Building *Healthier, Wealthier Lives*

PRUDENTIAL SINGAPORE | ANNUAL REPORT 2024

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Building Healthier, Wealthier Lives

1 ABOUT US

Prudential Assurance Company Singapore, an indirect wholly-owned subsidiary of Prudential plc, is one of Singapore's leading life and health insurance companies. We are one of the market leaders in protection, savings and investment-linked plans, with S$57.7 billion funds under management as at 31 December 2024. 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 94 years, delivering a suite of product offerings and professional advisory services through our network of more than 5,400 financial representatives with our tied agency and financial advisory arm, Prudential Financial Advisers Singapore, 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 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. Over 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.

In 2024, we focused on supporting our customers to build healthier, wealthier lives and provided solutions that helped them and their families create their future. In all, we launched and enhanced 11 products and funds in areas such as protection and wealth accumulation, and expanded our health services so that our customers have ample choice from our comprehensive set of offerings.

With strong demand from our customers for our health, protection and investment-linked plans, Prudential Singapore delivered a strong performance, achieving New Business Sales of S$1,163 million in 2024. This represented a 10 per cent increase from 2023. Total funds under management grew by 8.3 per cent, reaching S$57.7 billion.

When it comes to health, Singapore is a unique market with a high average life expectancy. This makes it important for us to help our customers to age well and to extend their healthspans. While lifespan is the total number of years we live, healthspan is how many of those years we remain healthy.

To strengthen our support for customers' health needs, in 2024, we started a new Health division and appointed a Chief Health Officer to accelerate our efforts to transform our health business. Customers now have access to two new Chronic Care Management Programmes for mental wellness and high cholesterol which complement our existing diabetes and hypertension programmes. We also expanded our PRUPanel Connect network and brought in new healthcare partners such as Thomson Specialists Pte Ltd (Woodleigh) and Icon Cancer Centre Singapore so that our customers have access to more options.

We continue to see strong demand for wealth planning and advisory services from customers in the affluent and high net worth segments. To help customers build their wealth, we launched several wealth protection and accumulation plans. Among these are PRUAssure IndexRewards, a USD single premium, non-participating endowment plan, and PRUVantage Legacy Index, an indexed universal life plan to meet protection and legacy planning needs.

Dennis Tan
Chief Executive Officer,
Prudential Singapore
(9 March 2020 to
15 September 2024)

Regional CEO,
Singapore, Thailand, Vietnam
and Partnership Distribution,
Prudential plc

Our more than 5,400 financial representatives play a critical role in serving our customers' needs throughout the lifetime of their policies and we continued our efforts to recruit quality representatives to serve our customers. Today, one in four of our representatives are Million Dollar Round Table qualifiers, a testament to their high standards of professionalism and productivity. We remain committed to investing in their upskilling and training, and are proud to share that our representatives put in 50 per cent more hours into training and development than the industry requirement.

As customers seek to receive holistic financial advisory and access to a wide range of solutions, our financial advisory arm, Prudential Financial Advisers Singapore (PFA), saw significant growth in its first year. PFA grew to over 1,000 Wealth Managers by end 2024, welcomed new partners and broadened its suite of products for customers.

Besides our financial representatives, we depend on our strong bancassurance partnership network to deliver Prudential's health and wealth solutions to an even larger group of customers across Singapore. We continue to work closely with our bank partners to meet the needs of customers in Singapore. In 2024, we celebrated 25 years of partnership with Standard Chartered Bank, and we look forward to celebrating 15 years of partnership with United Overseas Bank in 2025.

This is my final year as Chief Executive Officer of Prudential Singapore. Having spent four and a half rewarding years in this role, I am filled with immense pride for the journey that my team and I have shared. It has been a privilege to steer the business through the COVID-19 period and work with the industry to strengthen the resilience of our society during this challenging period. We have emerged stronger together. As Prudential continues to grow alongside our customers in Singapore, we renew our pledge to do so responsibly and sustainably, with care for our environment, community and people.

I would like to thank our Board, leadership team, customers, agency and financial advisory leaders, financial representatives, bank partners and fellow colleagues for staying the course with me on this journey. As part of my new role as Regional CEO (Singapore, Thailand, Vietnam and Partnership Distribution) at Prudential plc, I will continue to work closely with the Singapore team to serve our customers in the market.

I wish the new Chief Executive Officer of Prudential Singapore, Chan San San, the very best as she takes the helm. I am confident that her leadership will steer the company to even greater success in the years ahead.

Our customers are truly at the heart of all that we do, and we will continue to ensure that we evolve to meet their changing needs.

I am honoured to join Prudential Singapore as its new Chief Executive Officer. With a strong 94-year legacy as a life and health insurer, Prudential has established itself as a household name known for its customer focus, innovative solutions and high service standards.

Dennis Tan, Regional CEO, Singapore, Thailand, Vietnam and Partnership Distribution, Prudential plc (left), passing the torch to Chan San San, CEO, Prudential Singapore (right), at the company's September 2024 Snap Townhall & Meet the CEO session.

Since joining the company in September 2024, I have witnessed first-hand how our corporate staff and financial representatives work closely together to serve our more than one million customers. Our customers are truly at the heart of all that we do, and we will continue to ensure that we evolve to meet their changing needs. Moving forward, we will take bold steps to improve our offerings and work towards providing better service, solutions, and advisory to support Singapore residents in growing their wealth and protecting their health.

As we grow the business in Singapore, there are many opportunities to serve the changing face of society, which includes families of all sizes, first-jobbers, mid-lifers and those approaching retirement. With a sizeable protection gap still remaining in Singapore, there is much more for us to do to address the needs of a wider segment of society, so more people have access to quality healthcare and wealth solutions.

Health and wealth are intertwined. To enjoy the wealth that we have worked so hard to achieve, we must stay healthy. People are concerned not only about their physical but also their mental wellbeing as they age and take on more responsibilities at work and at home. The new solutions and services that we develop will support customers in accessing a range of healthcare options as well as help them receive the advisory and plans needed to build their nest eggs for the future.

As we do so, we remain guided by the principles that ensure our business is run sustainably and that our actions make a positive and lasting impact on our community.

I would like to extend my heartfelt gratitude to Dennis Tan for his exceptional leadership over the past four and a half years. His efforts have laid a solid foundation upon which we will continue to build and grow. I look forward to working closely with him in his capacity as Regional CEO and to partner with our distributors and colleagues to lead the Singapore business to its next chapter of growth.

Chan San San
Chief Executive Officer,
Prudential Singapore
(Appointed 16 September 2024)

Annual Premium Equivalent[1]

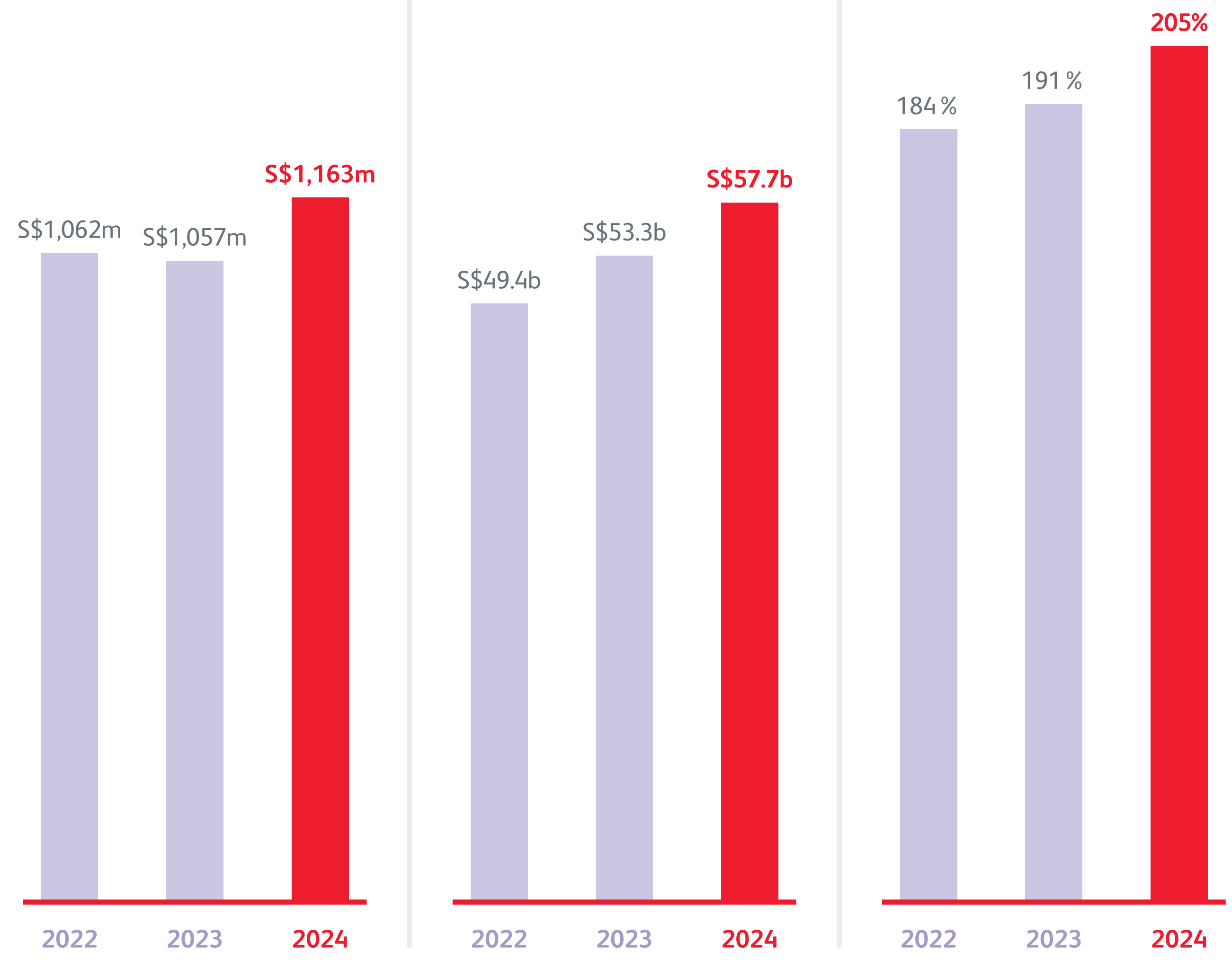
S$1,163m

Total Funds Under Management[2]

S$57.7b

Capital Adequacy Ratio

205%



[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 as assets under management, represents all assets managed or administered by or on behalf of the Company, including those assets managed by third parties.

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 Insurance 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
For Every Life, For Every Future

Our mission is to be the most trusted partner and protector for this generation and generations to come, by providing simple and accessible financial and health solutions.

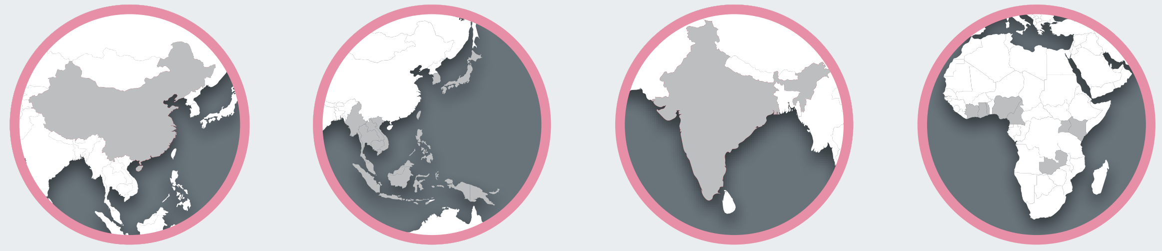
'For Every Life' speaks to our ambition to meet the hugely underserved needs of potentially four billion people across the Prudential Group's markets in Asia and Africa. With the collective wisdom of our talented people, we will partner with customers to improve their health and financial understanding so that they can build the life they want.

'For Every Future' speaks to our ambition to add value to the wider community, for a more sustainable and inclusive future. We are here to protect this generation, just as we have previous generations, and those we are yet to meet.

Our Strategy

We have a clear and simple 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

Prudential Singapore's approach to sustainability is aligned with our Group Sustainability Strategy. Our ambition is to drive real-world impact and long-term resilience for the economy, environment and society.

For more information, please refer to the Sustainability report here.

Sustainability ambition:
Delivering real-world impact and long-term resilience

Simple and accessible health and financial protection

- Developing sustainable and inclusive offerings
- Delivering partnerships and digital innovation for health outcomes
- Building resilient communities through community investments

Responsible investment

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

Sustainable business

- Establishing sustainable operations and value chain
- Empowering our people
- Harnessing thought leadership to shape the agenda

A foundation of good governance and responsible business practices
Corporate governance, conduct and ethics, risk management, external reporting and benchmarking

Key Targets

55% WACI reduction (Weighted Average Carbon Intensity) by 2030	**Internal investment target** on financing the transition (established in 2023), which operates as an underpin for our WACI reduction target	**42% female representation** in Group Leadership Team by the end of 2027	All people managers to have **sustainability-linked KPIs by 2026**

Our customer is our compass

At Prudential, we pride ourselves on delivering superior customer experiences and innovative solutions to help our customers to be healthier and wealthier. In line with our PruWay value, Our Customer is Our Compass, over 1,200 employees and more than 5,400 financial representatives make it their goal to create the best experiences when customers interact with us. We keep our customers' needs and interests in mind, whether we design a new product, provide a service or make decisions which impact them.

Our people are the key to our customer-centric culture, and we continue to invest in building our capabilities to strengthen it. In 2024, we launched our Customer Promise which outlines core principles to help employees understand our commitments to customers: be clear, make interactions easy and quick, and always care for and be fair to them. The rollout included an e-learning programme for employees to embody these commitments in their everyday roles. We also launched PRUHero, an award recognising employees and financial representatives who exemplify these commitments.

In 2024, our Net Promoter Score (a measure of our customers' propensity to recommend Prudential as a brand) improved, signifying higher levels of customer satisfaction and loyalty.

THE STRAITS TIMES Singapore's **Best Customer Service** 2024/25 statista

For the second year running, Prudential was the most highly rated insurer in Singapore's Best Customer Service 2024/25 survey based on customers who interacted with our products or services in the past three years. This survey was conducted by The Straits Times and international market researcher Statista[1].

[1] For more information, please refer to: https://www.straitstimes.com/singapore-best-customer-service-2024-25

Launch of our Customer Promise by our senior leaders. From left to right: Chan San San, CEO, Prudential Singapore; Priscilla Ng, Group Chief Customer and Marketing Officer, Prudential plc; Anil Wadhwani, CEO, Prudential plc; Dennis Tan, Regional CEO, Singapore, Thailand, Vietnam and Partnership Distribution, Prudential plc; Goh Theng Kiat, Chief Customer Officer, Prudential Singapore.

Our Reason is You

This year, we rolled out a series of new customer-focused initiatives. In March, we launched 'Our Reason is You', a service-focused brand campaign. This initiative aims to communicate our service standards and commitment to be there for our customers, highlighting stories of our employees and financial representatives who went above and beyond for them in times of need.

In June, we organised a Customer Day where we invited our customers to discover how Prudential supports them. Our Customer Service Centre team, financial representatives and employees were present to interact with customers and assist them with their queries. Throughout the year, we continued to appreciate our customers and members of PRU For You (our online customer community platform) through a series of Customer Day events.

During the two-day Customer Day event at Suntec City, we engaged over 25,000 visitors with interactive digital games.

For the first time, Prudential was the Presenting Sponsor of Glow Festival 2024. Held in July, the festival brought together people through wellness workshops and immersive experiences that help enhance mental, emotional and physical wellbeing, demonstrating Prudential's commitment to holistic wellbeing. To connect with first-jobbers, we launched 'Project Glow Up', a six-week mentorship programme for aspiring wellness professionals where they are given the opportunity to be mentored by experts in the fitness, food and beverage, and retail industries. Of the 120 applications received, three mentees were selected to showcase their work at the festival.

Glow Festival by Prudential included fitness classes, panel discussions, and wellness technology.

In 2024, we participated in Seedly's Personal Finance Festival, where we highlighted the importance of financial planning through our interactive booth and a panel discussion by our Chief Customer Officer, Goh Theng Kiat, allowing us to connect with the digitally-savvy and young adults segment. By engaging directly with this segment, it enables us to better offer tailored products that resonate with their needs.

