,819
Additions	–	507	27,453	–	100	28,060
Disposals	–	(4)	(7,267)	–	–	(7,271)
Fair value changes	–	–	–	–	–	–
At 31 December 2023	36,000	5,906	124,000	511	36,191	202,608
Accumulated depreciation						
At 1 January 2022	–	4,476	79,157	332	26,338	110,303
Depreciation charge for the year	–	493	9,540	102	4,237	14,372
Disposals	–	(2)	(1)	–	–	(3)
At 31 December 2022	–	4,967	88,696	434	30,575	124,672
At 1 January 2023	–	4,967	88,696	434	30,575	124,672
Depreciation charge for the year	–	261	11,472	77	2,389	14,199
Disposals	–	–	(395)	–	–	(395)
Adjustments	–	–	(3)	–	–	(3)
At 31 December 2023	–	5,228	99,770	511	32,964	138,473
Carrying amounts						
At 1 January 2022	34,500	792	18,654	179	9,529	63,654
At 31 December 2022	36,000	436	15,118	77	5,516	57,147
At 31 December 2023	36,000	678	24,230	–	3,227	64,135

An independent valuation of the leasehold property was carried out by Knight Frank Pte Ltd, a firm of independent professional valuers that has appropriate recognised professional qualifications and recent experience in the location and category of the properties being revalued, at open market values on 31 December 2023 and 31 December 2022. The valuation has been made on the assumption that the property is sold in the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property. It is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which would affect its value. The leasehold property is classified as Level 2 in the fair value hierarchy.

The change in the fair value in 2023 is NIL (2022: $1.5 million) is recognised in profit or loss.

Property and equipment are non-current assets.

7 Intangible assets

	Goodwill $'000	Others $'000	Total $'000
Cost			
At 1 January 2022	231,279	115,030	346,309
Net additions	–	6,835	6,835
At 31 December 2022	231,279	121,865	353,144
Net additions	–	(8,429)	(8,429)
At 31 December 2023	231,279	113,436	344,715
Accumulated amortisation			
At 1 January 2022	–	78,513	78,513
Net amortisation charge for the year	–	7,154	7,154
At 31 December 2022	–	85,667	85,667
Net amortisation charge for the year	–	(2,563)	(2,563)
At 31 December 2023	–	83,104	83,104
Carrying amounts			
At 1 January 2022	231,279	36,517	267,796
At 31 December 2022	231,279	36,198	267,477
At 31 December 2023	231,279	30,332	261,611

Goodwill

Goodwill is tested for impairment by comparing the CGU (the Company's in-force business) carrying amount, including any goodwill, with its recoverable amount. Management compares the aggregate of net asset value and goodwill of the acquired life business with the aggregate of the net asset value and the present value of in-force business to determine whether there is any impairment.

Others

Others represent amounts paid to third parties under certain distribution agreements and agency development expenses.

Intangible assets are non-current assets.

Notes to the financial statements
Year ended 31 December 2023

8 Right-of-use assets

Leases as lessee (FRS 116)

The Company leases office space. The leases typically run for a period of 3 to 6 years, with an option to renew the lease after that date. Lease payments are renegotiated every 3 to 6 years to reflect market rentals.

The office space leases were entered into many years ago as combined leases of land and buildings.

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

Right-of-use assets

	Office space	
	2023 $'000	2022 $'000
Balance at 1 January	72,588	73,162
Depreciation charge for the year	(22,824)	(24,926)
Additions to right-of-use assets	8,263	25,879
Derecognition of right-of-use assets	(23,910)	(1,527)
Balance at 31 December	34,117	72,588

Right-of-use assets are non-current assets.

Amounts recognised in profit or loss

	2023 $'000	2022 $'000
Lease under FRS 116		
Interest on lease liabilities	1,383	2,041

Amounts recognised in statement of cash flows

	2023 $'000	2022 $'000
Total cash outflow for leases	26,507	24,223

Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Company has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in undiscounted lease liabilities of $16,829,000 (2022: $39,865,000).

9 Investments

	Note	2023 $'000	2022 restated $'000
Mandatorily measured at FVTPL			
Equity securities			
– Listed equity securities		10,242,705	7,694,871
– Unlisted equity securities		150,139	137,610
		10,392,844	7,832,481
Debt securities			
– Government bonds		7,560,474	7,947,443
– Listed corporate and other bonds		9,054,288	8,171,905
– Unlisted corporate and other bonds		117,191	375,546
		16,731,953	16,494,894
Collective investment schemes		25,659,634	23,918,442
Derivative financial instruments	5(d)	433,304	513,739
Total investments		53,217,735	48,759,556
Current portion		38,800,303	35,283,308
Non-current portion		14,417,432	13,476,248
		53,217,735	48,759,556

Included in the investments above are financial assets which have been lent out to third parties. The Company currently participates in a securities lending programme, whereby securities are lent to the lending agent's approved borrowers in return for a fee. These transactions are conducted under terms and conditions that are usual and customary to standard securities lending arrangements.

The loaned securities are not derecognised; rather, they continue to be recognised within the appropriate investment classification. The Company's policy is that collateral in excess of 100 per cent of the fair value of securities loaned is required from all securities' borrowers and typically consists of short-term time deposits and money market instruments. The collateral and corresponding obligation to return such collateral are recognised in the statement of financial position.

