

**TOKIO MARINE LIFE INSURANCE
SINGAPORE LTD.**

(Incorporated in Singapore. Registration Number: 194800055D)

AND ITS SUBSIDIARIES

ANNUAL REPORT

For the financial year ended 31 December 2024

TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

ANNUAL REPORT
For the financial year ended 31 December 2024

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**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

The directors present their statement to the members together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2024.

In the opinion of the directors,

- (a) the statement of comprehensive income, balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group set out on pages 6 to 188 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024 and of the financial performance, changes in equity of the Company and of the Group, and cash flows of the Group for the financial year covered by the financial statements; 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.

Directors

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

Yao Chih Matthias
Goh Seng Kee
Kuan Li Li
Yoshinari Endo
Tang Loo Chuan

Arrangements to enable directors to acquire shares and debentures

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

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

DIRECTORS' STATEMENT (continued)
For the financial year ended 31 December 2024

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director	
	As at 31.12.2024 or date of resignation	As at 1.1.2024 or date of appointment
Number of ordinary shares in:		
- Tokio Marine Holdings, Inc. ("Ultimate holding company")		
Tomoya Kittaka (appointed on 8 March 2023; resigned on 3 July 2024)	973	843
Yoshinari Endo (appointed on 3 July 2024)	35,900	35,900

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditor

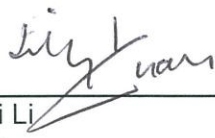
The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



Yao Chih Matthias
Director

25 September 2025



Kuan Li Li
Director

25 September 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.

For the financial year ended 31 December 2024

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Tokio Marine Life Insurance Singapore Ltd. (the "Company") and its subsidiaries (the "Group"), the statement of comprehensive income, balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, and the financial performance and changes in equity of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company and of the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2024;
- the statement of comprehensive income of the Company for the financial year then ended;
- the consolidated balance sheet of the Group as at 31 December 2024;
- the balance sheet of the Company as at 31 December 2024;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.

For the financial year ended 31 December 2024

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.

For the financial year ended 31 December 2024

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 25 September 2025

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Notes	<u>The Group</u>		<u>The Company</u>	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Insurance revenue	5(B)	570,412	530,013	351,529	328,436
Insurance service expenses	5(B),8	(480,201)	(448,335)	(294,296)	(271,057)
Net income/(expenses) from reinsurance contracts held	5(B)	8,961	(5,206)	7,551	(1,882)
Insurance service result		99,172	76,472	64,784	55,497
Interest revenue on					
Financial assets not measured at fair value through profit or loss ("FVTPL")	6	156,036	139,519	65,423	52,543
Financial assets measured at fair value through profit or loss	6	272,153	267,122	264,600	261,751
Other investment return	6	567,596	350,018	371,317	296,574
Net impairment loss on financial assets	6	(202)	(1,318)	(210)	(1,151)
Investment return	6	995,583	755,341	701,130	609,717
Net finance expense from insurance contracts issued	6	(1,230,962)	(737,706)	(988,500)	(624,888)
Net finance income from reinsurance contracts held	6	3,966	1,953	3,068	1,234
Net investment return		(231,413)	19,588	(284,302)	(13,937)
NET INSURANCE AND INVESTMENT RESULT		(132,241)	96,060	(219,518)	41,560
OPERATING EXPENSES					
Other income	7(a)	3,016	1,821	2,860	1,221
Other gains – net	7(b)	4,149	6,983	4,149	7,487
Other operating expenses	8	(87,316)	(31,181)	(61,111)	(21,659)
TOTAL EXPENSES		(80,151)	(22,377)	(54,102)	(12,951)
(LOSS)/PROFIT BEFORE INCOME TAX		(212,392)	73,683	(273,620)	28,609
Income tax expense	4	(29,305)	(22,406)	5,623	(2,493)
NET (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(241,697)	51,277	(267,997)	26,116