Prudential Singapore at the Seedly Personal Finance Festival 2024.

The online nomination of beneficiaries service offers customers a hassle-free way to nominate a beneficiary in three simple steps.

Technology to deliver great customer experience

We are focused on enhancing and improving our engagement with customers by creating a seamless experience across channels. In 2024, we continued to invest in our digital services by driving improvements in automation and straight-through-processing, as well as increasing the number of self-service features.

Prudential is proud to be the first insurer in Singapore to offer an online nomination of beneficiaries service using Sign with Singpass, replacing printed forms and wet signatures. Nominating a beneficiary for their insurance policies enables our customers to protect their loved ones, ensure prompt payouts and avoid any disputes in their absence. Launched in March, this service is available on PRUaccess (our online customer platform) and allows customers to nominate beneficiaries for their policies online using Singpass (Singapore Personal Access for digital identity), making the process more secure and convenient.

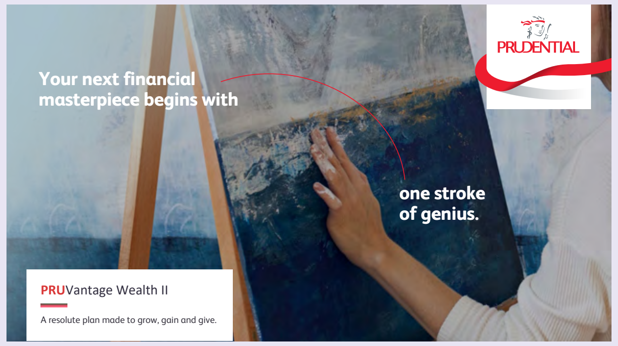
We also launched a series of new health services, including online booking for health screening, blood tests, chronic care management services and teleconsultations, to help our customers access quality healthcare more seamlessly. In addition, we upgraded our Customer Engagement Platform which will enable us to communicate more effectively and deliver more personalised content and offers to our customers.

Access to health and wealth

We are focused on making insurance accessible to all and developing products that customers need to be healthier and wealthier. Some of the new products launched in 2024 include:

Wealth accumulation to help customers grow their wealth

PRUVantage Assure II (SGD) and PRUVantage Wealth II (SGD) & (USD): Launched in July, these plans have an innovative Dual Accounts structure (Growth Account and Flex Account) to help to grow customers' wealth while enabling ease of access to gain regular monthly income, regardless of market conditions. This gives customers the flexibility to tailor plans to meet their unique needs and enables them to plan comprehensively for their future. PRUVantage Assure II (SGD) also offers a unique Wealth Assure feature which locks in coverage at the highest point of the policy value, protecting customers from market downturns.

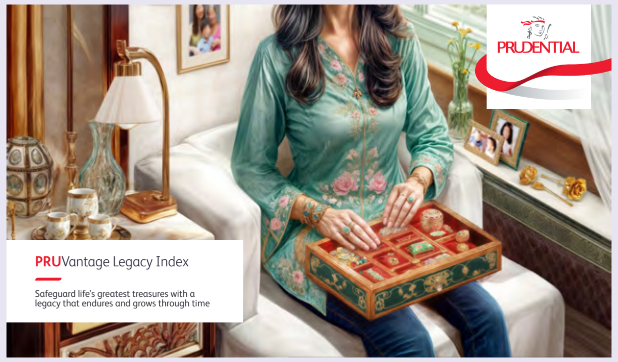


PRUAssure IndexRewards: Launched in November, it is a first-in-market single premium, non-participating endowment plan with returns linked to an Index, and is designed to boost and diversify the customer's income growth potential linked to the performance of an Index. The plan allows customers to receive Yearly Cash Benefits in US dollar (USD) from uncapped Index-linked returns with an agile, globally diversified Index, and fortify their savings from market downside with capital guaranteed at maturity.

To help customers accumulate wealth, we also introduced **PRUWealth Income (USD)** and investment-linked funds such as **PRULink Global Equity Growth Fund**, **PRULink Global Diversified Income Fund** and **PRULink Global Episode Macro Fund**.

Legacy planning to help customers preserve and protect their wealth for generations

PRUVantage Legacy Index: Launched in April, this single premium indexed universal life plan is designed to safeguard and enhance the legacy of our customers, allowing them to enjoy lifelong coverage against death and terminal illness, while achieving high growth potential linked to the uncapped performance of the S&P 500 FC Index.



PRULife Vantage Achiever Prime II (SGD): Launched in May, the plan (regular premium version) provides financial protection against death and terminal illness. This offers customers flexibility and affordability in securing the future of their loved ones, enabling them to have financial security throughout their lifetime and build a legacy.

Health protection to protect customers against the financial burden of unforeseen injury and illness

SimpleTerm: Launched in September, this supplementary benefit ensures customers are protected in heath and wealth. Its hassle-free protection add-ons to endowment and whole of life plans (regular premium plans of PRUActive Cash, PRUActive Saver III and PRUWealth Plus (SGD)) allow customers to boost their protection coverage and gain financial growth by enhancing their coverage with no health questions asked.

We also extended our medical plans (PRUShield and PRUExtra) to foreigners with Work Permit Pass (Occupation Class 1-3), providing them with comprehensive health coverage to suit their budget and needs.

For more information on our products and for the terms and conditions, visit: https://www.prudential.com.sg

Singapore FinTech Festival 2024: Leading with AI

Prudential x SFF 2024 by the numbers

296 Prudential participants from Singapore and around the world

5 Prudential speakers took the stage

1 Memorandum of Understanding (MOU) signed with **3** partners

In 2024, we celebrated our eighth year as a sponsor of the Singapore FinTech Festival (SFF), a premier global platform for policy, finance, and technology leaders and communities to forge impactful connections and explore cutting-edge innovations.

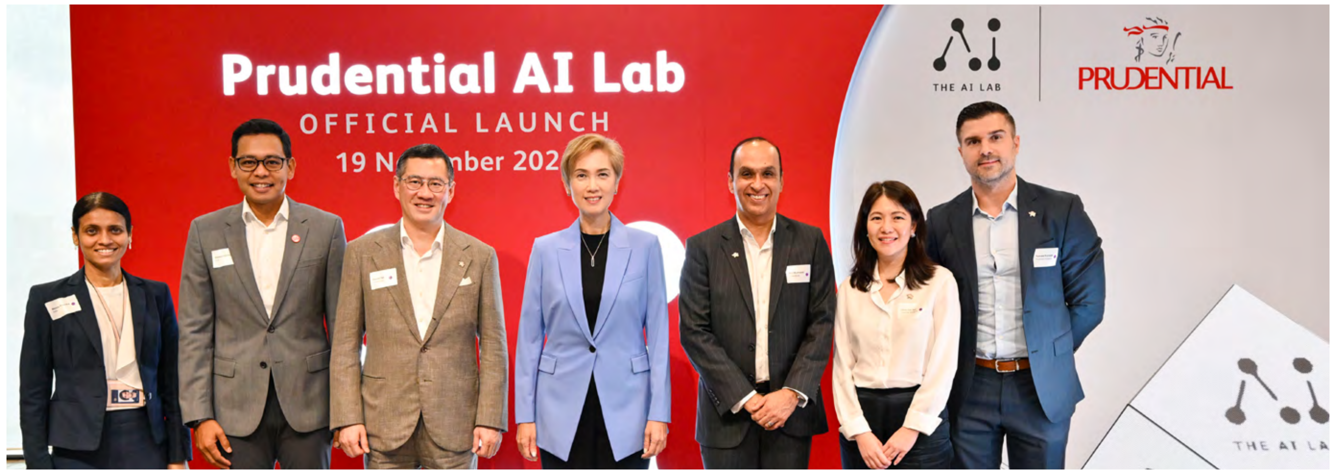
In line with the theme for SFF 2024, artificial intelligence (AI) took centre stage as we demonstrated our commitment to supporting our customers and the community with AI solutions and sustainability initiatives.

Visitors learnt about what we are doing with the Prudential AI Lab, Sustainability, Community Investment, and Innovation. We also featured 'The Dream Creator', an interactive installation which uses generative AI to bring unique characters and scenarios to life on screen, and which was designed to push the boundaries of how people think about wellbeing, their life choices and aspirations.

The Prudential AI Lab signed a Memorandum of Understanding with local Institutes of Higher Learning – the National University of Singapore Asian Institute of Digital Finance, Singapore Management University and Republic Polytechnic. With this partnership, Prudential will engage students from these schools to nurture the next generation of AI experts by offering hands-on experiences and fostering knowledge sharing and innovation.

From left to right: Wong Wai Ling, Director of the School of Infocomm, Republic Polytechnic; Neetha Nair, Chief Human Resources Officer, Prudential Singapore; Tomasz Kurczyk, Chief Information Technology Officer, Prudential Singapore, and Head of the Prudential AI Lab; Zhu Feida, Associate Professor of Computer Science, and Associate Dean of Partnerships & Engagement, Singapore Management University; and Dr Huang Ke-Wei, Executive Director, National University of Singapore Asian Institute of Digital Finance.

Launch of the Prudential AI Lab: Building the future of insurance



The launch of the Prudential AI Lab at the Prudential Singapore office. From left to right: Meena Chandra, Head of Insurance, Infrastructure and Trade Finance, Financial Markets Development, MAS; Philbert Gomez, Executive Director, Digital Industry Singapore, EDB; Dennis Tan, Regional CEO, Singapore, Thailand, Vietnam and Partnership Distribution, Prudential plc; Josephine Teo, Minister for Digital Development and Information; Anil Wadhwani, CEO, Prudential plc; Chan San San, CEO, Prudential Singapore; and Tomasz Kurczyk, Chief Information Technology Officer, Prudential Singapore, and Head of the Prudential AI Lab.

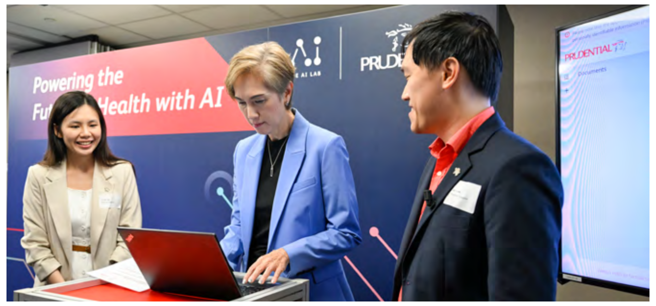
Prudential officially launched its global AI Lab on 19 November 2024, following its introduction at SFF 2024. The launch ceremony was officiated by Josephine Teo, Singapore's Minister for Digital Development and Information, and Anil Wadhwani, Chief Executive Officer of Prudential plc.

Based in Singapore, the Lab was established with support from the Ministry of Digital Development and Information (MDDI), the Economic Development Board of Singapore (EDB), and the Monetary Authority of Singapore (MAS).

The Lab aims to accelerate the adoption of AI, generative AI and machine learning organisation-wide through a collaborative ecosystem of industry experts, startups, academic institutions and technology partners like Google Cloud, which is providing our employees access to advanced AI solutions. Staffed by a dedicated team of AI engineers and data scientists based in Singapore, it will focus on developing solutions that deliver a better customer experience, enhance consumer access to quality healthcare and drive operational excellence at Prudential. By leveraging AI, we will also enable financial representatives to serve customers more efficiently with improved advisory capabilities.

Employees across Prudential's 24 markets in Asia and Africa have contributed more than 100 AI use cases to the Lab for evaluation.

At the launch, we showcased AI solutions to demonstrate how Prudential is leveraging AI to shape the future of health and wealth:



Minister Josephine Teo tried out PruProduct Buddy (a Gen AI-powered tool that answers customer queries on health protection instantly) with Li Lin Tan, AI Engineer, Prudential Singapore, and Ian Low, Head, AI Lab Programme, Prudential Singapore, at the Health showcase.

At the Wealth showcase, Darek Cieslinski, Head of Data, AI and Analytics Products, Prudential Singapore, and Wong Chen Mey, AI Engineer, Prudential Singapore, presented a machine learning-powered application that helps financial representatives identify customer needs and recommend suitable product options.

Investing in health for better lives

As a leading life and health insurer, we want to support Singaporeans in their health and wellness journey with protection and access to preventive healthcare. With an ageing population and the increasing prevalence of chronic diseases, personal health management is critical to maintaining a high quality of life. By facilitating better access to healthcare, we support our customers in proactively managing their wellbeing.

Connected care for our customers

Our Connected Care proposition focuses on building integrated partnerships and offering preventive care programmes that benefit our customers. PRUExtra Premier, PRUExtra Premier CoPay and PRUExtra Preferred CoPay customers can enjoy greater convenience and seamless access to quality healthcare with PRUPanel Connect (PPC) – a suite of value-added services including appointment bookings, cashless transactions, concierge services and more, available at over 1,600 participating specialists empanelled under partner healthcare institutions.

We extended a one-time complimentary health screening to all new PRUExtra Preferred CoPay customers from 1 July 2024 to 31 December 2024 at Raffles Medical Group – one of our PPC partners. Based on the screening results, customers received a referral to see a PPC specialist at Raffles Hospital or join our Chronic Care Management Programme (CCMP), offered in partnership with Raffles Medical Group.

Two new programmes for mental wellness and high cholesterol were added in 2024 to complement our existing diabetes and hypertension programmes.

For more information about Connected Care and PPC, please refer to the section 'Delivering partnerships and digital innovation for better health outcomes' in our Sustainability report here.

Expanding our network of healthcare partners

We continued to expand our PPC network with new healthcare partners such as Thomson Specialists Pte Ltd (Woodleigh), to make quality care more accessible to our PRUShield customers. We also teamed up with Icon Cancer Centre Singapore to offer high-quality cancer care, diagnosis and treatment at Icon's one-stop integrated cancer centre and ten clinics. Through this partnership, our customers also benefit from outpatient services related to chemotherapy and radiotherapy as well as partner rates for diagnostic screenings and prescribed cancer drugs.

Enhancing healthcare accessibility through technology

Access to timely and convenient healthcare is crucial, but it can be a challenge when we are feeling unwell and unable to visit the doctor in person. To better support our customers, we further expanded our partnership with Doctor Anywhere in May 2024 to offer medical teleconsultations at partner rates for PRUShield customers. This gives customers the flexibility to consult a General Practitioner (GP) within five minutes or schedule a virtual appointment. Additionally, our customers benefit from free medication delivery within three hours of a consultation with a GP. Customers can also be referred to our PPC specialists after their consultations, if required.

Our strategic partnerships in the healthcare ecosystem are key to making healthcare more inclusive and accessible, allowing us to address the diverse needs of our community.

Risk-Based Loading

This commitment to inclusivity extends to our underwriting practices. In 2024, we introduced risk-based loading for our PRUShield and PRUExtra supplementary plans. This initiative allows us to offer health insurance to a wider group of customers who may not have been previously eligible due to pre-existing health factors. By assessing individual risk profiles and providing coverage at adjusted premiums, we enable more people to receive the health protection they need.

A smooth switch

Being prepared with the right insurance plan forms a financial safety net that complements personal health efforts. To cater to our customers' changing needs and to allow them to update their coverage seamlessly, we introduced PRUShield EasySwitch in September 2023 and extended it into 2024.

PRUShield EasySwitch simplifies the process of switching to Prudential's PRUShield policies and supplementary plans for customers who want to consolidate their policies under one insurer for convenience or to enjoy better benefits. Eligible individuals[1] only need to answer three health questions instead of answering the full health questionnaire and going through the entire underwriting process again. If the application is accepted, Prudential will recognise the inception date of their existing Shield policy, and apply all benefits and the claims assessment accordingly. This streamlines the process and makes it easier for customers to access Prudential's comprehensive benefits.

[1] For more information on the eligibility and about PRUShield EasySwitch, visit: https://www.prudential.com.sg/prushield (please refer to PRUShield EasySwitch's terms and conditions under "Important Information").

Chan San San, CEO, Prudential Singapore (first from right) and Goh Theng Kiat, Chief Customer Officer, Prudential Singapore (first from left) with top international cyclists at an exclusive meet-and-greet.

Winners at the Professional Criterium podium ceremony.