The fair values of the assets on loan and collateral under the securities lending programme are as follow:

Fair value of assets on loan		Fair value of collateral		Collateral as a % of assets on loan	
2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 %	2022 %
19,994	159	20,994	167	105	105

10 Insurance and reinsurance contracts

The breakdown of groups of insurance contracts issued and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	2023 $'000	2022 restated $'000
Insurance contract liabilities	50,726,337	46,798,106
Insurance contract assets	(1,266,134)	(1,266,063)
Total insurance contracts issued	49,460,203	45,532,043
Reinsurance contract assets	(415,933)	(261,597)
Reinsurance contract liabilities	422,776	499,324
Total reinsurance contracts held	6,843	237,727

The following tables illustrate when the Company expects to recognise the remaining contractual service margin in profit or loss after the reporting date based on the assumptions and economics in place at the year ends shown.

	Up to 1 year $'000	1-2 years $'000	2-3 years $'000	3-4 years $'000	4-5 years $'000	>5 years $'000	Total $'000
2023							
Contractual service margin							
Insurance contract	548,125	491,777	448,262	408,262	371,201	3,619,929	5,887,556
Reinsurance contract	10,848	9,865	11,526	11,816	10,722	133,688	188,465
	558,973	501,642	459,788	420,078	381,923	3,753,617	6,076,021

	Up to 1 year $'000	1-2 years $'000	2-3 years $'000	3-4 years $'000	4-5 years $'000	>5 years $'000	Total $'000
2022 restated							
Contractual service margin							
Insurance contract	515,260	461,726	420,095	382,076	346,832	3,356,743	5,482,732
Reinsurance contract	11,554	10,920	10,457	11,228	11,483	126,351	181,993
	526,814	472,646	430,552	393,304	358,315	3,483,094	5,664,725

10 Insurance and reinsurance contracts (continued)

10.1 Movements in life insurance contract issued by remaining coverage and incurred claims

	2023				
	Liabilities for remaining coverage				
	Excluding loss component $'000	Loss component $'000	Liabilities for incurred claims $'000	Assets for insurance acquisition cash flows $'000	Total $'000
Insurance contract liabilities as at 1 Jan	46,194,477	273,796	329,833	–	46,798,106
Insurance contract assets as at 1 Jan	(1,337,472)	7,835	100,485	(36,911)	(1,266,063)
Total insurance contracts issued as at 1 Jan	44,857,005	281,631	430,318	(36,911)	45,532,043
Insurance revenue					
– Contracts measured under the fair value approach	(361,545)	–	–	–	(361,545)
– Other contracts	(2,290,557)	–	–	–	(2,290,557)
	(2,652,102)	–	–	–	(2,652,102)
Insurance service expense					
– Incurred claims and other directly attributable expenses	–	–	1,274,871	–	1,274,871
– Amortisation of insurance acquisition cash flows	582,695	–	–	–	582,695
– Losses or reversal of losses on onerous contracts	–	9,718	–	–	9,718
– Adjustments to liability for incurred claims	–	–	32,263	–	32,263
	582,695	9,718	1,307,134	–	1,899,547
Investment components and premium refunds	(3,844,243)	–	3,844,243	–	–
Net finance (income)/expenses from insurance contracts	3,615,506	(23,098)	(14,425)	–	3,577,983
Pre-recognition asset/liability movements	9,547	–	–	13,629	23,176
Total amount recognised in statement of comprehensive income	(2,288,597)	(13,380)	5,136,952	13,629	2,848,604
Other changes	(66,601)	(163)	(15,578)	(16,820)	(99,162)
Cash flows					
Premiums received	7,183,843	–	–	–	7,183,843
Insurance acquisition cash flows	(992,723)	–	–	–	(992,723)
Incurred claims and other insurance service expenses paid	–	–	(5,012,402)	–	(5,012,402)
Total cash flows	6,191,120	–	(5,012,402)	–	1,178,718
Insurance contract liabilities as at 31 Dec	50,072,284	255,072	398,981	–	50,726,337
Insurance contract assets as at 31 Dec	(1,379,357)	13,016	140,309	(40,102)	(1,266,134)
Total insurance contracts issued as at 31 Dec	48,692,927	268,088	539,290	(40,102)	49,460,203

Note:
(i) Other changes include movements in insurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from insurance contract asset/liability balance, and other model changes.