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

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

		The Group		The Company	
	Notes	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
OTHER COMPREHENSIVE INCOME:					
Items that may be reclassified subsequently to profit or loss:					
Financial assets at fair value through other comprehensive income (“FVOCI”)					
- Net (losses)/gains from fair value adjustments to financial assets measured at FVOCI	6	(10,194)	21,444	(15,050)	(32,343)
- Net (gains)/losses on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal	6	(1,428)	2,279	2,091	2,941
- Deferred tax on financial assets measured at FVOCI	24	(575)	(44,148)	-	(34,754)
		(12,197)	(20,425)	(12,959)	(64,156)
Insurance/reinsurance finance (expense)/income					
- Finance (expense)/income from insurance contracts issued	6	(1,501)	(34,024)	117	1,564
- Finance income/(expense) from reinsurance contracts held	6	1	(1,606)	(664)	(2,104)
- Deferred tax on net finance income	24	201	2,468	-	-
		(1,299)	(33,162)	(547)	(540)
Currency translation differences arising from consolidation		23,954	(20,576)	-	-
Items that will not be reclassified subsequently to profit or loss:					
Revaluation of land and buildings					
- Revaluation gains		1,237	623	-	-
- Deferred tax	24	(115)	(58)	-	-
Other comprehensive income/(loss), net of tax		11,580	(73,598)	(13,506)	(64,696)
TOTAL COMPREHENSIVE LOSS		(230,117)	(22,321)	(281,503)	(38,580)

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

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

BALANCE SHEET

As at 31 December 2024

		The Group		The Company	
	Notes	31 Dec 2024 \$'000	31 Dec 2023 \$'000	31 Dec 2024 \$'000	31 Dec 2023 \$'000
ASSETS					
Cash and cash equivalents	9	443,983	490,833	413,128	300,247
Reinsurance contract assets	5(A)	64,494	67,407	64,494	42,631
Financial assets at fair value through profit and loss	10	9,174,641	9,736,248	9,174,641	8,801,456
Financial assets at fair value through other comprehensive income	11	2,561,023	3,518,227	2,561,023	1,666,465
Derivative financial instruments	13	68,027	130,306	68,027	130,301
Tax recoverable		-	7,885	-	-
Other assets	14	96,556	118,573	98,882	90,029
Loans	15	-	214	-	-
Investment properties	16	103,500	148,922	125,700	121,930
Investment in subsidiaries	17	-	-	35,000	107,636
Property, plant and equipment	18	68,995	117,375	46,767	46,328
Intangible assets	20	4,073	7,776	3,758	5,372
Deferred tax assets	24	118,499	101,025	118,499	101,025
Non-current asset classified as held-for-sale	38	-	-	87,636	-
Assets of disposal group classified as held-for-sale	38	3,676,862	-	-	-
TOTAL ASSETS		16,380,653	14,444,791	12,797,555	11,413,420
LIABILITIES					
Other payables	21	59,344	93,523	47,227	47,298
Deferred income	22	39,177	42,634	39,177	42,634
Borrowings	23	866,765	546,083	866,765	545,944
Current tax liabilities		5,070	6,220	5,070	6,220
Deferred tax liabilities	24	-	82,986	-	-
Staff retirement benefits	25	-	2	-	-
Agents' retirement benefits	26	116	11,948	-	-
Derivative financial instruments	13	175,447	73,693	175,447	73,693
Obligations under repurchase agreement	27	566,539	1,762,711	566,539	1,762,711
Insurance contract liabilities	5(A)	10,274,099	11,854,743	10,262,993	9,248,769
Reinsurance contract liabilities	5(A)	-	1,330	-	-
Liabilities directly associated with disposal group classified as held-for-sale	38	3,225,606	-	-	-
TOTAL LIABILITIES		15,212,163	14,475,873	11,963,218	11,727,269

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

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

BALANCE SHEET

As at 31 December 2024

	Notes	<u>The Group</u>		<u>The Company</u>	
		31 Dec 2024 \$'000	31 Dec 2023 \$'000	31 Dec 2024 \$'000	31 Dec 2023 \$'000
EQUITY					
Share capital and reserves					
Share capital	28	1,799,314	369,625	1,799,314	369,625
Capital reserve		4,800	4,800	-	-
Fair value reserve		(224,924)	(213,836)	(246,797)	(233,838)
Asset revaluation reserve		1,286	1,222	-	-
Insurance/reinsurance finance reserve		(12,772)	(11,422)	5,545	6,092
Foreign currency translation reserve		(50,240)	(74,194)	-	-
Retained earnings		(348,974)	(107,277)	(723,725)	(455,728)
TOTAL EQUITY		1,168,490	(31,082)	834,337	(313,849)
TOTAL LIABILITIES AND EQUITY		16,380,653	14,444,791	12,797,555	11,413,420