At Prudential, we want to support more people to live well for longer by advocating healthy and active lifestyles. This commitment to wellness is at the heart of Prudential Singapore's role as the Title Sponsor and Official Wellness Partner of the Tour de France (TDF) Prudential Singapore Criterium, which returned for its third edition in downtown Singapore.

This year's event featured a new race route and the inaugural TDF SG Family Day which created a festive atmosphere with fun games and carnival activities for all ages, as well as live music acts.

Over the race weekend, spectators gathered at Esplanade Park for some family fun and to witness world-class cyclists conquer the city streets. It was the final race for Sir Mark Cavendish who competed with other notable names in cycling such as Jasper Philipsen, Chris Froome, Primoz Roglic, Yukiya Arashiro, Vincenzo Nibali, and Biniam Girmay. Nine regional teams participated in the race, including Singapore's own cycling talents – Yeo Boon Kiak, Tong Khoon Fung, Arfan Bin Faisal, and Eamon Lim.

Sir Mark Cavendish honoured by fellow pro cyclists with raised wheels in a guard of honour, amid cheers from fans. He finished the Tour de France Prudential Singapore Criterium in first place, marking the end of his illustrious career.

PRURide Seeker's Society

PRURide Seeker's Society (PRSS), an exclusive cycling club, returned for the third year. It was created to provide training and access to the best the sport has to offer and has grown to over 1,000 members.

Prudential teamed up with UFIT and the Singapore Cycling Federation to offer complimentary strength and mobility classes, interval training and technical cycling sessions to prepare PRSS members for the race and achieve their personal best timings. Members also had the chance to meet and speak to top international riders such as Sir Mark Cavendish and Primoz Roglic.

Participants in the PRSS training classes and the PRURide Seeker's Criterium also had the choice to opt in for complimentary personal accident insurance coverage, which added a crucial protection element for their safety and wellbeing during training or racing.

The Tour de France Prudential Singapore Criterium 2024 showcased the spirit of community and wellness. From professional cyclists giving their all on the race circuit, PRSS members racing to break their personal records, to families enjoying a day of community and sports, it was an experience to remember for everyone.

Members of the PRURide Seeker's Society took part in a time trial and a series of training sessions to prepare for the PRURide Seeker's Mixed Novice and Open Criterium races.

Healthspan barometer: Evaluating public perspectives on healthy ageing

The average life expectancy in Singapore is 84 years, while the average healthspan is 74 years.[1] This 10-year gap underscores the importance of focusing on healthspan, which is the period of one's life spent in relatively good health, free from chronic illnesses and age-related disabilities. As a leading life and health insurer, we aim to be a trusted health partner in supporting our customers and the community to adopt healthier lifestyles and live well for longer.

[1] https://www.moh.gov.sg/newsroom/speech-by-mr-ong-ye-kung-minister-for-health-at-the-3rd-centre-for-research-on-successful-ageing-symposium-on-thursday-12-october-2023-945am

For this purpose, we commissioned Economist Impact to undertake a study to evaluate public perspectives on healthy ageing in Singapore. This comprehensive study surveyed 1,014 residents aged 20 to 70 years old in July and August 2024, providing valuable insights into the attitudes and concerns of different generations regarding their healthspan. The Healthspan Barometer revealed that there is strong public awareness of the need for ageing well. However, anxieties about healthy ageing persist, especially among the Gen Zs.

Individual resilience: physical and mental health

The study highlights the importance of individual resilience, both physical and mental, in achieving a long healthspan. Gen Z respondents are particularly concerned, with 68 per cent not confident about maintaining good physical health in old age, making them the least confident generation. This lack of confidence is followed closely by Baby Boomers at 67 per cent, Millennials at 57 per cent, and Gen X at 56 per cent. Mental health in old age is a concern that cuts across age groups, with half of Gen Z, Millennial, and Gen X respondents expressing worries about their mental wellbeing. Top physical health concerns include the inability to perform day-to-day tasks and affording necessary healthcare services. Mental health concerns focus on cognitive decline and developing depression or anxiety.

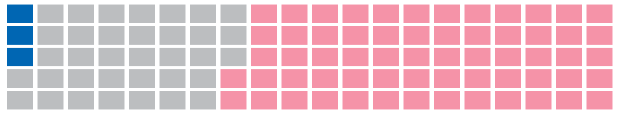
Health anxieties for old age

Respondents' confidence levels in their ability to maintain different aspects of health after age 75.

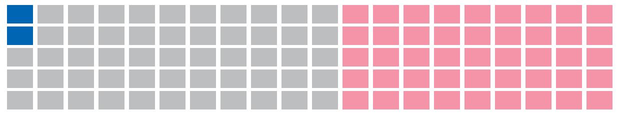
% responding.

Agree
Neutral
Disagree

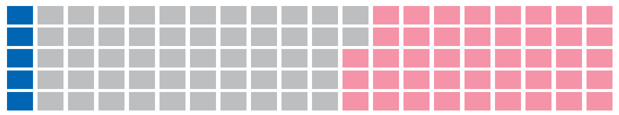
I am confident in my ability to maintain **good physical health** beyond the age of 75



I am confident in my ability to maintain **good mental health** beyond the age of 75



I am confident in my ability to maintain **good finances to support my health** needs beyond the age of 75



Financial planning: saving for a rainy day

Financial planning is crucial for supporting healthcare needs in old age. Respondents have two major concerns in this area, with 41 per cent expressing concern about affording medical bills and nursing care costs for long-term health conditions or injuries.

The study also found that 61 per cent of Singapore residents are planning to rely on the Central Provident Fund (CPF) and 59 per cent are relying on cash savings to cover healthcare expenses. Thirty per cent of Singapore respondents are looking at investment in stocks, bonds, or exchange-traded securities as a secondary option for this purpose.

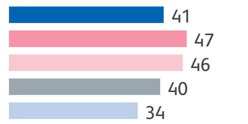
Worries about future funding gaps

Specific concerns of respondents who were not confident about their ability to maintain good finances to support their health needs beyond age 75 (top responses from those who disagreed with the statement, "I am confident in my ability to maintain good finances to support my health needs beyond the age of 75.")

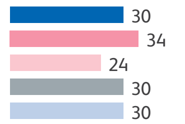
% responding (respondents could select up to three).

Overall
Gen Z (born 1997-2006)
Millennials (born 1981-1996)
Gen X (born 1965-1980)
Baby Boomers (born 1945-1964)

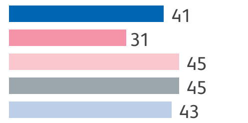
Not being able to afford medical bills and nursing care costs for long-term health conditions or injuries



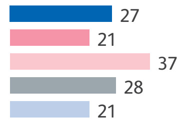
Not being able to afford my desired retirement lifestyle



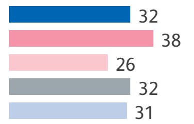
Exhausting my savings due to unexpected health issues



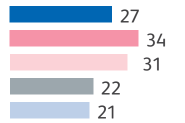
Not being able to afford medical bills for short-term illnesses



Not being able to afford basic living expenses



Not being a financial burden to my loved ones



'You Got Health?' Healthspan, not lifespan

To help young Singaporeans cope with 'anxious ageing', we introduced a campaign targeted at Gen Zs and Millennials to encourage them to think beyond lifespan, and focus on improving their healthspan at a younger age. Coined 'You Got Health?', it got young Singapore residents thinking more deeply about their healthspan, sparking conversations and spurring them on to start a healthier lifestyle from young.

Dollars over Diet?

Only 15 per cent prioritise wealth over good health

We conducted a comprehensive poll to better understand the priorities of Singapore residents when it comes to health and wealth. The survey, which included 1,000 residents aged 20 to 65, revealed insightful findings about how much they value financial success versus staying healthy.

The poll found that only 15 per cent of Singaporeans prioritise wealth over good health. Among those who do, 64 per cent believe that money solves most problems, including health issues, and 58 per cent said it provides financial security for them and their loved ones. Of the majority 85 per cent who see good health as more important than wealth, 61 per cent view wellbeing as the foundation for pursuing other life goals, and recognise that health is tougher to improve once it worsens.

Reasons for choosing Wealth	Overall N=147
Money is the answer to most problems including health (e.g. ability to afford better healthcare treatments and services)	64 %
Gives me and my family financial security	58 %
Desire for independence and freedom from financial worries	51 %

Reasons for choosing Health	Overall N=853
Good health is the foundation for pursuing other life goals	61 %
Wealth can be grown over time, but it's harder to improve health once it declines	61 %
Good health will ensure quality of life which is more important than material wealth	59 %

Interestingly, close to two-thirds of the respondents (63 per cent) said that achieving good health is easier than achieving wealth. They view health as more controllable through personal actions like diet and exercise, while wealth depends on external factors such as the economy and job market. Those who think achieving wealth is easier are tempted by the promise of quick returns and the belief that it takes less effort.

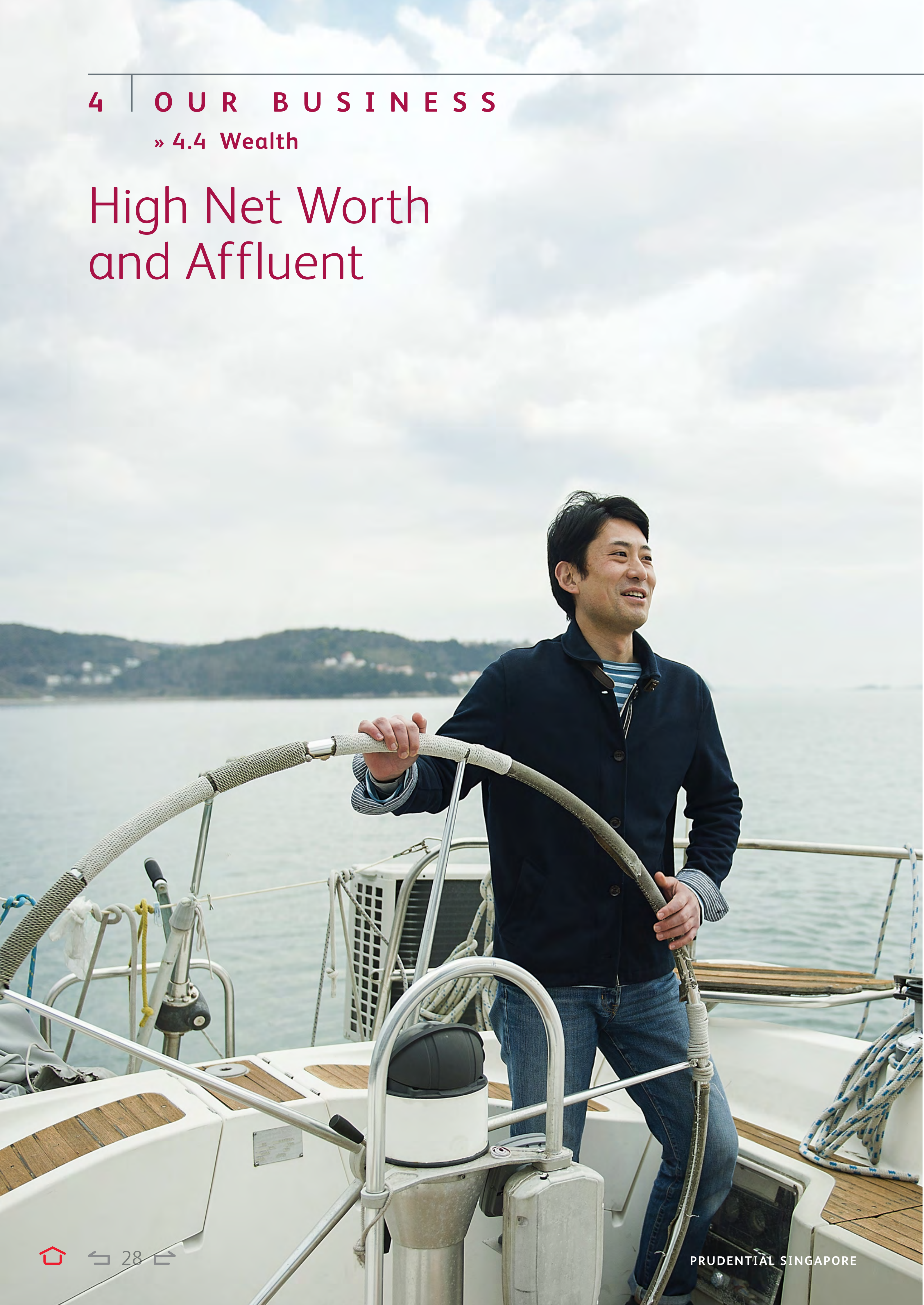
Most Singaporeans also agree that it is not a binary choice between health and wealth. Some 77 per cent of respondents believe they can achieve both if they have a structured plan in place (61 per cent), and that success in one area will lead to victory in the other.

Reasons for being able to achieve both	Overall N=772
I can achieve both wealth and health if I have a proper plan to do so	61 %
I believe I can have both wealth and health as both are mutually reinforcing, as success in one leads to success in the other	56 %
I have good support systems in place to help me achieve both wealth and health (e.g. supportive family and friends, informative digital health/ wealth platforms and associations)	37 %

#BestofBothWorlds

With the importance of both health and wealth, we launched the campaign '#BestofBothWorlds' to reinforce the concept of planning early to ensure that we can live healthier and wealthier lives. We wanted to encourage and reassure young Singapore residents that "the best of both worlds" is achievable.

To engage and inspire the younger generation, we shared bite-sized and fun content on social media, such as a video of our employees talking about how they would prioritise their health and wealth.



High Net Worth and Affluent

Singapore has emerged as the fourth wealthiest country in the world and remains a growing wealth hub that is attracting an increasing number of wealthy individuals. In 2023, there were 333,204 millionaires in Singapore, and this number is expected to rise by 13 per cent in 2028[1]. In line with this growing wealth, there is also heightened demand for financial solutions that can help to grow and preserve wealth.

Catering to the needs of the growing number of high net worth individuals

To cater to the growing affluence in Singapore and strong demand for insurance products and service needs of high net worth individuals (HNWIs), Prudential has established tailored programmes such as Opus by Prudential (Opus) and Ascend by Prudential (Ascend). These exclusive customer loyalty programmes are designed to reward and support our high net worth (HNW) and affluent customers.

There is also a rising demand for sophisticated protection and legacy planning solutions. Beyond traditional coverage, HNWIs are looking for insurance solutions that can help them protect and grow their wealth, and pass down a lasting legacy to future generations. In 2024, Prudential introduced an indexed universal life insurance product, PRUVantage Legacy Index (PVLI), to address this need. PVLI offers lifelong coverage against death and terminal illness, and can maximise the growth potential of customers' wealth for future generations while protecting it from market downturns. This is because unlike other plans in the market, the growth potential is tied to the uncapped performance of the S&P 500 Fast Convergence Index. At the same time, customers are protected with a floor rate of zero per cent for the index account, ensuring that their index account will not lose value due to negative market returns.

Goh Theng Kiat, Chief Customer Officer, Prudential Singapore speaking at the Opus event, "An Evening of Timeless Treasure".

To foster deeper engagement and understanding with our customers, we held two rounds of events in 2024, centred around the theme of legacy. One such event was titled "An Evening of Timeless Treasure", where guests were introduced to a five-generation family business, B.P. de Silva, where fifth-generation owner, Shanya Amarasuriya, shared more about the business and how it has been passed down through the generations to create a meaningful family legacy.

Guests included customers, financial representatives and colleagues from Prudential Singapore and Eastspring Investments, who celebrated time-honoured values and traditions at the Opus event, "An Evening of Timeless Treasure".

Enhancing our distribution channels to expand our reach

In addition to our tied agency, financial advisory arm and exclusive bancassurance partnership, we expanded our distribution network to include international brokers – Howden Private Wealth, Charles Monat Associates and Grandtag Financial Consultancy. This enabled us to further tap into the ultra HNW market.

To further enhance our support to HNW customers, we grew our Private Client Advisor (PCA) base to 270 in 2024. These PCAs from our tied agency are further trained to support and meet the unique needs of HNWIs. In 2024, 69 PCAs (more than double the number of PCAs in 2023) completed a fully-funded and customised course designed by the Wealth Management Institute to ensure that they are equipped with market-leading expertise in wealth structuring areas such as asset protection, liquidity planning, wealth accumulation, and wealth preservation.