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10 Insurance and reinsurance contracts (continued)

10.2 Movements in life insurance contract issued by remaining coverage and incurred claims

	2022 restated				
	Liabilities for remaining coverage				
	Excluding loss component $'000	Loss component $'000	Liabilities for incurred claims $'000	Assets for insurance acquisition cash flows $'000	Total $'000
Insurance contract liabilities as at 1 Jan	50,269,063	239,215	317,043	–	50,825,321
Insurance contract assets as at 1 Jan	(1,441,736)	3,026	85,678	(33,325)	(1,386,357)
Total insurance contracts issued as at 1 Jan	48,827,327	242,241	402,721	(33,325)	49,438,964
Insurance revenue					
– Contracts measured under the fair value approach	(730,763)	–	–	–	(730,763)
– Other contracts	(1,767,510)	–	–	–	(1,767,510)
	(2,498,273)	–	–	–	(2,498,273)
Insurance service expense					
– Incurred claims and other directly attributable expenses	–	–	1,204,814	–	1,204,814
– Amortisation of insurance acquisition cash flows	521,901	–	–	–	521,901
– Losses or reversal of losses on onerous contracts	–	63,981	–	–	63,981
– Adjustments to liability for incurred claims	–	–	8,325	–	8,325
	521,901	63,981	1,213,139	–	1,799,021
Investment components and premium refunds	(3,240,972)	–	3,240,972	–	–
Net finance (income)/expenses from insurance contracts	(6,791,941)	(7,833)	1,271	–	(6,798,503)
Pre-recognition asset/liability movements	(4,310)	–	–	10,000	5,690
Total amount recognised in statement of comprehensive income	(12,013,595)	56,148	4,455,382	10,000	(7,492,065)
Other changes	(30,451)	(16,758)	(19,239)	(13,586)	(80,034)
Cash flows					
Premiums received	9,248,648	–	–	–	9,248,648
Insurance acquisition cash flows	(1,174,924)	–	–	–	(1,174,924)
Incurred claims and other insurance service expenses paid	–	–	(4,408,546)	–	(4,408,546)
Total cash flows	8,073,724	–	(4,408,546)	–	3,665,178
Insurance contract liabilities as at 31 Dec	46,194,477	273,796	329,833	–	46,798,106
Insurance contract assets as at 31 Dec	(1,337,472)	7,835	100,485	(36,911)	(1,266,063)
Total insurance contracts issued as at 31 Dec	44,857,005	281,631	430,318	(36,911)	45,532,043

Note:
(i) Other changes include movements in insurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from insurance contract asset/liability balance, and other model changes.

10 Insurance and reinsurance contracts (continued)

10.3 Movements in life reinsurance contract held by remaining coverage and incurred claims

	2023				2022 restated			
	Assets for remaining coverage				Assets for remaining coverage			
	Excluding loss component $'000	Loss recovery component $'000	Amounts recoverable for incurred claims $'000	Total $'000	Excluding loss component $'000	Loss recovery component $'000	Amounts recoverable for incurred claims $'000	Total $'000
Reinsurance contract liabilities as at 1 Jan	531,618	(5,273)	(27,021)	499,324	333,934	(3,021)	(1,317)	329,596
Reinsurance contract assets as at 1 Jan	(205,524)	(6,153)	(49,920)	(261,597)	(211,012)	(8,328)	(32,442)	(251,782)
Total reinsurance contracts held as at 1 Jan	326,094	(11,426)	(76,941)	237,727	122,922	(11,349)	(33,759)	77,814
Net expense from reinsurance contracts held								
– Allocation of reinsurance premiums paid	120,604	–	–	120,604	101,179	–	–	101,179
– Recoveries of incurred claims and other insurance service expenses	–	–	(78,319)	(78,319)	–	–	(75,581)	(75,581)
– Changes in estimates for underlying contract that do not adjust CSM	–	(9,107)	–	(9,107)	–	(196)	–	(196)
– Changes in amounts recoverable arising from changes in liability for incurred claims	–	–	(11,916)	(11,916)	–	–	(4,150)	(4,150)
– Current period reinsurance premium and other adjustment	11,276	–	–	11,276	3,214	–	–	3,214
– Release to profit and loss	(9,655)	–	–	(9,655)	(18,003)	–	–	(18,003)
Net expense from reinsurance contracts held	122,225	(9,107)	(90,235)	22,883	86,390	(196)	(79,731)	6,463
– Investment components and premium refunds	(176)	–	176	–	249,088	–	(249,088)	–
– Net finance (income)/expense from reinsurance contracts	(10,306)	245	(313)	(10,374)	(13,873)	119	3,840	(9,914)
Total amount recognised in statement of comprehensive income	111,743	(8,862)	(90,372)	12,509	321,605	(77)	(324,979)	(3,451)
Other changes	–	–	–	–	–	–	–	–
Cash flows								
Premiums paid net of ceding commission	(396,258)	–	–	(396,258)	(118,433)	–	–	(118,433)
Recoveries from reinsurance	–	–	152,865	152,865	–	–	281,797	281,797
Total cash flows	(396,258)	–	152,865	(243,393)	(118,433)	–	281,797	163,364
Reinsurance contract liabilities as at 31 Dec	441,075	(10,761)	(7,538)	422,776	531,618	(5,273)	(27,021)	499,324
Reinsurance contract assets as at 31 Dec	(399,496)	(9,527)	(6,910)	(415,933)	(205,524)	(6,153)	(49,920)	(261,597)
Total reinsurance contracts held as at 31 Dec	41,579	(20,288)	(14,448)	6,843	326,094	(11,426)	(76,941)	237,727

Note:

(i) Other changes include movements in insurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from insurance contract asset/liability balance, and other model changes.