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

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2024

	Share capital \$'000	Capital Reserve \$'000	Fair value reserve \$'000	Asset revaluation reserve \$'000	Foreign currency translation reserve \$'000	Insurance/ reinsurance finance reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2024	369,625	4,800	(213,836)	1,222	(74,194)	(11,422)	(107,277)	(31,082)
Loss after tax	-	-	-	-	-	-	(241,697)	(241,697)
Fair value losses on financial assets measured at FVOCI	-	-	(10,194)	-	-	-	-	(10,194)
Fair value gains on financial assets measured at FVOCI transferred to profit or loss on disposal	-	-	(1,428)	-	-	-	-	(1,428)
Tax on transfer reclassified from Fair Value Reserve (Note 24)	-	-	(575)	-	-	-	-	(575)
Revaluation gains on land and buildings	-	-	-	1,237	-	-	-	1,237
Tax on unrealised revaluation gains on land and buildings	-	-	-	(115)	-	-	-	(115)
Currency translation difference	-	-	-	-	23,954	-	-	23,954
Net finance expense from insurance and reinsurance contracts	-	-	1,109	(1,058)	-	(1,350)	-	(1,299)
Total comprehensive (loss)/income	-	-	(11,088)	64	23,954	(1,350)	(241,697)	(230,117)
Share issued pursuant to rights issue	1,429,689	-	-	-	-	-	-	1,429,689
Balance at 31 December 2024	1,799,314	4,800	(224,924)	1,286	(50,240)	(12,772)	(348,974)	1,168,490
Balance at 1 January 2023	302,740	4,800	(171,195)	1,189	(53,618)	(1,008)	(158,554)	(75,646)
Profit after tax	-	-	-	-	-	-	51,277	51,277
Fair value gains on financial assets measured at FVOCI	-	-	21,444	-	-	-	-	21,444
Fair value losses on financial assets measured at FVOCI transferred to profit or loss on disposal	-	-	2,279	-	-	-	-	2,279
Tax on transfer reclassified from Fair Value Reserve (Note 24)	-	-	(44,148)	-	-	-	-	(44,148)
Revaluation gains on land and buildings	-	-	-	623	-	-	-	623
Tax on unrealised revaluation gains on land and buildings	-	-	-	(58)	-	-	-	(58)
Currency translation difference	-	-	-	-	(20,576)	-	-	(20,576)
Net finance expense from insurance and reinsurance contracts	-	-	(22,216)	(532)	-	(10,414)	-	(33,162)
Total comprehensive (loss)/income	-	-	(42,641)	33	(20,576)	(10,414)	51,277	(22,321)
Share issued pursuant to rights issue	66,885	-	-	-	-	-	-	66,885
Balance at 31 December 2023	369,625	4,800	(213,836)	1,222	(74,194)	(11,422)	(107,277)	(31,082)

The foreign currency translation reserve, asset revaluation reserve, fair value reserve and insurance/reinsurance finance reserve are not distributable.

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

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the financial year ended 31 December 2024

	<u>Share capital</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Asset revaluation reserve</u> \$'000	<u>Insurance/ Reinsurance finance reserve</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total equity</u> \$'000
Balance as at 1 January 2024	369,625	(233,838)	-	6,092	(455,728)	(313,849)
Loss after tax	-	-	-	-	(267,997)	(267,997)
Fair value losses on financial assets measured at FVOCI	-	(15,050)	-	-	-	(15,050)
Fair value losses on financial assets measured at FVOCI transferred to profit or loss on disposal	-	2,091	-	-	-	2,091
Tax on transfer reclassified from Fair Value Reserve (Note 24)	-	-	-	-	-	-
Net finance expense from insurance and reinsurance contracts	-	-	-	(547)	-	(547)
Total comprehensive loss	-	(12,959)	-	(547)	(267,997)	(281,503)
Share issued pursuant to rights issue	1,429,689	-	-	-	-	1,429,689
Balance at 31 December 2024	1,799,314	(246,797)	-	5,545	(723,725)	834,337
Balance at 1 January 2023	302,740	(169,682)	-	6,632	(481,844)	(342,154)
Profit after tax	-	-	-	-	26,116	26,116
Fair value losses on financial assets measured at FVOCI	-	(32,343)	-	-	-	(32,343)
Fair value losses on financial assets measured at FVOCI transferred to profit or loss on disposal	-	2,941	-	-	-	2,941
Tax on transfer reclassified from Fair Value Reserve (Note 24)	-	(34,754)	-	-	-	(34,754)
Net finance expense from insurance and reinsurance contracts	-	-	-	(540)	-	(540)
Total comprehensive (loss)/income	-	(64,156)	-	(540)	26,116	(38,580)
Share issued pursuant to rights issue	66,885	-	-	-	-	66,885
Balance at 31 December 2023	369,625	(233,838)	-	6,092	(455,728)	(313,849)

The fair value reserve and insurance/reinsurance finance reserve are not distributable.