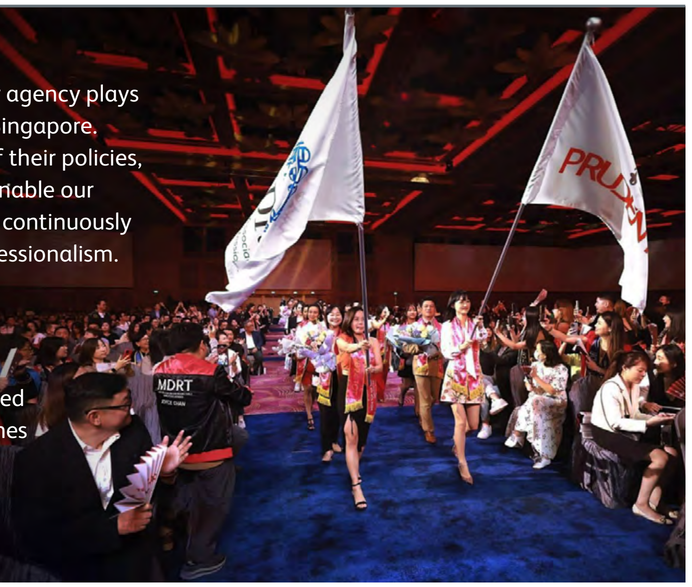
[1] UBS Global Wealth Report 2024. https://www.ubs.com/global/en/wealth-management/insights/global-wealth-report.html

Cultivating a top-tier agency

With a strength of over 5,400 financial representatives, our agency plays a critical role in serving the needs of our customers across Singapore. They journey with our customers throughout the lifetime of their policies, supporting them to build healthier and wealthier lives. To enable our financial representatives to provide exceptional service, we continuously upskill them to attain higher levels of productivity and professionalism.

Our financial representatives attained more than **250,000 training hours in total**, averaging **45** hours of Continuing Professional Development training per person, well above the industry requirement of 30 hours.

More than **500** instructor-led training programmes were organised for our agency.



Prudential Singapore has a comprehensive Financial Consultant Induction Programme (FCIP) to equip new joiners with a firm foundation to kickstart their careers. New joiners also obtain the Institute of Banking and Finance Singapore (IBF) Qualified (Level 1) certification upon completion of FCIP. To ensure our financial representatives uplift their skills, we continuously encourage them to pursue the IBF Advanced Level 2 or 3 certification. Close to 580 representatives achieved these certifications in 2024.

To provide the best leadership to our financial representatives, our agency leaders continuously develop their management skills through various trainings and programmes. As of 2024, 29 agency leaders have achieved the Chartered Insurance Agency Manager designation, an international educational achievement for managers in the financial services industry.

We are serving more affluent and high net worth (HNW) clients given Singapore's position as a growing global wealth hub. Our financial representatives continue to enhance their expertise in serving wealthy clients through training. In 2024, a total of 240 financial representatives attended our in-house Level 1 HNW Skill Up Series and 110 attended the Level 2 training. Sixty-nine Private Client Advisors also took part in the Certified Affluent Wealth Adviser Programme conducted by the Wealth Management Institute.

In September 2024, Prudential received the prestigious IBF Golden Jubilee Inspire Award, which recognises top financial institutions that have demonstrated significant commitment and contributions to skills development, workforce transformation, and talent pipeline building. This award is also testament to our longstanding commitment to pursuing professional excellence and raising our agency's competency.

To serve customers' growing needs across protection, health, and wealth, we continued to grow the size of our agency force by actively recruiting qualified representatives. We launched a social media recruitment campaign, 'Freedom to Be', which highlighted how a career with Prudential Singapore can afford our financial representatives the freedom to carve out their careers, serve the needs of our customers, and also pursue their personal passions with flexibility.

To further engage potential candidates, we ran various JoinPRU – Freedom to Be recruitment events throughout the year, where agency leaders and potential candidates gathered to network and share insights on the industry. Our largest JoinPRU event of 2024 saw the participation of over 400 agency leaders and their candidates.

We rolled out various programmes to equip our new joiners for success in their career. This included enhancing our Management Associate Programme (MAP), designed for fresh graduates and young professionals. New joiners were given an additional year to achieve their performance targets, having 36 months instead of the usual 24 months to do so. This gives them more time to learn the ropes of the insurance and financial services industry, develop their skills, and establish a robust client base for a successful career. They were also supported with a monthly allowance while they honed their foundational skills and underwent on-the-job training.

Complementing the MAP was the launch of PRUApprentice, a corporate-led programme where financial representatives can gain work exposure in both agency and corporate office settings. The programme provides new joiners with insights into business operations beyond product sales. With the first batch slated to start in January 2025, apprentices will gain first-hand insights into the financial industry with access to a comprehensive training curriculum and close mentorship by agency leaders and corporate executives.

Our MDRT journey

Prudential Singapore's Million Dollar Round Table (MDRT) cohort has consistently demonstrated outstanding performance and exceptional growth, with over 1,300 qualifiers in 2024 setting industry-leading benchmarks. A key highlight of our success lies in empowering every MDRT member to achieve personal breakthroughs, with an impressive 16 per cent of our qualifiers surpassing the MDRT qualifications to attain Top of the Table (TOT) and Court of the Table (COT) in 2024.

We are committed to fostering a vibrant and united MDRT community, driven by peer motivation and guided by the MDRT Whole Person concept. With one in four representatives qualifying for MDRT, we have firmly established a track record of sustainable growth. This is further amplified by our MDRT leaders who exemplify strong leadership and help shape a culture of excellence.

Nurturing our bank partnerships

In the past year, we continued collaborating closely with our exclusive bancassurance partners United Overseas Bank (UOB) and Standard Chartered Bank (SCB).

2024 marked the 25th anniversary of the SCB-Prudential strategic bancassurance partnership, which is also the longest-standing bancassurance partnership in Singapore. In 2025, we look forward to celebrating 15 years of partnership with UOB.

PRUVantage Legacy Index, Prudential Singapore's first indexed universal life insurance product, was launched to UOB and SCB in April 2024 and May 2024 respectively. This product addresses the growing protection and legacy planning needs of HNW individuals in Singapore, enabling our bank partners to serve this segment's needs more holistically.

In 2024, we were proud to have:

1,125 MDRT qualifiers

151 COT qualifiers

61 TOT qualifiers

1 in 4 Prudential Singapore financial representatives is an MDRT member.

Prudential Singapore is ranked the **17th top MDRT company worldwide**, solidifying our standing among the best in the industry.

We have the **highest number** of MDRT Culture of Excellence Award winners globally.

Our MDRT members gathered in Vancouver for the 2024 MDRT Annual Meeting and had the opportunity to learn from renowned speakers, exchange insights and best practices, and connect with top producers from around the world. This global gathering fostered collaboration, ignited new ideas, and reinforced the spirit of excellence that defines the MDRT community.

Prudential Financial Advisers Singapore

Celebrating the first anniversary of Prudential Financial Advisers Singapore. Left to right: Florence Tan, former Head of Business Strategy and Head of Distribution, Prudential Financial Advisers Singapore; Jackie Chew, Chief Operations Officer, Prudential Singapore; Dennis Tan, Regional CEO, Singapore, Thailand, Vietnam and Partnership Distribution, Prudential plc; Bernard Chai, former CEO, Prudential Financial Advisers Singapore; Ben Tan, Chief Distribution Officer, Prudential Singapore; and Jeff Ang, CEO, Prudential Financial Advisers Singapore.

As life expectancies continue to rise, the need for comprehensive financial planning solutions becomes increasingly critical. Prudential Financial Advisers Singapore (PFA), our financial advisory arm, was established to help address this evolving landscape. PFA aims to provide customers with more holistic professional advisory services amid the backdrop of rising longevity and increasing wealth management needs of the growing high net worth segment in Singapore. PFA is committed to offering holistic advice on both insurance and wealth solutions.

Since its official launch in April 2023, PFA has seen significant growth and grew to over 1,000 Wealth Managers by the end of 2024.

PFA also onboarded three new partners, Cigna Healthcare Singapore, Singlife, and Great American Insurance Company, bringing the total number of partners to 13. This means that our customers can get access to a wider range of insurance products and wealth solutions. In 2024, PFA added 10 new products to its suite of products, broadening the range of solutions for customers. These offerings complement Prudential's core strengths in whole and term life, health, savings, retirement, and group insurance, helping us to support customers in building healthier and wealthier lives.

Serving corporate clients

Prudential's commitment to building healthier, wealthier lives extends to the businesses that we serve. Our Enterprise Business segment continued its momentum, and we currently serve more than 3,500 corporate clients and more than 250,000 employees from large multi-national corporations to small and medium enterprises (SMEs).

We remain focused on providing accessible and flexible group insurance solutions to SMEs, with coverage ranging from outpatient and inpatient medical expenses, as well as group life coverage. To empower employees to take charge of their health, we also provide complimentary annual health screenings and flu vaccinations for eligible companies.

Our dedication to meeting the unique needs of our customers, and our role as trusted partners for both corporate clients and their employees have been recognised by the industry. We received the "Best Employee Insurance Provider (Silver)" award at the Human Resources Online HR Vendors of the Year 2024 Awards for the fifth consecutive year.

To further empower our financial representatives in serving the unique needs of our customers, we continued our investment in training programmes. In 2024, over 4,500 representatives completed both basic and advanced Enterprise Business Solutions training to better understand corporate customer requirements in this dynamic landscape.

WorkPLAYce Events

This year, we organised more than 100 complimentary WorkPLAYce events and activities for our corporate clients. These comprised fitness classes, health and financial talks, with a focus on mental health and stress management talks, as well as meditation classes. In addition, we introduced a range of gym and fitness membership privileges, as well as online shopping benefits.

Prudential was recognised with the "Best Employee Insurance Provider (Silver)" award at the Human Resources Online HR Vendors of the Year 2024 Awards.

Empowering 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 the section 'Empowering our People' in our Sustainability report here.

Ben Bulmer
Chairman and Non-Executive Director

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.

Mr Bulmer was appointed Chief Financial Officer (CFO) 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 including planning and forecasting, financial reporting, capital management and investment management as well as the Group Actuarial function, corporate finance, investor relations and sustainability teams.

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.

Dennis Tan
Chief Executive Officer and Executive Director
(9 March 2020 to 15 September 2024),
Non-Executive Director
(with effect from 16 September 2024)

Dennis is currently Regional CEO of Singapore, Thailand and Vietnam. In addition, he oversees the Group's partnership distribution channels.

Previously he served as Managing Director, Strategic Business Group, at Prudential plc, and as CEO of Prudential Assurance Company Singapore.

Dennis is a Non-Executive Director on the Board of Directors of Prudential Singapore and a member of the Board Risk Committee. He also holds the positions of 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. Additionally, he serves as Chairperson and Member of the Members' Council at Prudential Vietnam Assurance Private Limited. Beyond these roles, Dennis is the President of the Life Insurance Association's Management Committee and a Council Member at The Institute of Banking and Finance Singapore. He also serves as a Director at Prudential Singapore Holdings Pte. Limited and the Singapore College of Insurance.

Before joining Prudential, he spent 10 years at OCBC Bank, where he led a 3,100-strong consumer banking division as Head of Consumer Financial Services for seven years. In this role he drove the growth of OCBC's Premier Banking business in Singapore, Malaysia, Indonesia and China serving as Head of Branch and Group Premier Banking and being a member of OCBC Bank's Management Committee.

Dennis is Singaporean and holds a Bachelor of Science degree 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 also 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 chaired the Asian Bond Fund 2 supervisory committee for the Monetary Authority of Singapore (MAS) from 2016 to 2023, and is currently a committee member of Singapore's Customs Advisory Council.

With effect from February 2022, Prof Koh serves as Chair of the Board and Independent Director of Prime US Reit Management, in addition to being a member on the Audit and Risk committee, and Nomination and Remuneration committee. 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, a Director of Singapore Food Agency (Government) since April 2023, a Director and Chair of Finance Committee of Cyber Youth SG since February 2024 and a Director and Chair of Audit Committee, a Member of Nominating Committee, and a Member of Remuneration Committee of Mewah International since April 2024. 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, HMI Group, JKC4Life, and startups such as Pyxis Maritime Pte Ltd, and non-profits such as WWF Singapore, as well as the Center for Sustainability and Private Wealth with effect from 16 December 2024. She has been an investment committee member of iGlobe Partners since July 2010 and advisor to CUBE3 Ventures since October 2021. 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 scholarship 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.

5 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 the 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. Starting 1 March 2024, Daniel also served as a member of the Finance Committee of EQUAL-ARK Singapore Ltd, a non-profit that promotes social-emotional development through animal-assisted 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.

6 LEADERSHIP TEAM

1. **Dennis Tan**
Regional CEO, Singapore, Thailand, Vietnam and Partnership Distribution, Prudential plc

2. **Chan San San**
Chief Executive Officer

3. **Gaurav Bhalla**
Chief Risk Officer

4. **Jackie Chew**
Chief Operations Officer

5. **Goh Theng Kiat**
Chief Customer Officer

6. **Dr Sidharth Kachroo**
Chief Health Officer

7. **Tomasz Kurczyk**
Chief Information Technology Officer

8. **Neetha Nair**
Chief Human Resources Officer

9. **Andreas Rosenthal**
Chief Financial Officer

10. **Ben Tan**
Chief Distribution Officer

11. **Jeff Ang**
Chief Executive Officer, Prudential Financial Advisers Singapore

12. **John Chow**
Chief Partnership Distribution Officer

13. **Rom Lee**
Chief Agency Officer

14. **Liauw Lee Jiat**
Chief Actuary and Appointed Actuary

15. **Sherwin Siregar**
Chief Strategy & Transformation Officer

Dennis Tan

Chief Executive Officer and Executive Director
(9 March 2020 to 15 September 2024),
Non-Executive Director
(with effect from 16 September 2024),
Regional CEO
Singapore, Thailand, Vietnam and Partnership Distribution, Prudential plc

Dennis is currently Regional CEO of Singapore, Thailand and Vietnam. In addition, he oversees the Group's partnership distribution channels.

Previously he served as Managing Director, Strategic Business Group, at Prudential plc, and as CEO of Prudential Assurance Company Singapore.

Dennis is a Non-Executive Director on the Board of Directors of Prudential Singapore and a member of the Board Risk Committee. He also holds the positions of 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. Additionally, he serves as Chairperson and Member of the Members' Council at Prudential Vietnam Assurance Private Limited. Beyond these roles, Dennis is the President of the Life Insurance Association's Management Committee and a Council Member at The Institute of Banking and Finance Singapore. He also serves as a Director at Prudential Singapore Holdings Pte. Limited and the Singapore College of Insurance.

Before joining Prudential, he spent 10 years at OCBC Bank, where he led a 3,100-strong consumer banking division as Head of Consumer Financial Services for seven years. In this role he drove the growth of OCBC's Premier Banking business in Singapore, Malaysia, Indonesia and China serving as Head of Branch and Group Premier Banking and being a member of OCBC Bank's Management Committee.

Dennis is Singaporean and holds a Bachelor of Science degree 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 also a Certified Financial Planner.

Chan San San

Chief Executive Officer
(Appointed 16 September 2024)

Chan San San is Chief Executive Officer of Prudential Singapore and was appointed in September 2024. She is responsible for the management and growth of the business in Singapore through its more than 1,200 employees and 5,400 financial representatives.

San San is a veteran banker with over 20 years of experience across consumer wealth and private banking. Prior to joining Prudential, San San was with Citi for 21 years, of which the last three years were with Citi Private Bank as Global Market Manager for the ultra high net worth (Singapore, Malaysia, Thailand) and high net worth (APAC) markets.

Her experience also included managing Citi's regional retail bank's Citigold Private Client business, Citibank Singapore's retail bank business, as well as its Wealth and Segments division to deliver robust growth across both consumer wealth and private banking. She began her banking career as a Management Associate with Citibank Singapore in 2003. Prior to Citi, she handled mergers and acquisitions at Singtel.