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10 Insurance and reinsurance contracts (continued)

10.4 Movements in life insurance contract issued balances by measurement components

	2023				
	Estimates of the present value of cash flows $'000	Risk Adjustment $'000	Contractual service margin $'000	Pre-coverage acquisition cash flow $'000	Total $'000
Insurance contract liabilities as at 1 Jan	43,150,331	247,367	3,400,408	–	46,798,106
Insurance contract assets as at 1 Jan	(3,884,256)	572,780	2,082,324	(36,911)	(1,266,063)
Total insurance contracts issued as at 1 Jan	39,266,075	820,147	5,482,732	(36,911)	45,532,043
Changes that relate to future services					
– Changes in estimates that adjust the CSM	(523,425)	95,408	428,017	–	–
– Changes in estimates that result in losses or reversal of losses on onerous contracts	35,081	(1,321)	–	–	33,760
– Contracts initially recognised in the period	(626,378)	55,806	570,981	3,303	3,712
	(1,114,722)	149,893	998,998	3,303	37,472
Changes that relate to current service					
– Release of CSM to profit or loss	–	–	(586,166)	–	(586,166)
– Experience adjustments	(139,013)	–	–	–	(139,013)
– Change in RA for non-financial risk	–	(73,935)	–	–	(73,935)
	(139,013)	(73,935)	(586,166)	–	(779,114)
Changes that relate to past service					
– Adjustments to liabilities for incurred claims	32,263	–	–	–	32,263
Net finance (income)/expenses from insurance contracts	3,490,806	542	86,635	–	3,577,983
Total amount recognised in statement of comprehensive income	2,245,914	76,500	522,887	3,303	2,848,604
Other changes	(7,557)	9,532	(94,643)	(6,494)	(99,162)
Cash flows					
Premiums received	7,183,843	–	–	–	7,183,843
Insurance acquisition cash flows	(992,723)	–	–	–	(992,723)
Incurred claims and other insurance service expenses paid	(5,012,402)	–	–	–	(5,012,402)
Total cash flows	1,178,718	–	–	–	1,178,718
Insurance contract liabilities as at 31 Dec	46,946,918	220,321	3,559,098	–	50,726,337
Insurance contract assets as at 31 Dec	(4,240,348)	685,858	2,328,458	(40,102)	(1,266,134)
Total insurance contracts issued as at 31 Dec	42,706,570	906,179	5,887,556	(40,102)	49,460,203

Note:

(i) Other changes include movements in insurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from insurance contract asset/liability balance, and other model changes.

10 Insurance and reinsurance contracts (continued)

10.5 Movements in life insurance contract issued balances by measurement components

	2022 restated				
	Estimates of the present value of cash flows $'000	Risk Adjustment $'000	Contractual service margin $'000	Pre-coverage acquisition cash flow $'000	Total $'000
Insurance contract liabilities as at 1 Jan	46,621,034	267,398	3,936,889	–	50,825,321
Insurance contract assets as at 1 Jan	(4,061,372)	588,503	2,119,837	(33,325)	(1,386,357)
Total insurance contracts issued as at 1 Jan	**42,559,662**	**855,901**	**6,056,726**	**(33,325)**	**49,438,964**
Changes that relate to future services					
– Changes in estimates that adjust the CSM	718,953	(27,463)	(691,490)	–	–
– Changes in estimates that result in losses or reversal of losses on onerous contracts	51,848	(4,019)	(13,820)	–	34,009
– Contracts initially recognised in the period	(610,605)	52,311	568,094	1,069	10,869
	160,196	20,829	(137,216)	1,069	44,878
Changes that relate to current service					
– Release of CSM to profit or loss	–	–	(555,793)	–	(555,793)
– Experience adjustments	(145,828)	–	–	–	(145,828)
– Change in RA for non-financial risk	–	(45,144)	–	–	(45,144)
	(145,828)	(45,144)	(555,793)	–	(746,765)
Changes that relate to past service					
– Adjustments to liabilities for incurred claims	8,325	–	–	–	8,325
Net finance (income)/expenses from insurance contracts	(6,901,711)	35,872	67,336	–	(6,798,503)
Total amount recognised in statement of comprehensive income	**(6,879,018)**	**11,557**	**(649,093)**	**1,069**	**(7,492,065)**
Other changes	(79,747)	(47,311)	51,679	(4,655)	(80,034)
Cash flows					
Premiums received	9,248,648	–	–	–	9,248,648
Insurance acquisition cash flows	(1,174,924)	–	–	–	(1,174,924)
Incurred claims and other insurance service expenses paid	(4,408,546)	–	–	–	(4,408,546)
Total cash flows	3,665,178	–	–	–	3,665,178
Insurance contract liabilities as at 31 Dec	43,150,331	247,367	3,400,408	–	46,798,106
Insurance contract assets as at 31 Dec	(3,884,256)	572,780	2,082,324	(36,911)	(1,266,063)
Total insurance contracts issued as at 31 Dec	**39,266,075**	**820,147**	**5,482,732**	**(36,911)**	**45,532,043**

Note:
(i) Other changes include movements in insurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from insurance contract asset/liability balance, and other model changes.