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

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	2024 \$'000	2023 \$'000
Cash flows from operating activities		
(Loss)/profit before income tax	(212,392)	73,683
Adjustments for:		
Depreciation of property, plant and equipment	2,682	2,860
Amortisation of intangible asset	2,884	2,147
Gain on disposal of property, plant and equipment	-	(10)
Loss on disposal of investment properties	-	14
Property, plant and equipment written off	4	-
Intangible asset written off	-	(16)
Fair value gains on investment properties	(7,046)	(2,268)
Fair value gains on property, plant & equipment	(886)	(3,188)
Net (gains)/loss		
- Financial assets at fair value through profit or loss	(725,068)	(357,356)
- Financial assets at fair value through other comprehensive income	(3,796)	(15,860)
- Derivative financial instruments	164,028	(90,671)
Dividend income	(97,576)	(84,628)
Interest income	(428,189)	(406,641)
Interest expense	98,998	93,942
Rental Income	(2,871)	(3,373)
Increase in provision for staff retirement benefits	1	1
Provision for agents' retirement benefits	2,043	1,613
Unrealised currency translation (gains)/losses	(6,016)	3,257
Changes in working capital:		
Change in insurance contract liabilities	1,312,292	804,163
Change in reinsurance assets arising from insurance contract liabilities	(29,189)	(7,011)
Other assets	(1,030)	(7,915)
Other payables	(4,844)	(101,019)
Income tax paid	(13,692)	(14,839)
Payment of staff retirement benefits	-	-
Payment of agents' retirement benefits	(933)	(1,136)
Net cash generated/(used in) by operating activities	49,404	(114,251)

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,360)	(1,228)
Purchase of intangible assets		(1,092)	(1,019)
Proceeds from disposal of property, plant and equipment		-	36
Purchase of investment properties		(791)	-
Proceeds from disposal of investment properties		-	15
Purchase of:			
- Financial assets at fair value through profit or loss		(3,414,224)	(2,016,668)
- Financial assets at fair value through other comprehensive income		(1,522,674)	(610,360)
- Derivative financial instruments		-	-
Proceeds from disposal of:			
- Financial assets at fair value through profit or loss		3,542,544	1,738,630
- Financial assets at fair value through other comprehensive income		454,196	289,348
- Derivative financial instruments		6	55,450
Proceeds from repayment of loans		61	53
Rental received		3,493	3,403
Dividend received		102,907	83,679
Interest received		345,283	334,257
Net cash used in investing activities		(491,651)	(124,404)
Cash flows from financing activities			
Proceeds from issue of shares pursuant to right issue		1,429,689	66,885
Net settlement from repurchase agreements		(1,170,924)	(315,115)
Net proceeds from loan from intermediate company		320,000	347,000
Collateral received		1,737	8,332
Principal repayment of lease liabilities		(550)	(470)
Interest paid to intermediate holding company		(40,943)	(11,638)
Interest paid to immediate holding company		(1,498)	(1,494)
Net cash provided by financing activities		537,511	93,500
Net increase/(decrease) in cash and cash equivalents Held		95,264	(145,155)
Cash and cash equivalents at beginning of financial year		490,833	648,308
Effects of currency translation on cash and cash equivalents		10,311	(12,320)
Reclassified to disposal group		(152,425)	-
Cash and cash equivalents at end of financial year	9	443,983	490,833

TOKIO MARINE LIFE INSURANCE SINGAPORE LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

1. General Information

Tokio Marine Life Insurance Singapore Ltd. (the “Company”, “TMLS”) is incorporated and domiciled in Singapore. The address of its registered office is 20 McCallum Street, Tokio Marine Centre, #07-01, Singapore 069046.

The financial statement refers to the Company and its subsidiaries, Tokio Marine Life Insurance Malaysia Bhd. (“TMLM”) and Tokio Marine Financial Advisers (Singapore) Private Limited (“TMFAS”), collectively termed as the “Group”.