San San is Singaporean and holds a Bachelor of Accountancy with a Minor in Business Law (First Class Honours) from Nanyang Technological University. She has completed the Asian Financial Leaders Programme by the Human Capital Leadership Institute and Singapore Management University. She is a Chartered Financial Analyst charterholder.

Gaurav Bhalla

Chief Risk Officer

Gaurav Bhalla is Chief Risk Officer at Prudential Singapore and was appointed in November 2024. He oversees Enterprise Risk Management, Technology Risk Management, Compliance and Risk Analytics.

Gaurav is a seasoned insurance professional with more than 20 years of experience. Prior to joining Prudential Singapore, Gaurav led the Prudential Group Enterprise Risk, Capital and Model Risk oversight function, and was also part of the Group Risk Leadership team. He joined Prudential plc in London in 2012 as a senior member of the Group Capital Modelling function and then transitioned into a senior management role in the Group Risk Function in 2018.

Prior to Prudential, Gaurav was the Senior Portfolio Optimisation Manager for Flagstone Reinsurance Group and Capital Modelling Manager for ANV/Flagstone Syndicate. He led the team responsible for developing the Group dynamic financial analysis and portfolio optimisation models as well as performing regulatory capital reporting.

Gaurav is British and holds a post graduate degree in business management (MBA) from Indian School of Business. He is a Chartered Financial Analyst and Certified Financial Risk Manager.

Jackie Chew

Chief Operations Officer

Jackie Chew is Chief Operations Officer at Prudential Singapore and was appointed in November 2024. She is responsible for the life operations functions of the company including claims, new business and customer operations.

Prior to her appointment as Chief Operations Officer, Jackie was Chief Risk Officer overseeing Enterprise Risk Management, Technology Risk Management, and Compliance. She is a trained accountant who has more than 23 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 28 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. He is Singaporean and holds a Bachelor degree in Electrical Engineering from the National University of Singapore.

Dr Sidharth Kachroo

Chief Health Officer

Dr Sidharth Kachroo is Chief Health Officer at Prudential Singapore, and is responsible for providing solutions to achieve profitable and sustainable metrics for its Health Insurance business, to drive growth and innovation. In his role, he collaborates closely with diverse stakeholders to enhance distributor competencies, enable sales growth, and develop cutting-edge health propositions. His efforts focus on delivering innovative, customer-centric health solutions and services that align with the evolving needs of the market.

With over 21 years of extensive experience in healthcare insurance and re-insurance, Dr Sidharth has expertise across the health insurance value chain. Before joining Prudential Singapore, he held senior leadership roles at the Munich Re group and Paramount Health. He was responsible for providing specialised healthcare reinsurance solutions as well as overseeing areas such as health insurance product development, health underwriting, claims management, and health-tech innovations. He also has significant operational expertise in managing health knowledge process outsourcing and third-party administrators.

He is recognised as a thought leader in the health insurance industry, frequently speaking at global health insurance forums and contributing to discussions on advancing health insurance best practices. Since August 2024, he has served as the Convenor of the Health Insurance Sub-Committee at Life Insurance Association Singapore as well as a member of the Multilateral Health Insurance Committee formed by the Ministry of Health Singapore.

Dr Sidharth is a medical doctor by training and obtained his Doctor of Medicine degree from Vinnitsa Medical University in Ukraine.

Tomasz Kurczyk

Chief Information Technology Officer

Tomasz Kurczyk is Chief Information Technology Officer at Prudential Singapore and the Head of the Prudential Group AI Lab. He is responsible for the company's technology, data, and AI functions, and leads efforts in driving digital and AI capabilities to accelerate business growth and transformation.

Tomasz has over 19 years of experience building and growing businesses, products, and platforms to deliver tangible impact across multiple industries and geographies. He began his career as a serial entrepreneur, then established professional and leadership experience across multiple industries in over 20 countries. He has built and grown large-scale businesses, products, teams, and digital platforms in various industries, including over a decade in the insurance industry.

Before joining Prudential, Tomasz served as the Chief Digital and Transformation Officer at AXA in Singapore. In addition to his corporate roles, he is an active adviser to startups and an angel investor, contributing significantly to the development of the Singapore FinTech ecosystem.

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 in April 2023.

Neetha is passionate about creating enriching and inspiring people practices that enable individuals and organisations to achieve their goals. Prior to her current appointment, she was Head of Future Ready Workforce at Prudential Singapore. She joined the company in February 2018 as Head, HR Centre of Excellence, and successfully led Talent Acquisition, Strategic Workforce Planning, Learning and Development, Talent Management, People Analytics, Total Rewards and Performance Management.

Neetha has over 22 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. Prior to Prudential, Neetha was a Director at PwC, Singapore and New Zealand for 10 years and led the HR transformation practice.

Neetha is a Singapore permanent resident and holds a Masters in Business Administration (Human Resources) and Bachelors in Sociology (Honours).

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 23 years of insurance industry experience, Andreas has held regional and local CFO roles in markets across Asia including Korea, Singapore, Taiwan, Thailand, the Philippines.

Prior to joining Prudential Singapore in January 2018, Andreas has served as CFO at AIA Philam Life and AIA Korea. He was also 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 (known as Global Finance & Technology Network since October 2024), 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 Master's Degree in Mathematics from the FU University of Berlin, Germany and a PhD in Mathematics from the University of Bielefeld, Germany.

Ben Tan
Chief Distribution Officer

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

Ben has more than 28 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 in 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 Member of the Multilateral Healthcare Insurance Committee formed by the Ministry of Health Singapore, Member of the Financial Planning Industry Workgroup as well as Member of the Insurance Culture and Conduct Steering Committee at The Institute of Banking and Finance.

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

Jeff Ang
Chief Executive Officer, Prudential Financial Advisers Singapore

Jeff Ang is Chief Executive Officer at Prudential Financial Advisers Singapore and was appointed in July 2024. In his role, he manages our financial advisory arm to drive growth and business outcomes. PFA was established in April 2023 and grew steadily to more than 800 financial representatives in its first year of establishment.

Jeff took on the role of Deputy CEO of PFA in April 2024 before being appointed CEO. He joined Prudential Singapore in 2018 as Head of Enterprise Business and oversaw the provision of group insurance solutions to Prudential's corporate clients. Jeff is a Board Director of Prudential Financial Advisers Singapore Pte Ltd.

He has more than 20 years of experience in the insurance industry and had previously served as the Chief Agency Officer and Head of Bancassurance at AIA Taiwan and AIA Singapore respectively.

Jeff is a Singaporean and holds a Bachelor of Science in Finance & Economics (First Class Honours) from Lancaster University and a Master's degree in Finance from Cambridge University.

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 18 years of partnership distribution experience in both the banking and insurance industry.

Prior to joining Prudential Singapore in 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 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 Lee is Chief Agency Officer at Prudential Singapore and was appointed in September 2022. In his role, he manages our 5,400-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 leadership, 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 fresh from school and has been with the company ever since. Rom is Singaporean and holds a diploma in Mass Communications from Ngee Ann Polytechnic and is a SMU-AXSI Digital Finance Leader.

Liauw Lee Jiat
Chief Actuary and Appointed Actuary

Liauw Lee Jiat is Chief Actuary at Prudential Singapore and has been the Appointed Actuary since 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 over 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.

Sherwin Siregar
Chief Strategy & Transformation Officer

Sherwin Siregar is Chief Strategy & Transformation Officer at Prudential Singapore and was appointed in August 2024. In this role, he leads the alignment of the company's strategic vision with transformation initiatives, ensuring cohesive execution across business priorities to drive sustainable growth and value creation. He oversees the development and implementation of enterprise strategies, transformation roadmaps, and execution excellence to deliver impactful outcomes for various stakeholders.

Prior to this role, Sherwin was Head of the Transformation Office where he accelerated the launch of key strategic initiatives and established new ways of working across the organisation and with Group leadership. He was also previously Head of People Experience & Business Partnering, fostering strategic partnerships and driving cultural transformation, and Head of Distribution Business Management where he transformed agency incentive programmes to improve sales performance and productivity.

Before joining Prudential, Sherwin gained leadership experience in business growth and sales at companies such as Grab and Atlas Sound & Vision. Across his career, he has built a reputation for driving strategic change, empowering teams, and delivering results.

Sherwin is Singaporean and holds a Master of Business Administration (Strategy & Marketing) from the National University of Singapore, and a Bachelor of Business Studies with a Concentration in Information Technology (Honours) from Nanyang Technological University. He is a member of the Professional Practice committee of the Institute of HR Professionals.

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 2024.

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 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 2024, the Board comprises the Chairman, Mr Benjamin James Bulmer, and four non-executive directors, namely, Mr Tan Thean Oon Dennis, Prof Annie Koh, Mr Teo Teow Hock and Mr Simon Christopher John Machell. Further to the foregoing, there are three independent directors, namely 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.

Board/Committee Meetings and Attendance	Board Meetings (include two Adhoc Board Meeting and one Strategic Planning Meeting)	Board Risk Committee Meetings (include one Adhoc BRC Meeting)	Audit Committee Meetings (include one Adhoc AC Meeting)	Nomination and Remuneration Committee Meetings (include four Adhoc NRC Meeting)
Number of meetings held in 2024	7	5	7	6
Directors				
Benjamin James Bulmer	7	4	5	6
Tan Thean Oon Dennis	7	4	7	4
Annie Koh	7	5	7	6
Teo Teow Hock	7	5	7	6
Wan Mei Kit (Note 1)	0	0	0	0
Simon Christopher John Machell	7	5	7	6

Note 1: Stepped down as Non-Executive Director, Member of Audit Committee, Board Risk Committee and Nomination and Remuneration Committee with effect from 23 January 2024

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 proposes 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 2024, the Nomination and Remuneration Committee comprises Prof Annie Koh (Chairman), Mr Benjamin James Bulmer, Mr Teo Teow Hock, 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.

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 2024 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 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.

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 2024, the Board Risk Committee comprises Mr Simon Christopher John Machell (Chairman), Mr Tan Thean Oon Dennis, Prof Annie Koh, and Mr Teo Teow Hock. 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.

In 2024, the Board Risk Committee met four times and approved components of the risk management framework, including Prudential Singapore's Own Risk and Solvency Assessment (ORSA) Report and Recovery Plan. These components are also endorsed by the Risk Committee.

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.

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

Prudential Singapore wholly adopts the Group's risk policies, which set out the specific requirements and fundamental principles for risk management within the Group Risk Management Framework. The policies are reviewed against local requirements (e.g. regulatory requirements) at least once annually. There are core risk policies for insurance, market, liquidity, credit, and operational risks.

Risks are categorised as shown below:

Risk type	Definition
Financial Risks	
Product and Insurance Risk	The risk of negative impacts resulting from 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 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 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).

Risk type	Definition
Non-financial Risks	
Operational Risk	The risk of loss (or unintended gain/profit) arising from inadequate or failed internal processes, or from personnel and systems, or from external events (other than those external events covered under Business Environment Risk).
Business Environment Risk	Exposure to forces in the external environment that could significantly change the fundamentals that drive the business's overall objectives and 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's capabilities.
Conduct and Regulatory Compliance Risk	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 Risk	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 have been considered by the Risk Committee during the year, and Prudential Singapore's approaches to managing the financial risks are described in note 5 of the Financial Statements.

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 2024, the AC comprises Mr Teo Teow Hock (Chairman), 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 2024 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). The GCIA reports functionally to the Committee Chair and has direct access to the Chair of the Board and to the Chief Executive Officer. In turn, the GCIA is directly responsible for the internal audit of Prudential entities throughout the Asia and Africa region. Being a group-wide function, the appointment, remuneration, resignation or dismissal of the GCIA is made by the Group Audit Committee (AC).

The scope and role of GwIA's 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" as well as any local requirements. 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 Audit 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.

GwIA will prepare and present the annual audit plans to the Group AC, as well as the AC of various Prudential entities, including Prudential Singapore, for approval. A formal reassessment of the audit plan will be conducted at the half-year to reflect topical control issues, changes in risk profile and/or regulatory focus and business initiatives.

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.

DIRECTORS' STATEMENT

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 2024.

In our opinion:

(a) the financial statements set out on pages 52 to 129 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2024 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:

Tan Thean Oon Dennis	
Chan San San	(Appointed on 20 Mar 2025)
Benjamin James Bulmer	(Resigned on 17 Mar 2025)
Wan Mei Kit	(Resigned on 23 Jan 2024)
Annie Koh	
Teo Teow Hock	
Simon Christopher John Machell	

Directors' interests in shares and debentures

The Registrar of Companies, Accounting and Corporate Regulatory Authority, has made an order under section 202(2) of the Companies Act 1967 (Companies (Relief for Company Directors under section 202(2)) Order 2024) which came into operation on 9 December 2024 to relieve non-listed public companies and private companies from disclosing the directors' interests in shares in, or debentures of, the company and its related corporations on the condition that the directors declare in the directors' statement that every member of the company has consented to the directors' statement not containing the information set out in item 9 of the Twelfth Schedule to the Companies Act 1967.

Prudential Singapore Holdings Pte. Limited, the sole member of the Company, has consented to the Directors' Statement not containing the information set out in Item 9 of the Twelfth Schedule to the Companies Act 1967.

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

Share options

During the financial year, there were:

(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

Chan San San
Director

21 March 2025

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024

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 2024, 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 2024 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 52 to 53, 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.

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
Public Accountants and
Chartered Accountants

Singapore
21 March 2025

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	31 Dec 2024 $'000	31 Dec 2023 $'000
Assets			
Property and equipment	6	92,469	64,135
Intangible assets	7	258,904	261,611
Right-of-use assets	8	26,851	34,117
Investments			
– Equity securities	9	13,957,656	10,392,844
– Debt securities	9	15,797,293	16,731,953
– Collective investment schemes	9	28,486,321	25,659,634
– Derivative financial instruments	9	97,466	433,304
Insurance contract assets	10	1,379,638	1,266,134
Reinsurance contract assets	10	1,653,817	415,933
Other receivables	12	362,923	414,117
Cash and cash equivalents	11	483,739	433,662
Total assets		**62,597,077**	**56,107,444**
Liabilities			
Insurance contract liabilities	10	56,372,906	50,726,337
Reinsurance contract liabilities	10	406,489	422,776
Other payables	13	708,807	801,323
Derivative liabilities	14	658,325	156,571
Provision for tax		105,045	169,530
Deferred tax liabilities	15	536,256	431,404
Lease liabilities	16	27,701	35,522
Total liabilities		**58,815,529**	**52,743,463**
Net assets		**3,781,548**	**3,363,981**
Equity			
Share capital	17	526,557	526,557
Retained earnings	18	3,254,991	2,837,424
Total equity		**3,781,548**	**3,363,981**

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

STATEMENT OF COMPREHENSIVE INCOME

As at 31 December 2024

	Note	2024 $'000	2023 $'000
Insurance revenue	19	2,996,106	2,652,102
Insurance service expense			
– Claims incurred		(1,189,773)	(902,513)
– Directly attributable expenses incurred	21	(361,206)	(372,358)
– Amortisation of insurance acquisition cash flows		(681,769)	(582,695)
– Other insurance service expenses		102,190	(41,981)
Net income/(expense) from reinsurance contracts held	10.3	13,454	(22,883)
Insurance service result		879,002	729,672
Investment income	20	4,919,248	3,711,971
Finance expenses for insurance contracts issued	20	(4,916,509)	(3,577,983)
Finance income for reinsurance contracts held	20	71,293	10,374
Net investment result		74,032	144,362
Other income		336	165
Other operating expenses	21	(23,605)	(29,478)
Other income and expenses		(23,269)	(29,313)
Profit before tax		929,765	844,721
Tax expense	22	(231,998)	(226,804)
Profit for the year		697,767	617,917
Total comprehensive income for the year		**697,767**	**617,917**

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

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Note	Share capital $'000	Retained earnings $'000	Total $'000
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**
At 1 January 2024		526,557	2,837,424	3,363,981
Total comprehensive income for the year				
Profit for the year		–	697,767	697,767
Transactions with owner, recorded directly in equity				
Dividends to equity holder	18	–	(280,200)	(280,200)
Total transactions with owner		–	417,567	417,567
At 31 December 2024		**526,557**	**3,254,991**	**3,781,548**