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10 Insurance and reinsurance contracts (continued)

10.6 Movements in life reinsurance contract held balances by measurement components

	2023				2022 restated			
	Estimates of the present value of cash flows $'000	Risk Adjustment $'000	Contractual service margin $'000	Total $'000	Estimates of the present value of cash flows $'000	Risk Adjustment $'000	Contractual service margin $'000	Total $'000
Reinsurance contract liabilities as at 1 Jan	305,255	(5,479)	199,548	499,324	384,228	(11,618)	(43,014)	329,596
Reinsurance contract assets as at 1 Jan	(245,099)	1,057	(17,555)	(261,597)	(460,817)	(3,024)	212,059	(251,782)
Total reinsurance contracts held as at 1 Jan	**60,156**	**(4,422)**	**181,993**	**237,727**	**(76,589)**	**(14,642)**	**169,045**	**77,814**
Changes that relates to future services								
– Changes in estimates that adjust CSM	5,462	2,923	(8,385)	–	9,224	(1,172)	(8,052)	–
– Changes in estimates that result in losses or reversal of losses on onerous contracts	(8,436)	–	–	(8,436)	(979)	–	–	(979)
– New contracts in the period	(25,044)	(64)	24,289	(819)	(48,749)	4,636	44,113	–
	(28,018)	2,859	15,904	(9,255)	(40,504)	3,464	36,061	(979)
Changes that relates to current services								
– Release of CSM to profit or loss	–	–	(11,692)	(11,692)	–	–	(19,782)	(19,782)
– Release of RA to profit or loss	–	2,037	–	2,037	–	1,779	–	1,779
– Experience adjustments	53,709	–	–	53,709	29,595	–	–	29,595
	53,709	2,037	(11,692)	44,054	29,595	1,779	(19,782)	11,592
Changes that relates to past services								
– Adjustments to assets for incurred claims	(11,916)	–	–	(11,916)	(4,150)	–	–	(4,150)
Net finance (income)/expenses from reinsurance contracts	(10,467)	(5,257)	5,350	(10,374)	(20,653)	1,615	9,124	(9,914)
Total amount recognised in statement of comprehensive income	**3,308**	**(361)**	**9,562**	**12,509**	**(35,712)**	**6,858**	**25,403**	**(3,451)**
Other changes	(5,557)	8,647	(3,090)	–	9,093	3,362	(12,455)	–
Cash flows								
Premiums paid	(396,258)	–	–	(396,258)	(118,433)	–	–	(118,433)
Recoveries from reinsurance	152,865	–	–	152,865	281,797	–	–	281,797
Total cash flows	(243,393)	–	–	(243,393)	163,364	–	–	163,364
Reinsurance contract liabilities as at 31 Dec	235,596	1,511	185,669	422,776	305,255	(5,479)	199,548	499,324
Reinsurance contract assets as at 31 Dec	(421,082)	2,353	2,796	(415,933)	(245,099)	1,057	(17,555)	(261,597)
Total reinsurance contracts held as at 31 Dec	**(185,486)**	**3,864**	**188,465**	**6,843**	**60,156**	**(4,422)**	**181,993**	**237,727**

Note:
(i) Other changes include movements in insurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from insurance contract asset/liability balance, and other model changes.

10 Insurance and reinsurance contracts (continued)

10.7 The impacts on the current period of transition approaches adopted to establishing CSMs

	2023			2022 restated		
	Contracts using the fair value approach $'000	All other contracts $'000	Total $'000	Contracts using the fair value approach $'000	All other contracts $'000	Total $'000
Life insurance contracts						
Insurance contracts CSM as at 1 Jan	2,120,320	3,362,412	5,482,732	2,657,727	3,398,999	6,056,726
Changes that relates to future services						
Change in estimates that adjust the CSM	(900,201)	1,328,218	428,017	(318,259)	(387,051)	(705,310)
New business in the year	–	570,981	570,981	–	568,094	568,094
	(900,201)	1,899,199	998,998	(318,259)	181,043	(137,216)
Changes that relates to current service						
Release of CSM profit to profit and loss	(124,211)	(461,955)	(586,166)	(222,130)	(333,663)	(555,793)
Accretion of interest on GMM contracts	5,021	81,574	86,595	4,542	62,625	67,167
Net finance expenses from insurance contracts	–	40	40	–	169	169
Other changes	2,561	(97,204)	(94,643)	(1,560)	53,239	51,679
Incurred claims and other insurance service expenses paid	–	–	–	–	–	–
Insurance contracts CSM as at 31 Dec	1,103,490	4,784,066	5,887,556	2,120,320	3,362,412	5,482,732
Reinsurance contracts held						
Reinsurance contracts CSM as at 1 Jan	(5,317)	187,310	181,993	(1,787)	170,832	169,045
Changes that relates to future services						
Change in estimates that adjust the CSM	95	(8,480)	(8,385)	(3,533)	(4,519)	(8,052)
New business in the year	–	24,289	24,289	–	44,113	44,113
	95	15,809	15,904	(3,533)	39,594	36,061
Changes that relates to current service						
Release of CSM profit to profit and loss	319	(12,011)	(11,692)	350	(20,132)	(19,782)
Net finance (income)/expenses from reinsurance contracts	(59)	5,076	5,017	(73)	3,311	3,238
Effect of movements in exchange rates	–	333	333	–	5,886	5,886
Other changes	(617)	(2,473)	(3,090)	(274)	(12,181)	(12,455)
Reinsurance contracts CSM as at 31 Dec	(5,579)	194,044	188,465	(5,317)	187,310	181,993

Note:
(i) Other changes include movements in insurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from insurance contract asset/liability balance, and other model changes.