The principal activity of the Company and TMLM is providing life assurance. The principal activity of TMFAS is providing insurance advisory services (including financial planning services) and other activities auxiliary to financial service activities.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and Interpretations of SFRS(I). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.2 New standards and amendments

The following amendments to SFRS(I) are not expected to have a significant impact on the Group’s financial statements.

Amendments to:

- SFRS(I) 1-1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- SFRS(I) 1-1 Presentation of Financial Statements (Non-current Liabilities with Covenants)
- SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Instruments: Disclosures (Supplier Finance Arrangement)
- SFRS(I) 16 Leases (Lease liability in Sale and Leaseback)

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts

The Group's product lines are divided into the following main categories:

Segments	Product lines	Description
Individual Life	Non-participating	This product line covers Endowment, Whole Life, Annuity, Term and Individual Accidental & Health ("A&H") insurance contracts. All insurance contracts in this product line offer fixed and guaranteed benefits over the contractual term. Contracts issued typically have regular premium (i.e. monthly, quarterly, half-yearly, annual) or single premiums.
	Participating	This product line covers direct participating contracts which include protection and saving elements. All insurance contracts in this product line offer guaranteed and non-guaranteed benefits for the contract term in the form of bonus/dividends declaration determined by the performance of the ring fenced assets and liabilities. For participating funds, local regulations generally prescribe a minimum proportion of policyholder participation in declared dividends.
	Investment-linked	This product line covers investment-linked contracts. All insurance contracts in this product line offer guaranteed and non-guaranteed benefits in the form of investment return based on the performance of the selected funds. The policyholders have numerous investment options under the investment-linked contracts, including stock funds, bond funds and diversified funds.
Group Life	Non-participating	This product line covers Group Term Life, Medical, Personal Accident, Care & Health, Dread Disease, Disability Income. Coverage is provided typically for a 1 year term. Once the selected term has ended, the insurance contract is terminated and a policyholder may potentially obtain new coverage on new terms, subject to successful underwriting. All insurance contracts in this product line offer fixed and guaranteed benefits over the contractual term. Contracts issued typically have annual premium.

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

The Group uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. Insurance risk is significant only if there is a scenario that has commercial substance in which, on present-value basis, it is a possibility that the insurer could (a) pay significant additional benefits beyond what would be paid if no insured event occurred; and (b) make a loss.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts and follow financial instruments accounting under SFRS(I) 9. The Group does not issue investment contracts.

The Group issues Participating and Investment-linked contracts that substantially provides investment-related service. The Group considers such contracts as insurance contracts with direct participation features, which are defined by the Group as contracts which, at inception, meets the following criteria:

- the contractual terms specify that the policyholders participate in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Insurance contracts with direct participation features are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the Group's share of the fair value of the underlying items, which is based on either (a) for the case of Participating contracts, the Group's participation in the declared dividends or bonuses based on the performance of the participating fund, or (b) for the case of Investment-linked contracts, a fixed amount and/or percentage of investment management fees, less the Fulfilment Cash Flows ("FCF") that do not vary based on the returns on underlying items.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers insurance risk from the insured portion of the underlying insurance contracts.

All references to insurance contracts in the consolidated financial statements apply to insurance contracts issued or acquired and reinsurance contracts held, unless specifically stated otherwise.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(a) Summary of measurement approaches

The Group uses different measurement approaches, depending on the type of contracts, as follows:

	<u>Product classification</u>	<u>Measurement model</u>
Contracts issued		
Non-participating insurance contracts	Insurance contracts without direct participation features	General Measurement Model "GMM"
Participating insurance contracts	Insurance contracts with direct participation features	Variable Fee Approach "VFA"
Investment-linked insurance contracts	Insurance contracts with direct participation features	Variable Fee Approach "VFA"
Reinsurance contracts held		
Non-participating reinsurance contracts (TLM - catastrophe reinsurance treaty)	Reinsurance contract held	Premium Allocation Approach "PAA"
Non-participating reinsurance contracts (Other treaties)	Reinsurance contract held	General Measurement Model "GMM"

(b) Unit of account

The Group manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar quarter (quarterly cohorts) and further into (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held within a calendar quarter (quarterly cohorts) (or calendar year (annual cohort) for TLM for selected portfolios) into groups of (i) contracts for which there is a net gain at initial recognition, and (ii) contracts for which there is a net loss at initial recognition.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(c) *Separating components from insurance contracts and reinsurance contracts held*

Before the Group accounts for an insurance contract based on SFRS(I) 17, it analyses whether the contract contains components that should be separated. SFRS(I) 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct non-insurance services.