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

STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Profit before tax		929,765	844,721
Adjustments for:			
Depreciation of property and equipment	6	13,353	14,199
Net amortisation of intangible assets	7	4,120	(2,563)
Depreciation on ROU assets	8	24,538	22,824
Fair value (gain)/loss of property and equipment	6	–	–
Interest and other investment income		(1,302,675)	(1,145,637)
Investment realised (gain)/loss		(1,223,807)	327,688
Investment unrealised (gain)/loss		(2,383,778)	(2,876,431)
Rental income	20	(1,221)	(1,221)
Interest expense on lease liabilities	8	1,612	1,383
Modification or derecognition of lease asset/liabilities		1,612	1,360
		(4,866,246)	(3,658,398)
Changes in operating assets and liabilities:			
Other receivables		84,813	(55,022)
Pre-recognition of non-acquisition cash flow assets		17	1
Pre-recognition of non-acquisition cash flow liabilities		(76)	(23)
Accruals and deferred income		(423,192)	(10,562)
Other payables		330,751	(1,709)
Insurance contract assets		(113,504)	(71)
Reinsurance contract assets		(1,237,884)	(154,336)
Insurance contract liabilities		5,646,569	3,928,231
Reinsurance contract liabilities		(16,287)	(76,548)
Cash generated from operations		334,726	816,284
Income taxes paid		(191,631)	(119,227)
Net cash from operating activities		**143,095**	**697,057**
Cash flows from investing activities			
Dividends received		712,886	536,589
Interest received		556,153	596,557
Rental income	20	1,221	1,221
Purchase of property and equipment	6	(42,894)	(28,060)
Proceeds from disposal of property and equipment	6	1,207	6,873
Net purchase of intangible asset		(1,413)	8,429
Net purchase of investment		(1,011,662)	(2,054,592)
Net cash from/(used in) investing activities		**215,498**	**(932,983)**
Cash flow from financing activities			
Dividends paid	18	(280,200)	(168,200)
Payment of lease liabilities	16	(26,704)	(26,507)
Interest paid on lease liabilities	16	(1,612)	(1,383)
Net cash used in financing activities		**(308,516)**	**(196,090)**
Net increase/(decrease) in cash and cash equivalents		50,077	(432,016)
Cash and cash equivalents at beginning of the year		433,662	865,678
Cash and cash equivalents at end of the year		**483,739**	**433,662**
Cash and cash equivalents comprise:			
Cash at bank and in hand, including short-term time deposits	11	432,048	242,430
Cash collaterals received	11	51,691	191,232
		483,739	**433,662**

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 21 March 2025.

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 future changes to material accounting policy information due to new and/or amendments to accounting standard is 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 that forms part of the underlying items 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 following amendments to FRSs are not expected to have a significant impact on the Company's financial statements.

- FRS 118: *Presentation and disclosure in Financial Statements*
- Amendments to FRS 109 and FRS 107: *Amendments to the classification and measurement of financial instruments*
- FRS 119: *Subsidiaries without Public Accountability: Disclosures*
- Amendments to FRS 109 and FRS 107: *Contracts Referencing Nature-dependent Electricity*
- Annual Improvement to FRS: *Various*

3. Material accounting policy information

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.

(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.

3. Material accounting policy information (continued)

(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.

(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.

3. Material accounting policy information (continued)

(b) Insurance contracts (continued)

(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.

(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.

3. Significant accounting policies (continued)

(b) Insurance contracts (continued)

(vi) Initial measurement (continued)

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.

(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.

3. Significant accounting policies (continued)

(b) Insurance contracts (continued)

(vii) Subsequent measurement (continued)

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.

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.

3. Significant accounting policies (continued)

(b) Insurance contracts (continued)

(vii) Subsequent measurement (continued)

Contract type	Description and material features	Measurement model
Health and protection	In addition to supplementary health 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.

The fair value of underlying items of the Company's direct participating contracts at 31 December 2024, is $52.7 billion (31 December 2023: $46.8 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.

3. Material accounting policy information (continued)

(b) Insurance contracts (continued)

(viii) Derecognition and Contract Modification

An insurance contract is derecognised when:

– 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

(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.

3. Material accounting policy information (continued)

(b) Insurance contracts (continued)

(ix) Reinsurance contracts held

The Company cedes certain business to other reinsurance companies. Although the ceding of insurance does not relieve the Company from its liability to its policyholders, the Company participates in such agreements primarily for the purpose of managing its loss exposure and optimizing capital efficiency.

The Company cedes insurance and investment risk to limit exposure to underwriting losses and investment performance volatility 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.

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.

3. Material accounting policy information (continued)

(b) Insurance contracts (continued)

(x) Presentation and Disclosure

Insurance Revenue
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.

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.

Insurance service expenses
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.

Net insurance and reinsurance finance income (expense)
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.

3. Material accounting policy information (continued)

(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.

(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 forms part of the underlying items, is stated at fair value.

When FRS 117 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 that are underlying items at fair value through profit or loss. As a result, owner-occupied property held within Singapore participating fund that is valued under VFA is measured at fair value.

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 in the underlying items 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:

Leasehold property	over the remaining useful life
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.

3. Material accounting policy information (continued)

(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.

(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

The Company's accounting policies for classification and measurement of financial instruments and impairment of financial assets in accordance with FRS 109 'Financial Instruments' 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.

3. Material accounting policy information (continued)

(f) Financial Instruments (continued)

Classification and Measurement of Financial Liabilities

(i) 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.

(ii) 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 and accounted 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.

3. Material accounting policy information (continued)

(g) Impairment of financial assets

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 credit risk on a financial instrument has not increased significantly since initial recognition, a loss allowance for 12-month expected credit losses is recognised. All deposits with financial institutions and cash and bank balances are covered under general approach.

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.

3. Material accounting policy information (continued)

(g) Impairment of financial assets (continued)

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 3.63 % to 6.82 % (2023: 3.48 % to 7.90 %) 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.

(h) 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.

3. Material accounting policy information (continued)

(h) Leases (continued)

As a lessee (continued)

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.

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.

3. Material accounting policy information (continued)

(h) Leases (continued)

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.

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'.

(i) 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.

(j) 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.

3. Material accounting policy information (continued)

(j) Tax (continued)

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.

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.

The Company applies the mandatory exception from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to SFRS 12 issued In May 2023.

In 2024, legislation was enacted in Singapore to introduce with effect from 1 January 2025 the Organisation for Economic Cooperation and Development's ("OECD") Pillar Two global minimum tax rules and qualified domestic minimum tax, both at a rate of 15 per cent. No material impact to the Company's tax charge for the 2025 financial year is expected based on Management's assessment. This assessment considers a number of factors including whether the transitional safe harbour is expected to apply based on the most recent filings of tax returns, country by country reporting and the financial statements of the Company.

(k) 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.

3. Material accounting policy information (continued)

(k) Other revenue and expenditure recognition (continued)

(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.

(l) 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.

(m) 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.

(n) 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.

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.

(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)

Determination of fulfilment cashflows used in the measurement of insurance and reinsurance contract assets and liabilities (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.

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 fulfilment cashflows used in the measurement of insurance and reinsurance contract assets and liabilities (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 2024 (%)				
	1 year	5 years	10 years	15 years	20 years
Singapore dollar (SGD)	2.67 to 3.37	2.79 to 3.40	2.89 to 3.51	2.93 to 3.55	2.84 to 3.45
United States dollar (USD)	4.20 to 4.52	4.44 to 4.76	4.66 to 4.98	4.89 to 5.21	5.02 to 5.35

	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

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.

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.

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.

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% (2023: 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.

4. Critical accounting estimates and judgements in applying accounting policies (continued)

(a) Insurance contract liabilities (continued)

(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

Variable	Change in variable	Net effect on shareholders' equity* Gross of reinsurance 2024 $'000	Net effect on shareholders' equity* Net of reinsurance 2024 $'000	Contractual service margin Gross of reinsurance 2024 $'000	Contractual service margin Net of reinsurance 2024 $'000
Expenses	+10%	(14,587)	(14,274)	(118,663)	(118,032)
Expenses	-10%	14,396	13,829	118,740	118,437
Lapse rates	+10%	(41,365)	(42,033)	(503,313)	(519,271)
Lapse rates	-10%	48,939	49,457	602,973	620,708
Mortality and morbidity	+5%	(32,792)	(22,042)	(245,981)	(168,128)
Mortality and morbidity	-5%	32,557	21,518	247,270	169,153

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

Variable	Change in variable	Net effect on shareholders' equity* Gross of reinsurance 2023 $'000	Net effect on shareholders' equity* Net of reinsurance 2023 $'000	Contractual service margin Gross of reinsurance 2023 $'000	Contractual service margin 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.*

(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 205% (2023: 191%).

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.

5. Capital, insurance and financial risk management (continued)

(b) Insurance risk (continued)

Risks that are specific to the various types of insurance contracts are elaborated below.

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 2024, the minimum condition liability, which includes only guaranteed benefits, is $23.5 billion (2023: $22.5 billion) and is significantly below the policy assets of $41.0 billion (2023: $36.7 billion). The corresponding policy liability, which would include future bonuses at a level which meets policyholders' reasonable expectations, is $34.7 billion (2023: $33.5 billion). The policy assets in excess of the policy liabilities, amounting to $6.3 billion (2023: $3.2 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.

5. Capital, insurance and financial risk management (continued)

(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.

(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

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.

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.

5. Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(i) Market risk (continued)

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
2024				
Financial Assets				
Equity securities	–	–	13,957,656	13,957,656
Debt securities	14,159,909	1,637,384	–	15,797,293
Collective investment schemes	–	–	28,486,321	28,486,321
Derivative financial instruments	–	–	97,466	97,466
Other receivables	–	–	330,433	330,433
Cash and cash equivalents	483,736	–	3	483,739
	14,643,645	**1,637,384**	**42,871,879**	**59,152,908**
Financial Liabilities				
Other payables	(51,691)	–	(657,116)	(708,807)
Derivative financial instruments	–	–	(658,325)	(658,325)
	(51,691)	**–**	**(1,315,441)**	**(1,367,132)**
2023				
Financial 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	–	–	382,650	382,650
Cash and cash equivalents	433,659	–	3	433,662
	15,677,293	**1,488,319**	**36,868,435**	**54,034,047**
Financial Liabilities				
Other payables	(191,232)	–	(610,091)	(801,323)
Derivative financial instruments	–	–	(156,571)	(156,571)
	(191,232)	**–**	**(766,662)**	**(957,894)**

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 2024 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.

	31 December 2024		31 December 2023	
	Decrease of 0.5% $'000	Increase of 1% $'000	Decrease of 0.5% $'000	Increase of 1% $'000
Interest rates and consequential effects				
Financial assets	1,436,145	(2,872,253)	1,527,102	(3,054,203)
Net insurance contract liabilities	1,020,287	(2,090,608)	1,114,491	(2,259,911)
Contractual service margin	(157,839)	59,805	(85,062)	40,994
Net effect on shareholders' equity*	345,162	(648,765)	342,466	(659,263)

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

	31 December 2024		31 December 2023	
	Decrease of 20% $'000	Increase of 10% $'000	Decrease of 20% $'000	Increase of 10% $'000
Equity market values and consequential effects				
Financial assets	(5,380,896)	2,690,474	(4,363,645)	2,181,823
Net insurance contract liabilities	(5,277,411)	2,650,651	(4,274,355)	2,145,011
Contractual service margin	(712,402)	233,925	(549,448)	189,989
Net effect on shareholders' equity*	(85,893)	33,053	(74,111)	30,554

**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
2024						
Assets						
Property and equipment	92,469	–	–	–	–	92,469
Intangible assets	258,904	–	–	–	–	258,904
Right-of-use assets	26,851	–	–	–	–	26,851
Investments						
– Equity securities	2,129,249	5,854,443	569,921	1,059,313	4,344,730	13,957,656
– Debt securities	8,349,592	7,379,557	24,613	–	43,531	15,797,293
– Collective investment schemes	11,162,042	15,236,114	1,624,772	28,570	434,823	28,486,321
– Derivative financial instruments	902,795	1,096,342	(954,016)	–	(947,655)	97,466
Insurance contract assets	1,380,294	(656)	–	–	–	1,379,638
Reinsurance contract assets	8,272	1,645,545	–	–	–	1,653,817
Other receivables	162,122	190,435	1,272	471	8,623	362,923
Cash and cash equivalents	189,741	256,984	6,287	6,732	23,995	483,739
	24,662,331	**31,658,764**	**1,272,849**	**1,095,086**	**3,908,047**	**62,597,077**
Liabilities						
Insurance contract liabilities	(54,971,626)	(1,401,280)	–	–	–	(56,372,906)
Reinsurance contract liabilities	(406,181)	(308)	–	–	–	(406,489)
Other payables	(456,232)	(241,981)	(794)	(3,420)	(6,380)	(708,807)
Derivative financial instruments	17,158,316	(16,910,430)	(788,496)	–	(117,715)	(658,325)
Provision for tax	(105,045)	–	–	–	–	(105,045)
Deferred tax liabilities	(536,256)	–	–	–	–	(536,256)
Lease liabilities	(27,701)	–	–	–	–	(27,701)
	(39,344,725)	**(18,553,999)**	**(789,290)**	**(3,420)**	**(124,095)**	**(58,815,529)**

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
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)

The sensitivity analysis below shows the foreign currency impact on the Company's Financial and Insurance assets:

Foreign currency transactions and consequential effects

	USD		EUR		HKD	
	Decrease of 5% $'000	Increase of 5% $'000	Decrease of 5% $'000	Increase of 5% $'000	Decrease of 5% $'000	Increase of 5% $'000
2024						
Financial assets	(652,668)	652,668	(24,168)	24,168	(54,607)	54,607
Net insurance contract liabilities	(637,876)	637,876	(23,972)	23,972	(54,071)	54,071
Contractual service margin	(61,304)	61,304	(2,281)	2,281	(5,835)	5,835
Net effect on shareholders' equity*	(12,278)	12,278	(163)	163	(444)	444
2023						
Financial assets	(654,693)	654,693	(19,864)	19,864	(40,060)	40,060
Net insurance contract liabilities	(632,668)	632,668	(19,701)	19,701	(39,658)	39,658
Contractual service margin	(55,756)	55,756	(1,892)	1,892	(4,382)	4,382
Net effect on shareholders' equity*	(18,281)	18,281	(136)	136	(334)	334

**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)

(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
2024					
Assets					
Investments					
– Equities	–	–	–	13,957,656	13,957,656
– Debt securities	508,452	1,991,722	13,297,119	–	15,797,293
– Collective investment schemes	–	–	–	28,486,321	28,486,321
– Derivative financial instruments	81,108	16,358	–	–	97,466
Other receivables	360,218	2,252	453	–	362,923
Cash and cash equivalents	483,736	–	–	3	483,739
	1,433,514	**2,010,332**	**13,297,572**	**42,443,980**	**59,185,398**
Liabilities					
Other payables	(704,401)	(4,406)	–	–	(708,807)
Derivative financial instruments	(508,838)	(149,487)	–	–	(658,325)
Lease liabilities	(9,995)	(17,311)	(395)	–	(27,701)
	(1,223,234)	**(171,204)**	**(395)**	**–**	**(1,394,833)**

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
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)**

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. At 31 December 2024, the amounts payable on demand from insurance contracts are $42.3 billion (2023: $39.6 billion).

	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
2024							
Expected cash flows							
Insurance contract liabilities	1,350,537	1,701,821	2,184,669	2,448,698	2,555,997	42,175,502	52,417,224
Reinsurance contract liabilities	176,425	65,254	28,313	6,080	4,956	(85,326)	195,702
	1,526,962	**1,767,075**	**2,212,982**	**2,454,778**	**2,560,953**	**42,090,176**	**52,612,926**
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**

5. Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(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.

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
2024						
Debt securities						
– Government bonds	6,056,452	178,454	179,502	249,817	–	6,664,225
– Corporate and other bonds	725,668	954,718	4,717,955	2,684,557	50,170	9,133,068
Reinsurance contract assets (Expected cash flows)	–	271,836	1,512,705	–	–	1,784,541
Other receivables	–	204	1,919	–	360,800	362,923
Cash and cash equivalents	–	52,932	430,804	–	3	483,739
	6,782,120	**1,458,144**	**6,842,885**	**2,934,374**	**410,973**	**18,428,496**
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**

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.