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10 Insurance and reinsurance contracts (continued)

10.8 Effect of insurance and reinsurance contracts initially recognised in the year

	2023			2022 restated		
	Profitable contracts issued $'000	Onerous contracts issued $'000	Total $'000	Profitable contracts issued $'000	Onerous contracts issued $'000	Total $'000
Life insurance contracts						
Estimate of present value of expected future cash outflows:						
Insurance acquisition cash flows	(944,381)	(26,980)	(971,361)	(1,022,580)	(29,777)	(1,052,357)
Claims and other directly attributable expenses	(5,534,899)	(188,723)	(5,723,622)	(6,468,257)	(412,667)	(6,880,924)
	(6,479,280)	(215,703)	(6,694,983)	(7,490,837)	(442,444)	(7,933,281)
Estimate of present value of expected future cash inflows	7,104,688	213,370	7,318,058	8,114,381	428,436	8,542,817
Risk adjustment for non-financial risk	(54,427)	(1,379)	(55,806)	(55,450)	3,139	(52,311)
Contractual service margin	(570,981)	–	(570,981)	(568,094)	–	(568,094)
Loss recognised on initial recognition	–	(3,712)	(3,712)	–	(10,869)	(10,869)
Reinsurance contracts held						
Estimate of present value of expected future cash outflows	(284,911)	–	(284,911)	(480,299)	–	(480,299)
Estimate of present value of expected future cash inflows	309,955	–	309,955	529,048	–	529,048
Risk adjustment for non-financial risk	64	–	64	(4,636)	–	(4,636)
Contractual service margin	(25,108)	819	(24,289)	(44,113)	–	(44,113)
Loss recognised on initial recognition	–	819	819	–	–	–

11 Other receivables

	2023 $'000	2022 restated $'000
Accrued investment income:		
– Interest receivables	152,165	143,084
– External dividend receivables	17,079	13,669
	169,244	156,752
Prepayments	31,467	31,523
Other debtors:		
– Amounts due from related companies (non-insurance)	828	333
– Other receivables	210,422	135,470
– Collateral deposits placed with financial institutions	2,156	22,524
	213,406	158,327
	414,117	346,602
Current portion	411,091	342,960
Non-current portion	3,026	3,642
	414,117	346,602

Amounts due from related companies (non-insurance) are unsecured, interest-free and have no fixed terms of repayment. There is no impairment provision on expected credit loss arising from these receivables (2022: nil).

12 Cash and cash equivalents

	2023 $'000	2022 $'000
Cash at bank and in hand	87,101	179,167
Short-term time deposits	155,329	440,563
Cash and cash equivalents in the statement of cash flows	242,430	619,730
Cash collateral received	191,232	245,948
Cash and cash equivalents in the statement of financial position	433,662	865,678

The effective interest rate on short-term time deposits was 4.59% (2022: 3.56%) per annum and the deposits have an average maturity of less than 38 days (2022: less than 8 days).

Cash collateral received represents bank balances received under the securities lending programme (see Note 9) and derivatives transactions.

Notes to the financial statements
Year ended 31 December 2023

13 Other payables

	Note	2023 $'000	2022 restated $'000
Other payables:			
– Provision for agency expenses		29,130	31,463
– Amount due to related companies (non-insurance)		60,803	41,509
– Cash collateral received	12	191,232	245,948
– Other payables and accrued expenses		520,158	494,697
		801,323	813,617
Current portion		796,883	809,474
Non-current portion		4,440	4,143
		801,323	813,617

Amounts due to related companies (non-insurance) are unsecured, interest-free and repayable on demand.

14 Financial liabilities

	Note	2023 $'000	2022 $'000
Derivative financial instruments	5(d)	156,571	301,724
Current portion		71,978	294,237
Non-current portion		84,593	7,487
		156,571	301,724

15 Deferred tax liabilities

	Note	2023 $'000	2022 restated $'000
At 1 January		388,523	436,591
Net provision made during the year	22	42,881	(48,068)
At 31 December		431,404	388,523

Deferred tax (assets)/liabilities, determined after appropriate offsetting, are attributable to the following:

	Assets		Liabilities		Net	
	2023 $'000	2022 restated $'000	2023 $'000	2022 restated $'000	2023 $'000	2022 restated $'000
Short-term timing differences	(6,221)	(5,612)	–	–	(6,221)	(5,612)
Capital allowances for property and equipment	–	–	3,154	1,557	3,154	1,557
Tax on future distributions	–	–	434,471	392,578	434,471	392,578
Deferred tax (assets)/liabilities	(6,221)	(5,612)	437,625	394,135	431,404	388,523

Deferred tax liabilities and assets 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)/liabilities are non-current.