The Group does not have any contracts that require further separation of the distinct components as stated above.

(d) *Recognition and derecognition*

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

A group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) is recognised at the later of:

- the beginning of the coverage period of the group; or
- the initial recognition of any underlying insurance contract.

The Group does not recognise a group of quota share reinsurance contracts held until it has recognised at least one of the underlying insurance contracts.

A group of reinsurance contracts held that covers aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) is recognised at the beginning of the coverage period of that group.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(d) *Recognition and derecognition* (continued)

Only contracts that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the cohorting restrictions. Composition of the groups is not reassessed in subsequent periods.

Accounting for contract modification and derecognition

An insurance contract is derecognised when it is:

- extinguished (i.e when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- (a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
 - (i) is not in scope of SFRS(I) 17;
 - (ii) results in different separable components;
 - (iii) results in a different contract boundary; or
 - (iv) belongs to a different group of contract;
- (b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
- (c) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(d) Recognition and derecognition (continued)

Accounting for contract modification and derecognition (continued)

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

- (a) Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group.
- (b) Adjusts the contractual service margin ("CSM") (unless the decrease in the FCF is allocated to the loss component) 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.
 - (iii) If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received.
- (c) Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to the FCF to remove relating rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- (a) if the contract is extinguished, any net difference between the derecognised part of the Liability for Remaining Coverage ("LRC") of the original contract and any other cash flows arising from extinguishment;
 - (b) if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; and
 - (c) if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium the entity would have charged had it 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.
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**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) *Measurement*

(i) Fulfilment cash flows

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- (a) are based on a probability weighted mean of the full range of possible outcomes;
- (b) are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
- (c) reflect conditions existing at the measurement date.

In the measurement of reinsurance contracts held, the estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) *Measurement* (continued)

(i) Fulfilment cash flows (continued)

Fulfilment cash flows within contract boundary (continued)

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. This assessment is reviewed every reporting period.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

- (a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- (b) both of the following criteria are satisfied:
 - (i) the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - (ii) the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) *Measurement* (continued)

(i) Fulfilment cash flows (continued)

Fulfilment cash flows within contract boundary (continued)

Contract boundary (continued)

The Group's quota share life reinsurance agreements held have an unlimited duration but are cancellable for new underlying business with a 3 months notice period in common by either party. Thus, the Group treats such reinsurance contracts as a series of quarterly contracts that cover underlying business issued within a quarter.

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts may include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating expenses as incurred.

Insurance acquisition costs

The Group includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:

- (a) costs directly attributable to individual contracts and groups of contracts; and
- (b) costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) *Measurement* (continued)

(i) Fulfilment cash flows (continued)

Fulfilment cash flows within contract boundary (continued)

Discount Rates

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Methods and assumptions used to determine the discount rates are discussed in Note 3.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk reflects the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

TMLS determines the risk adjustment using a confidence level approach, which is calibrated to a confidence level which is equivalent to over the 90th percentile. The approach allows for implicit diversification as all non-financial risk shocks are applied concurrently, and hence no explicit diversification factor is being used in the calculation of the risk adjustment. Given insufficient data to construct a statistical risk distribution, TMLS uses the MAS solvency calibration (which is calibrated at 99.5th percentile confidence interval) and its prescribed shock factors in deriving the risk adjustments. Assuming that the non-financial risk is normally distributed, TMLS approximates the 90th percentile confidence interval by halving the MAS prescribed shock factors.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) Measurement (continued)

(i) Fulfilment cash flows (continued)

Fulfilment cash flows within contract boundary (continued)

Risk adjustment for non-financial risk (continued)

For TMLM, the risk adjustment is determined using a cost of capital approach, by applying a cost rate to the present value of projected capital relating to non-financial risk. The cost rate in 2024 is set at 6% per annum (2023: 6%), representing the return required to compensate for the exposure to non-financial risk. The capital is determined based on internal capital requirements applicable to the Group as it is projected in line with the run-off of the business.

The resulting amount of the calculated risk adjustment corresponds to the confidence level of:

	<u>2024</u>	<u>2023</u>
TMLS	90%	90%
TMLM	86%	86%

The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2023 and 2024.