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 (2023: none past due).

5. Capital, insurance and financial risk management (continued)

(c) Financial risk (continued)

(iv) Credit risk (continued)

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.

	Notional amount (Assets) $'000	Notional amount (Liabilities) $'000	Positive revaluation $'000	Negative revaluation $'000
2024				
Forward exchange contracts	4,104,050	19,972,196	82,173	(625,513)
Futures contracts	1,300,749	1,127,276	15,107	(32,812)
Currency swap contracts	–	–	–	–
Interest rate swap contracts	–	–	–	–
Warrants	263	–	26	–
Options	13,099	–	160	–
	5,418,161	**21,099,472**	**97,466**	**(658,325)**
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)**

5. Capital, insurance and financial risk management (continued)

(d) Estimation of fair values (continued)

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).

Financial assets and financial liabilities carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2024				
Equity securities	13,799,442	2	158,212	13,957,656
Debt securities	14,540,103	1,257,190	–	15,797,293
Collective investment schemes	24,232,590	2,872,670	1,381,061	28,486,321
Derivative financial assets	15,293	82,173	–	97,466
Derivative financial liabilities	(32,812)	(625,513)	–	(658,325)
	52,554,616	**3,586,522**	**1,539,273**	**57,680,411**
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**

5. Capital, insurance and financial risk management (continued)

(d) Estimation of fair values (continued)

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 2024	150,136	–	1,087,556	1,237,692
Net gains/(losses) included in profit or loss for the year presented in investment income	7,701	–	(9,779)	(2,078)
Purchases	–	–	481,592	481,592
Sales	–	–	(178,308)	(178,308)
Transfers	375	–	–	375
At 31 December 2024	**158,212**	**–**	**1,381,061**	**1,539,273**
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**

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 $375,000 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.

5. Capital, insurance and financial risk management (continued)

(d) Estimation of fair values (continued)

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.

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.

5. Capital, insurance and financial risk management (continued)

(d) Estimation of fair values (continued)

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
2024						
Financial assets						
Amount due from related companies (non-insurance)	12	17,734	(12,191)	5,543	–	5,543
Other receivables	12	119,887	–	119,887	(36,392)	83,495
		137,621	(12,191)	125,430	(36,392)	89,038
Financial liabilities						
Amount due to related companies (non-insurance)	13	(92,313)	12,191	(80,122)	–	(80,122)
Other payables and accrued expenses	13	(544,455)	–	(544,455)	36,392	(508,063)
		(636,768)	**12,191**	**(624,577)**	**36,392**	**(588,185)**
2023						
Financial assets						
Amount due from related companies (non-insurance)	12	8,408	(7,580)	828	–	828
Other receivables	12	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)**

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 Fair Value	Leasehold property $'000 Cost	Office equipment $'000 Cost	Computer equipment $'000 Cost	Motor vehicles $'000 Cost	Office renovations $'000 Cost	Total $'000
Fair Value/Cost							
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**
At 1 January 2024	36,000	–	5,906	124,000	511	36,191	202,608
Additions	–	26,500	52	15,563	360	419	42,894
Disposals	–	–	–	(4,178)	(305)	–	(4,483)
Fair value changes	–	–	–	–	–	–	–
At 31 December 2024	**36,000**	**26,500**	**5,958**	**135,385**	**566**	**36,610**	**241,019**
Accumulated depreciation							
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**
At 1 January 2024	–	–	5,228	99,770	511	32,964	138,473
Depreciation charge for the year	–	81	224	11,384	12	1,652	13,353
Disposals	–	–	–	(2,678)	(305)	–	(2,983)
Adjustments	–	–	–	(293)	–	–	(293)
At 31 December 2024	**–**	**81**	**5,452**	**108,183**	**218**	**34,616**	**148,550**
Carrying amounts							
At 31 December 2023	**36,000**	**–**	**678**	**24,230**	**–**	**3,227**	**64,135**
At 31 December 2024	**36,000**	**26,419**	**506**	**27,202**	**348**	**1,994**	**92,469**

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 2024 and 31 December 2023. 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 measured at fair value is classified as Level 2 in the fair value hierarchy.

The change in the fair value in 2024 is NIL (2023: NIL) 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 2023	231,279	121,865	353,144
Net additions	–	(8,429)	(8,429)
At 31 December 2023	231,279	113,436	344,715
Net additions	–	1,413	1,413
At 31 December 2024	**231,279**	**114,849**	**346,128**
Accumulated amortisation			
At 1 January 2023	–	85,667	85,667
Net amortisation charge for the year	–	(2,563)	(2,563)
At 31 December 2023	–	83,104	83,104
Net amortisation charge for the year	–	4,120	4,120
At 31 December 2024	**–**	**87,224**	**87,224**
Carrying amounts			
At 31 December 2023	**231,279**	**30,332**	**261,611**
At 31 December 2024	**231,279**	**27,625**	**258,904**

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.

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 2024 $'000	Office space 2023 $'000
Balance at 1 January	34,117	72,588
Depreciation charge for the year	(24,538)	(22,824)
Additions to right-of-use assets	17,272	8,263
Derecognition of right-of-use assets	–	(23,910)
Balance at 31 December	**26,851**	**34,117**

Right-of-use assets are non-current assets.

Amounts recognised in profit or loss

	2024 $'000	2023 $'000
Lease under FRS 116		
Depreciation on ROU assets	**24,538**	**22,824**
Interest on lease liabilities	**1,612**	**1,383**

Amounts recognised in statement of cash flows

	2024 $'000	2023 $'000
Total cash outflow for leases	**26,704**	**26,507**

9. Investments

	Note	2024 $'000	2023 $'000
Mandatorily measured at FVTPL			
Equity securities			
– Listed equity securities		13,799,816	10,242,705
– Unlisted equity securities		157,840	150,139
		13,957,656	10,392,844
Debt securities			
– Government bonds		6,664,225	7,560,474
– Listed corporate and other bonds		9,016,651	9,054,288
– Unlisted corporate and other bonds		116,417	117,191
		15,797,293	16,731,953
Collective investment schemes		28,486,321	25,659,634
Derivative financial instruments	5(d)	97,466	433,304
Total investments		**58,338,736**	**53,217,735**
Current portion		43,033,537	38,800,303
Non-current portion		15,305,199	14,417,432
		58,338,736	**53,217,735**

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	
2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 %	2023 %
46,495	**19,994**	**48,268**	**20,994**	**104**	**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:

	2024 $'000	2023 $'000
Insurance contract liabilities	56,372,906	50,726,337
Insurance contract assets	(1,379,638)	(1,266,134)
Total insurance contracts issued	**54,993,268**	**49,460,203**
Reinsurance contract assets	(1,653,817)	(415,933)
Reinsurance contract liabilities	406,489	422,776
Total reinsurance contracts held	**(1,247,328)**	**6,843**

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
2024							
Contractual service margin							
Insurance contract	609,641	545,975	496,084	450,564	409,463	3,897,844	6,409,571
Reinsurance contract	30,324	31,931	27,830	24,382	21,836	225,338	361,641
	639,965	**577,906**	**523,914**	**474,946**	**431,299**	**4,123,182**	**6,771,212**
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**

10. Insurance and reinsurance contracts (continued)

10.1 Movements in life insurance contract issued by remaining coverage and incurred claims

	2024				
	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	50,072,284	255,072	398,981	–	50,726,337
Insurance contract assets as at 1 Jan	(1,379,357)	13,016	140,309	(40,102)	(1,266,134)
Total insurance contracts issued as at 1 Jan	**48,692,927**	**268,088**	**539,290**	**(40,102)**	**49,460,203**
Insurance revenue					
– Contracts measured under the fair value approach	(605,060)	–	–	–	(605,060)
– Other contracts	(2,391,046)	–	–	–	(2,391,046)
	(2,996,106)	–	–	–	(2,996,106)
Insurance service expense					
– Incurred claims and other directly attributable expenses	–	–	1,550,979	–	1,550,979
– Amortisation of insurance acquisition cash flows	681,769	–	–	–	681,769
– Losses or reversal of losses on onerous contracts	–	(11,911)	–	–	(11,911)
– Adjustments to liability for incurred claims	–	–	(90,279)	–	(90,279)
	681,769	(11,911)	1,460,700	–	2,130,558
Investment components and premium refunds	(4,061,296)	–	4,061,296	–	–
Net finance expenses from insurance contracts	4,895,643	15,704	5,162	–	4,916,509
Pre-recognition asset/liability movements	(2,621)	–	–	2,621	–
Total amount recognised in statement of comprehensive income	**(1,482,611)**	**3,793**	**5,527,158**	**2,621**	**4,050,961**
Other changes	(57,238)	13,622	(25,901)	(6,492)	(76,009)
Cash flows					
Premiums received	8,056,134	–	–	–	8,056,134
Insurance acquisition cash flows	(1,078,131)	–	–	–	(1,078,131)
Incurred claims and other insurance service expenses paid	–	–	(5,419,890)	–	(5,419,890)
Total cash flows	6,978,003	–	(5,419,890)	–	1,558,113
Insurance contract liabilities as at 31 Dec	55,646,736	267,097	459,073	–	56,372,906
Insurance contract assets as at 31 Dec	(1,515,655)	18,406	161,584	(43,973)	(1,379,638)
Total insurance contracts issued as at 31 Dec	**54,131,081**	**285,503**	**620,657**	**(43,973)**	**54,993,268**

Notes
(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)

10.2 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**

Notes
(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

	2024			
	Assets for remaining coverage			
	Excluding loss component $'000	Loss recovery component $'000	Amounts recoverable for incurred claims $'000	Total $'000
Reinsurance contract liabilities as at 1 Jan	441,075	(10,761)	(7,538)	422,776
Reinsurance contract assets as at 1 Jan	(399,496)	(9,527)	(6,910)	(415,933)
Total reinsurance contracts held as at 1 Jan	**41,579**	**(20,288)**	**(14,448)**	**6,843**
Net expense from reinsurance contracts held				
– Allocation of reinsurance premiums paid	189,832	–	–	189,832
– Recoveries of incurred claims and other insurance service expenses	–	–	(127,689)	(127,689)
– Changes in estimates for underlying contract that do not adjust CSM	–	(20,356)	–	(20,356)
– Changes in amounts recoverable arising from changes in liability for incurred claims	–	–	(14,461)	(14,461)
– Current period reinsurance premium and other adjustment	(8,730)	–	–	(8,730)
– Release to profit and loss	(32,050)	–	–	(32,050)
Net expense from reinsurance contracts held	149,052	(20,356)	(142,150)	(13,454)
– Investment components and premium refunds	112,408	–	(112,408)	–
– Net finance (income)/expense from reinsurance contracts	(71,013)	(704)	424	(71,293)
Total amount recognised in statement of comprehensive income	**190,447**	**(21,060)**	**(254,134)**	**(84,747)**
Other changes	308	–	–	308
Cash flows				
Premiums paid net of ceding commission	(1,511,317)	–	–	(1,511,317)
Recoveries from reinsurance	–	–	341,585	341,585
Total cash flows	(1,511,317)	–	341,585	(1,169,732)
Reinsurance contract liabilities as at 31 Dec	313,181	(15,427)	108,735	406,489
Reinsurance contract assets as at 31 Dec	(1,592,164)	(25,920)	(35,733)	(1,653,817)
Total reinsurance contracts held as at 31 Dec	**(1,278,983)**	**(41,347)**	**73,002**	**(1,247,328)**

Notes

(i) Other changes include movements in reinsurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from reinsurance 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 (continued)

	2023			
	Assets for remaining coverage			
	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
Reinsurance contract assets as at 1 Jan	(205,524)	(6,153)	(49,920)	(261,597)
Total reinsurance contracts held as at 1 Jan	**326,094**	**(11,426)**	**(76,941)**	**237,727**
Net expense from reinsurance contracts held				
– Allocation of reinsurance premiums paid	120,604	–	–	120,604
– Recoveries of incurred claims and other insurance service expenses	–	–	(78,319)	(78,319)
– Changes in estimates for underlying contract that do not adjust CSM	–	(9,107)	–	(9,107)
– Changes in amounts recoverable arising from changes in liability for incurred claims	–	–	(11,916)	(11,916)
– Current period reinsurance premium and other adjustment	11,276	–	–	11,276
– Release to profit and loss	(9,655)	–	–	(9,655)
Net expense from reinsurance contracts held	122,225	(9,107)	(90,235)	22,883
– Investment components and premium refunds	(176)	–	176	–
– Net finance (income)/expense from reinsurance contracts	(10,306)	245	(313)	(10,374)
Total amount recognised in statement of comprehensive income	**111,743**	**(8,862)**	**(90,372)**	**12,509**
Other changes	–	–	–	–
Cash flows				
Premiums paid net of ceding commission	(396,258)	–	–	(396,258)
Recoveries from reinsurance	–	–	152,865	152,865
Total cash flows	(396,258)	–	152,865	(243,393)
Reinsurance contract liabilities as at 31 Dec	441,075	(10,761)	(7,538)	422,776
Reinsurance contract assets as at 31 Dec	(399,496)	(9,527)	(6,910)	(415,933)
Total reinsurance contracts held as at 31 Dec	**41,579**	**(20,288)**	**(14,448)**	**6,843**

Notes

(i) Other changes include movements in reinsurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from reinsurance contract asset/liability balance, and other model changes.

10. Insurance and reinsurance contracts (continued)

10.4 Movements in life insurance contract issued balances by measurement components

	2024				
	Estimates of the present value of cash flows $'000	Risk Adjustment $'000	Contractual service margin $'000	Assets for insurance acquisition cash flows $'000	Total $'000
Insurance contract liabilities as at 1 Jan	46,946,918	220,321	3,559,098	–	50,726,337
Insurance contract assets as at 1 Jan	(4,240,348)	685,858	2,328,458	(40,102)	(1,266,134)
Total insurance contracts issued as at 1 Jan	**42,706,570**	**906,179**	**5,887,556**	**(40,102)**	**49,460,203**
Changes that relate to future services					
– Changes in estimates that adjust the CSM	(638,583)	125,266	513,317	–	–
– Changes in estimates that result in losses or reversal of losses on onerous contracts	(5,858)	718	–	–	(5,140)
– Contracts initially recognised in the period	(691,108)	60,146	631,568	2,621	3,227
	(1,335,549)	186,130	1,144,885	2,621	(1,913)
Changes that relate to current service					
– Release of CSM to profit or loss	–	–	(642,540)	–	(642,540)
– Experience adjustments	(43,586)	–	–	–	(43,586)
– Change in RA for non-financial risk	–	(87,230)	–	–	(87,230)
	(43,586)	(87,230)	(642,540)	–	(773,356)
Changes that relate to past service					
– Adjustments to liabilities for incurred claims	(90,279)	–	–	–	(90,279)
Net finance expenses from insurance contracts	4,773,710	33,724	109,075	–	4,916,509
Total amount recognised in statement of comprehensive income	**3,304,296**	**132,624**	**611,420**	**2,621**	**4,050,961**
Other changes	(53,836)	73,724	(89,405)	(6,492)	(76,009)
Cash flows					
Premiums received	8,056,134	–	–	–	8,056,134
Insurance acquisition cash flows	(1,078,131)	–	–	–	(1,078,131)
Incurred claims and other insurance service expenses paid	(5,419,890)	–	–	–	(5,419,890)
Total cash flows	1,558,113	–	–	–	1,558,113
Insurance contract liabilities as at 31 Dec	52,417,224	200,874	3,754,808	–	56,372,906
Insurance contract assets as at 31 Dec	(4,902,081)	911,653	2,654,763	(43,973)	(1,379,638)
Total insurance contracts issued as at 31 Dec	**47,515,143**	**1,112,527**	**6,409,571**	**(43,973)**	**54,993,268**

Notes
(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

	2023				
	Estimates of the present value of cash flows $'000	Risk Adjustment $'000	Contractual service margin $'000	Assets for insurance acquisition cash flows $'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)	–	(799,114)
Changes that relate to past service					
– Adjustments to liabilities for incurred claims	32,263	–	–	–	32,263
Net finance expenses from insurance contracts	3,490,806	542	86,635	–	3,577,983
Total amount recognised in statement of comprehensive income	**2,269,334**	**76,500**	**499,467**	**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**

Notes
(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)

10.6 Movements in life reinsurance contract held balances by measurement components

	2024			
	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	235,596	1,511	185,669	422,776
Reinsurance contract assets as at 1 Jan	(421,082)	2,353	2,796	(415,933)
Total reinsurance contracts held as at 1 Jan	**(185,486)**	**3,864**	**188,465**	**6,843**
Changes that relates to future services				
– Changes in estimates that adjust CSM	(5,587)	4,117	1,470	–
– Changes in estimates that result in losses or reversal of losses on onerous contracts	(18,440)	–	–	(18,440)
– New contracts in the period	(153,394)	2,032	150,048	(1,314)
	(177,421)	6,149	151,518	(19,754)
Changes that relates to current services				
– Release of CSM to profit or loss	–	–	(27,629)	(27,629)
– Release of RA to profit or loss	–	(4,421)	–	(4,421)
– Experience adjustments	52,811	–	–	52,811
	52,811	(4,421)	(27,629)	20,761
Changes that relates to past services				
– Adjustments to assets for incurred claims	(14,461)	–	–	(14,461)
Net finance (income)/expenses from reinsurance contracts	(88,351)	(1,311)	18,369	(71,293)
Total amount recognised in statement of comprehensive income	**(227,422)**	**417**	**142,258**	**(84,747)**
Other changes	(6,199)	(24,411)	30,918	308
Cash flows				
Premiums paid	(1,511,317)	–	–	(1,511,317)
Recoveries from reinsurance	341,585	–	–	341,585
Total cash flows	(1,169,732)	–	–	(1,169,732)
Reinsurance contract liabilities as at 31 Dec	195,702	(7,782)	218,569	406,489
Reinsurance contract assets as at 31 Dec	(1,784,541)	(12,348)	143,072	(1,653,817)
Total reinsurance contracts held as at 31 Dec	**(1,588,839)**	**(20,130)**	**361,641**	**(1,247,328)**

Notes
(i) Other changes include movements in reinsurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from reinsurance contract asset/liability balance, and other model changes.