16 Lease liabilities

	2023 $'000	2022 $'000
Current portion	24,753	24,786
Non-current portion	10,769	51,530
	35,522	76,316

16 Lease liabilities (continued)

Reconciliation of movements in liabilities to cash flows arising from financing activities

	Lease liabilities $'000	Total $'000
At 1 January 2022	74,221	74,221
Changes from financing cash flows		
Payment of lease liabilities	(24,223)	(24,223)
Interest paid	(2,041)	(2,041)
	(26,264)	(26,264)
Other changes – liability-related		
Recognition of lease liabilities	26,318	26,318
Interest expense	2,041	2,041
	28,359	28,359
At 31 December 2022	76,316	76,316
At 1 January 2023		
Changes from financing cash flows		
Payment of lease liabilities	(26,507)	(26,507)
Interest paid	(1,383)	(1,383)
	(27,890)	(27,890)
Other changes – liability-related		
Recognition/(Derecognition) of lease liabilities	(14,287)	(14,287)
Interest expense	1,383	1,383
	(12,904)	(12,904)
At 31 December 2023	35,522	35,522

17 Share capital

	2023 No. of shares ('000)	2022 No. of shares ('000)
Fully paid ordinary shares		
At the beginning and at the end of the year	526,557	526,557

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

18 Retained earnings

Included in the retained earnings are amounts the Company maintains for solvency purposes, which is higher than the regulatory minimum requirement. Under the Insurance (Valuation and Capital) Regulations, which governs the risk-based capital framework for insurers, each insurance fund is required to maintain a FSR and CAR in excess of HIL and LIL as specified in MAS Notice 133 or otherwise prescribed by MAS.

Dividends

The following dividends were declared and paid by the Company:

	2023 $'000	2022 $'000
Interim dividends		
$0.32 (2022: $0.66) per qualifying share	168,200	346,300

19 Insurance revenue

	2023 $'000	2022 restated $'000
Amounts relating to changes in the liability for remaining coverage:		
Expected insurance service expenses incurred in the period	1,348,537	1,337,824
Change in risk adjustment	73,935	45,144
Release of CSM for services provided	586,166	555,793
Other adjustments	60,769	37,611
Recovery of insurance acquisition cash flows	582,695	521,901
Insurance Revenue	2,652,102	2,498,273

Other adjustments comprise experience adjustment for premium receipts relating to past and current services provided under insurance contracts.

Notes to the financial statements
Year ended 31 December 2023

20 Net investment result

	2023 $'000	2022 restated $'000
Interest income		
– Debt securities	539,999	483,768
– Cash and cash equivalents	13,406	5,057
Dividend income	605,638	579,833
Rental income	1,221	1,194
	1,160,264	1,069,852
Net realised gains/(losses) and fair value changes on financial assets at fair value through profit or loss	2,548,743	(8,577,454)
Gain on exchange differences	2,964	39,821
Investment income/(expense)	3,711,971	(7,467,781)
Finance (expenses)/income from insurance contracts issued		
Interest accreted to insurance contracts using current financial assumptions	77,467	25,418
Interest accreted to insurance contracts using locked-in rate	(86,595)	(67,167)
Changes in fair value of underlying assets and other adjustments relating to VFA contracts	(3,451,237)	6,504,583
Effect of changes in interest rates and other financial assumptions	(114,776)	189,758
Other finance (expense)/income from insurance contracts	(22,980)	146,770
Gain/(loss) on exchange differences	20,138	(859)
Total finance (expenses)/income from insurance contracts issued	(3,577,983)	6,798,503
Finance income/(expenses) from reinsurance contracts held		
Interest accreted to reinsurance contracts using current financial assumptions	20,356	3,951
Interest accreted to reinsurance contracts using locked-in rate	(5,017)	(3,238)
Effect of changes in interest rates and other financial assumptions	(524)	6,139
Other finance income from reinsurance contracts	4,161	2,865
Gain/(loss) on exchange differences	(8,602)	197
Total finance income from reinsurance contracts held	10,374	9,914
Net investment result	144,362	(659,364)

21 Insurance service expenses and other expenditure

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise:

– Incurred claims and other insurance service expenses;
– Amortisation of insurance acquisition cash flows;
– Losses on onerous contracts and reversals of such losses;
– Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein, which are recognised in insurance finance income/(expense); and
– Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

An analysis of the expenses incurred by the Company in the year is provided in the table below.

	2023 $'000	2022 restated $'000
Expenses attributed to insurance acquisition cash flows (Note i)	1,023,975	1,081,425
Other directly attributable expenses (Note ii)	372,358	349,246
Other expenditure	29,478	17,813
Total expenses	1,425,811	1,448,484

Notes:

(i) Expenses attributed to insurance acquisition cash flows represent insurance acquisition expenses incurred in the year, which are implicitly deferred within the CSM and amortised as part of the CSM amortisation, except for those borne by underlying items.

(ii) Other directly attributable expenses are those incurred in the year when providing insurance services to the policyholders, excluding the cost of claims and benefit payments. These expenses are explicitly included within the BEL and form part of the BEL release to the insurance revenue. Other directly attributable expenses incurred in the year relating to past or future insurance services also form part of insurance service expenses for the year.