(ii) Initial measurement – Groups of contracts not measured under the PAA

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides coverage in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- (a) the initial recognition of the FCF;
- (b) the derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows; and
- (c) cash flows arising from the contracts in the group at that date.

TOKIO MARINE LIFE INSURANCE SINGAPORE LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) *Measurement* (continued)

- (ii) Initial measurement – Groups of contracts not measured under the PAA (continued)

Contractual service margin (continued)

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately with no CSM recognised on the balance sheet on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives reinsurance coverage in the future.

Investment Component

Investment components are amounts that an insurance contract requires the entity to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

Investment-linked, Participating, and Non-participating contracts that have explicit surrender values are determined as contracts that contain non-distinct investment components. The investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms.

- (iii) Subsequent measurement – Groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

- (a) the LRC, comprising:
 - (i) the FCF related to future service allocated to the group at that date; and
 - (ii) the CSM of the group at that date; and
- (b) the Liability for Incurred Claims (“LIC”), comprising the FCF related to past service allocated to the group at the reporting date.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) *Measurement* (continued)

- (iii) Subsequent measurement – Groups of contracts not measured under the PAA (continued)

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- (a) the asset for remaining coverage, comprising:
 - (i) the FCF related to future service allocated to the group at that date; and
 - (ii) the CSM of the group at that date; and
- (b) the incurred reinsurance recoveries, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- (a) changes that relate to current or past service are recognised in profit or loss; and
- (b) changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- (a) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- (b) changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
- (c) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
- (d) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (a), (b), (c) and (d) are measured using the locked-in discount rates.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) Measurement (continued)

- (iii) Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Changes in fulfilment cash flows (continued)

For insurance contracts under the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:

- (a) changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- (b) changes in the FCF relating to the LIC; and
- (c) experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

- (a) changes in the Group's share of the fair value of the underlying items; and
- (b) changes in the FCF that do not vary based on the returns of underlying items:
 - (i) changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
 - (ii) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
 - (iii) changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
 - (iv) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
 - (v) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (i) to (v) are measured using the current discount rates.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) Measurement (continued)

- (iii) Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Changes in fulfilment cash flows (continued)

For insurance contracts under the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:

- (a) changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items; and
- (b) changes in the FCF that do not vary based on the returns of underlying items:
 - (i) changes in the FCF relating to the LIC; and
 - (ii) experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

- (a) The effect of any new contracts added to the group.
- (b) For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- (c) Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with the corresponding amount to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- (d) The effect of any currency exchange differences.
- (e) The amount recognised as insurance revenue for services provided during the period determined after all other adjustments above.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) *Measurement* (continued)

- (iii) Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Changes to the contractual service margin (continued)

For a group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognised in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognised in the insurance service result.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items (locked-in discount rates). If more contracts are added to the existing groups in the subsequent reporting periods, the Group revises the locked-in discount curves by calculating weighted-average discount curves over the period that contracts in the group are issued, using the Annualised Premium Equivalent (“APE”) of the contracts.

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF measured applying the discount rates as specified above in the Changes in fulfilment cash flows section.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for services in the period is determined by the insurance services provided during the period. This is calculated by taking the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

For contracts issued, the Group determines the CSM recognition coverage period corresponding to the period in which insurance services are expected to be provided.

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) *Measurement* (continued)

- (iii) Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Release of the CSM to profit or loss (continued)

The total number of coverage units in a group is the quantity of coverage provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

- (a) the quantity of benefits provided by contracts in the group;
- (b) the expected coverage duration of contracts in the group; and
- (c) the likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the group.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits.

The Group determines coverage units as follows:

- (a) for Non-participating insurance contracts, coverage units are determined based on the fixed coverage benefit (mortality, medical, critical illness, etc.) amounts during the insurance coverage period; or
- (b) for direct participating contracts, coverage units are based on the total benefits amounts, inclusive of non-guaranteed bonuses, during the insurance coverage period; or
- (c) for Investment-linked contracts, coverage units are based on policyholders' account values, sum-at-risk benefits payable and rider coverage benefit amounts (where applicable).

At TMLS, the Company reflects the time value of money in the determination of coverage units. At TMLM, the Company does not reflect the time value of money in the determination of coverage units.

For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period.