10. Insurance and reinsurance contracts (continued)

10.6 Movements in life reinsurance contract held balances by measurement components (continued)

	2023			
	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
Reinsurance contract assets as at 1 Jan	(245,099)	1,057	(17,555)	(261,597)
Total reinsurance contracts held as at 1 Jan	**60,156**	**(4,422)**	**181,993**	**237,727**
Changes that relates to future services				
– Changes in estimates that adjust CSM	5,462	2,923	(8,385)	–
– Changes in estimates that result in losses or reversal of losses on onerous contracts	(8,436)	–	–	(8,436)
– New contracts in the period	(25,044)	(64)	24,289	(819)
	(28,018)	2,859	15,904	(9,255)
Changes that relates to current services				
– Release of CSM to profit or loss	–	–	(11,692)	(11,692)
– Release of RA to profit or loss	–	2,037	–	2,037
– Experience adjustments	53,709	–	–	53,709
	53,709	2,037	(11,692)	44,054
Changes that relates to past services				
– Adjustments to assets for incurred claims	(11,916)	–	–	(11,916)
Net finance (income)/expenses from reinsurance contracts	(10,467)	(5,257)	5,350	(10,374)
Total amount recognised in statement of comprehensive income	**3,308**	**(361)**	**9,562**	**12,509**
Other changes	(5,557)	8,647	(3,090)	–
Cash flows				
Premiums paid	(396,258)	–	–	(396,258)
Recoveries from reinsurance	152,865	–	–	152,865
Total cash flows	(243,393)	–	–	(243,393)
Reinsurance contract liabilities as at 31 Dec	235,596	1,511	185,669	422,776
Reinsurance contract assets as at 31 Dec	(421,082)	2,353	2,796	(415,933)
Total reinsurance contracts held as at 31 Dec	**(185,486)**	**3,864**	**188,465**	**6,843**

Notes
(i) Other changes include movements in reinsurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from reinsurance 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

	2024			2023		
	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	1,103,490	4,784,066	5,887,556	2,120,320	3,362,412	5,482,732
Changes that relates to future services						
Change in estimates that adjust the CSM	205,946	307,371	513,317	(900,201)	1,328,218	428,017
New business in the year	–	631,568	631,568	–	570,981	570,981
	205,946	938,939	1,144,885	(900,201)	1,899,199	998,998
Changes that relates to current service						
Release of CSM profit to profit and loss	(224,718)	(417,822)	(642,540)	(124,211)	(461,955)	(586,166)
Accretion of interest on GMM contracts	10,665	96,777	107,442	5,021	81,574	86,595
Net finance expenses from insurance contracts	–	1,633	1,633	–	40	40
Other changes	(9,561)	(79,844)	(89,405)	2,561	(97,204)	(94,643)
Insurance contracts CSM as at 31 Dec	**1,085,822**	**5,323,749**	**6,409,571**	**1,103,490**	**4,784,066**	**5,887,556**
Reinsurance contracts held						
Reinsurance contracts CSM as at 1 Jan	(5,579)	194,044	188,465	(5,317)	187,310	181,993
Changes that relates to future services						
Change in estimates that adjust the CSM	78	1,392	1,470	95	(8,480)	(8,385)
New business in the year	–	150,048	150,048	–	24,289	24,289
	78	151,440	151,518	95	15,809	15,904
Changes that relates to current service						
Release of CSM profit to profit and loss	635	(28,264)	(27,629)	319	(12,011)	(11,692)
Net finance (income)/expenses from reinsurance contracts	(107)	11,833	11,726	(59)	5,076	5,017
Effect of movements in exchange rates	–	6,643	6,643	–	333	333
Other changes	219	30,699	30,918	(617)	(2,473)	(3,090)
Reinsurance contracts CSM as at 31 Dec	(4,754)	366,395	361,641	(5,579)	194,044	188,465

Notes
(i) Other changes include movements in reinsurance contract liabilities arising from adjustments to remove the incurred non-cash expenses (such as depreciation, amortisation) from reinsurance contract asset/liability balance, and other model changes.

10. Insurance and reinsurance contracts (continued)

10.8 Effect of insurance and reinsurance contracts initially recognised in the year

	2024			2023		
	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	(1,057,011)	(17,233)	(1,074,244)	(944,381)	(26,980)	(971,361)
Claims and other directly attributable expenses	(6,071,518)	(180,455)	(6,251,973)	(5,534,899)	(188,723)	(5,723,622)
	(7,128,529)	**(197,688)**	**(7,326,217)**	**(6,479,280)**	**(215,703)**	**(6,694,983)**
Estimate of present value of expected future cash inflows	7,818,431	196,273	8,014,704	7,104,688	213,370	7,318,058
Risk adjustment for non-financial risk	(58,334)	(1,812)	(60,146)	(54,427)	(1,379)	(55,806)
Contractual service margin	(631,568)	–	(631,568)	(570,981)	–	(570,981)
Loss recognised on initial recognition	**–**	**(3,227)**	**(3,227)**	**–**	**(3,712)**	**(3,712)**
Reinsurance contracts held						
Estimate of present value of expected future cash outflows	(1,520,669)	–	(1,520,669)	(284,911)	–	(284,911)
Estimate of present value of expected future cash inflows	1,674,063	–	1,674,063	309,955	–	309,955
Risk adjustment for non-financial risk	(2,032)	–	(2,032)	64	–	64
Contractual service margin	(151,362)	1,314	(150,048)	(25,108)	819	(24,289)
Profit recognised on initial recognition	**–**	**1,314**	**1,314**	**–**	**819**	**819**

11. Cash and cash equivalents

	2024 $'000	2023 $'000
Cash at bank and in hand	252,575	87,101
Short-term time deposits	179,473	155,329
Cash and cash equivalents in the statement of cash flows	432,048	242,430
Cash collateral received	51,691	191,232
Cash and cash equivalents in the statement of financial position	**483,739**	**433,662**

The effective interest rate on short-term time deposits was 3.43% (2023: 4.59%) per annum and the deposits have an average maturity of less than 8 days (2023: less than 38 days).

Cash collateral received represents bank balances received under the securities lending programme (see Note 9) and derivatives transactions.

12. Other receivables

	2024 $'000	2023 $'000
Accrued investment income:		
– Interest receivables	163,105	152,165
– External dividend receivables	39,775	17,079
	202,880	169,244
Prepayments	32,490	31,467
Other debtors:		
– Amounts due from related companies (non-insurance)	5,543	828
– Other receivables	119,887	210,422
– Collateral deposits placed with financial institutions	2,123	2,156
	127,553	213,406
	362,923	**414,117**
Current portion	360,218	411,091
Non-current portion	2,705	3,026
	362,923	**414,117**

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 (2023: nil).

13. Other payables

	Note	2024 $'000	2023 $'000
Other payables:			
– Provision for agency expenses		32,539	29,130
– Amount due to related companies (non-insurance)		80,122	60,803
– Cash collateral received	11	51,691	191,232
– Other payables and accrued expenses		544,455	520,158
		708,807	**801,323**
Current portion		704,401	796,883
Non-current portion		4,406	4,440
		708,807	**801,323**

Amounts due to related companies (non-insurance) are unsecured, interest-free and repayable on demand.

14. Derivative liabilities

	Note	2024 $'000	2023 $'000
Derivative financial instruments	5(d)	658,325	156,571
Current portion		508,838	71,978
Non-current portion		149,487	84,593
		658,325	**156,571**

15. Deferred tax liabilities

	Note	2024 $'000	2023 $'000
At 1 January		431,404	388,523
Net provision made during the year	22	104,852	42,881
At 31 December		**536,256**	**431,404**

Deferred tax (assets)/liabilities, determined after appropriate offsetting, are attributable to the following:

	Assets		Liabilities		Net	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Short-term timing differences	(6,679)	(6,221)	–	–	(6,679)	(6,221)
Capital allowances for property and equipment	–	–	3,721	3,154	3,721	3,154
Tax on future distributions	–	–	539,214	434,471	539,214	434,471
Deferred tax (assets)/liabilities	**(6,679)**	**(6,221)**	**542,935**	**437,625**	**536,256**	**431,404**

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

	2024 $'000	2023 $'000
Current portion	9,995	24,753
Non-current portion	17,706	10,769
	27,701	**35,522**

Reconciliation of movements in liabilities to cash flows arising from financing activities

	2024 $'000	2023 $'000
At 1 January	35,522	76,316
Changes from financing cash flows		
Payment of lease liabilities	(26,704)	(26,507)
Interest paid	(1,612)	(1,383)
	(28,316)	(27,890)
Other changes – liability-related		
Recognition/(modification) of lease liabilities	18,883	(14,287)
Interest expense	1,612	1,383
	20,495	(12,904)
At 31 December	**27,701**	**35,522**

16. Lease liabilities (continued)

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 $16,704,000 (2023: $16,829,000).

17. Share capital

	2024 No. of shares ('000)	2023 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.

Dividends

The following dividends were declared and paid by the Company:

	2024 $'000	2023 $'000
Interim dividends		
$0.53 (2023: $0.32) per qualifying share	**280,200**	**168,200**

19. Insurance revenue

	2024 $'000	2023 $'000
Amounts relating to changes in the liability for remaining coverage:		
Expected insurance service expenses incurred in the period	1,542,671	1,348,537
Change in risk adjustment	85,402	73,935
Release of CSM for services provided	642,540	586,166
Other adjustments	43,724	60,769
Recovery of insurance acquisition cash flows	681,769	582,695
Insurance Revenue	**2,996,106**	**2,652,102**

Other adjustments comprise experience adjustment for premium receipts relating to past and current services provided under insurance contracts.

20. Net investment result

	2024 $'000	2023 $'000
Interest income		
– Debt securities	567,093	539,999
– Cash and cash equivalents	10,197	13,406
Dividend income	735,582	605,638
Rental income	1,221	1,221
	1,314,093	1,160,264
Net realised gains and fair value changes on financial assets at fair value through profit or loss	3,607,585	2,548,743
(Loss)/Gain on exchange differences	(2,430)	2,964
Investment income	4,919,248	3,711,971
Finance (expenses)/income from insurance contracts issued		
Interest accreted to insurance contracts using current financial assumptions	98,807	77,467
Interest accreted to insurance contracts using locked-in rate	(107,442)	(86,595)
Changes in fair value of underlying assets and other adjustments relating to VFA contracts	(4,724,264)	(3,451,237)
Effect of changes in interest rates and other financial assumptions	(64,154)	(114,776)
Other finance (expense)/income from insurance contracts	(74,738)	(22,980)
(Loss)/Gain on exchange differences	(44,718)	20,138
Total finance expenses from insurance contracts issued	(4,916,509)	(3,577,983)
Finance income/(expenses) from reinsurance contracts held		
Interest accreted to reinsurance contracts using current financial assumptions	59,445	20,356
Interest accreted to reinsurance contracts using locked-in rate	(11,726)	(5,017)
Effect of changes in interest rates and other financial assumptions	(49,617)	(524)
Other finance income from reinsurance contracts	39,995	4,161
Gain/(loss) on exchange differences	33,196	(8,602)
Total finance income from reinsurance contracts held	71,293	10,374
Net investment result	**74,032**	**144,362**

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.

	2024 $'000	2023 $'000
Expenses attributed to insurance acquisition cash flows (Note i)	1,165,832	1,023,975
Other directly attributable expenses (Note ii)	361,206	372,358
Other expenditure	23,605	29,478
Total expenses	**1,550,643**	**1,425,811**

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	2024 $'000	2023 $'000
Current taxation expense			
Current year		(130,543)	(187,030)
Adjustment for prior period		3,397	3,107
		(127,146)	(183,923)
Deferred taxation expense			
Origination and reversal of temporary differences	15	(104,852)	(42,881)
Total income tax expense		**(231,998)**	**(226,804)**

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.

22. Tax expense (continued)

	2024 $'000	2023 $'000
Reconciliation of effective tax (credit)/charge		
Profit before tax attributable to both shareholders' and policyholders' returns	929,765	844,721
Tax charge attributable to policyholders' returns	(110,753)	(105,676)
Profit before tax attributable to shareholders' returns	**819,012**	**739,045**
Income tax using domestic corporation tax rate of 17% (2023: 17%)	(139,232)	(125,637)
Non-deductible expenses	(3,812)	(10,393)
Adjustment for prior period	3,397	(848)
Non-taxable income	16,359	12,527
Losses transferred from related company under Group Relief Scheme	3,400	1,530
Others	(1,357)	1,693
Tax benefit attributable to shareholders' returns	**(121,245)**	**(121,128)**
Tax charge attributable to policyholders' returns	(110,753)	(105,676)
Tax benefit attributable to shareholders' returns	(121,245)	(121,128)
Total income tax expense	**(231,998)**	**(226,804)**

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.

23. Share-based payment transactions (continued)

Share-based compensation plans (equity settled) (continued)

(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.

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.

23. Share-based payment transactions (continued)

The number share awards are as follows:

	2024 Number of share awards	2023 Number of share awards
Awards outstanding		
At 1 January	2,456,575	2,858,897
– Granted	79,344	309,455
– Vested	(600,590)	(681,706)
– Withdrawn	(48,083)	(30,071)
At 31 December	**1,887,246**	**2,456,575**

Fair value of share awards

	2024 $'000	2023 $'000
Share-based compensation expenses		
– Amount accounted for as cash settled	**11,702**	**11,630**
– Amount accounted for as equity settled	**3,865**	**6,877**
Carrying value at 31 December of liabilities arising from share-based payment transactions	**41,355**	**38,517**

24. Commitments

Capital commitments

	2024 $'000	2023 $'000
Contracted at the reporting date	**13,772**	**13,536**

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:

	2024 $'000	2023 $'000
Charges for life administration and operation services rendered by related corporations	16,560	12,315
Charges for management services provided to immediate holding company	166	166
Charges for management services rendered by a related corporation	31,139	29,772
Recovery of expenses by a related corporation	78,961	86,247
Investment management fees (net) paid to a related corporation	76,809	77,486
Recovery of expense from related corporations	17,541	14,333
Commission and cost for distributing insurance products	68,373	14,757
Salaries and other short-term employee benefits to key management	10,900	12,714