22 Tax expense

	Note	2023 $'000	2022 restated $'000
Current taxation expense		(187,030)	(130,415)
Current year		3,107	463
Adjustment for prior period		(183,923)	(129,952)
Deferred taxation expense			
Origination and reversal of temporary differences	15	(42,881)	48,068
Total income tax expense		(226,804)	(81,884)

The Company has estimated its tax charge and tax provision relating to the life assurance business based on the current tax legislation. These estimates may be different from the ultimate actual tax liability or refund, although the Company believes that the provision is prudent and appropriate.

	2023 $'000	2022 restated $'000
Reconciliation of effective tax (credit)/charge		
Profit/(loss) before tax attributable to both shareholders' and policyholders' returns	844,721	16,854
Tax charge attributable to policyholders' returns	(105,676)	(101,086)
Profit/(loss) before tax attributable to shareholders' returns	739,045	(84,232)
Income tax using domestic corporation tax rate of 17% (2022: 17%)	(125,637)	14,319
Non-deductible expenses	(10,393)	(4,832)
Adjustment for prior period	(848)	(280)
Non-taxable income	12,527	10,835
Losses transferred from related company under Group Relief Scheme	1,530	–
Others	1,693	(840)
Tax benefit attributable to shareholders' returns	(121,128)	19,202
Tax charge attributable to policyholders' returns	(105,676)	(101,086)
Tax benefit attributable to shareholders' returns	(121,128)	19,202
Total income tax credit/(expense)	(226,804)	(81,884)

23 Share-based payment transactions

The Company has the following share-based payment arrangements:

Share-based compensation plans (equity settled)

There are three main groups of equity settled compensation plans which are described below:

(i) *PRUshareplus Plan*

In 2014, Prudential Holdings Limited, a wholly owned subsidiary of Prudential Public Limited Company, established the PRUshareplus Plan, which replaces the Prudential International Savings-Related Share Option Scheme. Under the Plan, qualified employees can purchase Prudential Public Limited Company shares at market value each month. At the end of each scheme year, an additional matching share is awarded for every two shares purchased throughout the period. Dividend shares accumulate while the employee participates in the plan. The additional matching shares are not entitled to dividend shares. If the employee withdraws from the plan, or leaves the Group, the matching shares will be forfeited. The matching shares vest 12 months after the period.

(ii) *Incentive plans issued from 2015 onwards*

Prudential Public Limited Company, the ultimate holding company of the Company, established these plans to reward executive directors and senior management staff for delivering sustainable long-term returns for shareholders.

The incentive plans vest subject to the employee being in employment at the time. One of the plans also vests on the basis of the Group's relative Total Shareholder Return (TSR) performance against a peer group of international insurers. These are discretionary and on a year by year basis determined by the ultimate holding company's full year financial results and the employee's contribution to the business.

(iii) *Non-employee share-based compensation plans*

These are share-based compensation plans for non-employee advisors relating to the shares of its ultimate holding company, Prudential Public Limited Company. Every year, shares, with minimum vesting period of three years or more, will be granted, on the basis of performance and subject to the individual continuing to be an advisor with the Company at the end of the vesting period.

23 Share-based payment transactions (continued)

Share-based compensation plans (cash settled)

There are two main groups of cash settled compensation plans which are described below:

(i) *Incentive plans issued before 2015*

Prudential Public Limited Company, the ultimate holding company of the Company, established these plans to reward executive directors and senior management staff for delivering sustainable long-term returns for shareholders.

The incentive plans vest subject to the employee being in employment at the time. One of the plans also vests on the basis of the Group's relative Total Shareholder Return (TSR) performance against a peer group of international insurers. These are discretionary and on a year-by-year basis determined by the ultimate holding company's full year financial results and the employee's contribution to the business.

(ii) *Non-employee share-based compensation plans*

These are share-based compensation plans for non-employee advisors relating to the shares of its ultimate holding company, Prudential Public Limited Company. Every year, shares or cash equivalent, with minimum vesting period of three years or more, will be granted, on the basis of performance and subject to the individual continuing to be an advisor with the Company at the end of the vesting period.

The number share awards are as follows:

	2023 Number of share awards	2022 Number of share awards
Awards outstanding		
At 1 January	2,858,897	3,105,824
– Granted	309,455	425,543
– Vested	(681,706)	(641,177)
– Withdrawn	(30,071)	(31,293)
At 31 December	2,456,575	2,858,897

Fair value of share awards

	2023 $'000	2022 $'000
Share-based compensation expenses		
– Amount accounted for as cash settled	11,630	9,748
– Amount accounted for as equity settled	6,877	4,775
Carrying value at 31 December of liabilities arising from share-based payment transactions	38,517	35,063

24 Commitments

Capital commitments

	2023 $'000	2022 $'000
Contracted at the reporting date	13,536	14,872

25 Significant related party transactions

Related party transactions

Other than disclosed elsewhere in the financial statements, significant transactions between the Company and its related parties at terms agreed between the parties are as follows:

	2023 $'000	2022 $'000
Charges for life administration and operation services rendered by related corporations	12,315	8,956
Charges for management services provided to immediate holding company	166	166
Charges for management services rendered by a related corporation	29,772	34,635
Recovery of expenses by a related corporation	86,247	80,729
Investment management fees (net) paid to a related corporation	77,486	67,482
Recovery of expense from related corporations	14,333	4,854
Salaries and other short-term employee benefits to key management	12,714	13,256