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) Measurement (continued)

- (iii) Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Release of the CSM to profit or loss (continued)

Coverage units for the proportionate reinsurance contracts are based on the insurance coverage provided by the reinsurer and are determined by the ceded policies' fixed face values taking into account new business projected within the reinsurance contract boundary.

The coverage period for these contracts is determined based on the coverage of all underlying contracts whose cash flows are included in the reinsurance contract boundary.

Onerous contracts - Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses and records it as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- (a) expected incurred claims and expenses for the period;
- (b) changes in the risk adjustment for non-financial risk for the risk expired; and
- (c) finance income or expenses from insurance contracts issued.

The amounts of loss component allocation above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(e) *Measurement* (continued)

- (iii) Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Reinsurance contracts held - Loss-recovery component

A loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held for the amount of income recognised in profit or loss when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that underlying insurance group. Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expect to recover from the group of reinsurance contracts held. The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

- (iv) Initial and subsequent measurement - Groups of contracts measured under the PAA

With the exception for Catastrophe reinsurance treaty held by TMLM, the Group does not apply PAA measurement model for insurance and reinsurance contracts.

On initial recognition, the Group measures the remaining coverage as the amount of ceding premiums paid and any amounts arising from the derecognition of the insurance acquisition cash flows liabilities.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- (a) the asset for remaining coverage; and
- (b) the incurred reinsurance recoveries, comprising the FCF related to past service allocated to the group at the reporting date.

At each of the subsequent reporting dates, the remaining coverage is:

- (a) increased for ceding premiums paid in the period; and
- (b) decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(f) *Amounts recognised in comprehensive income*

(i) Insurance service result from insurance contracts issued

Insurance revenue

As the Group provides services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Group expects to be entitled to in exchange for those services.

Insurance revenue comprises the following:

Amounts relating to the changes in the LRC:

- (a) insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - amounts related to the loss component;
 - repayments of investment components;
 - amounts of transaction-based taxes collected in a fiduciary capacity; and
 - insurance acquisition expenses;
- (b) changes in the risk adjustment for non-financial risk, excluding:
 - changes included in insurance finance income and expenses;
 - changes that relate to future coverage (which adjust the CSM); and
 - amounts allocated to the loss component;
- (c) amounts of the CSM recognised in profit or loss for the services provided in the period; and
- (d) experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(f) Amounts recognised in comprehensive income (continued)

(i) Insurance service result from insurance contracts issued (continued)

Insurance service expenses

Insurance service expenses include the following:

- (a) incurred claims and benefits excluding investment components;
- (b) other incurred directly attributable insurance service expenses;
- (c) amortisation of insurance acquisition cash flows;
- (d) changes that relate to past service (i.e. changes in the FCF relating to the LIC); and
- (e) changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue as described above.

Expenses not meeting the above categories are included in other operating expenses in the statement of comprehensive income.

(ii) Insurance service result from reinsurance contract held

Net income/(expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income/(expenses) from reinsurance contracts held, comprising the following amounts:

- (a) reinsurance expenses;
- (b) incurred claims recovery;
- (c) other incurred directly attributable insurance service expenses;
- (d) effect of changes in non-performance risk of the reinsurer;

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(f) Amounts recognised in comprehensive income (continued)

(ii) Insurance service result from reinsurance contract held (continued)

Net income/(expenses) from reinsurance contracts held (continued)

(e) for contracts measured under the GMM, changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts); and

(f) changes relating to past service (i.e. adjustments to incurred reinsurance recoveries).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Group expects to pay in exchange for those services.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

(a) insurance claims and other expenses expected to be recovered in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;

(b) changes in the risk adjustment for non-financial risk, excluding:

- changes included in finance income or expenses from reinsurance contracts held; and
- changes that relate to future coverage (which adjust the CSM);

(c) amounts of the CSM recognised in profit or loss for the services received in the period; and

(d) ceded premium experience adjustments relating to past and current service.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(f) Amounts recognised in comprehensive income (continued)

(iii) Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- (a) the effect of the time value of money and changes in the time value of money; and
- (b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- (a) interest accreted on the FCF and the CSM;
- (b) the effect of changes in interest rates and other financial assumptions; and
- (c) foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the VFA, the main amounts within insurance finance income or expenses are:

- (a) changes in the fair value of underlying items;
- (b) interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
- (c) the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.

Where applicable, the Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Insurance contracts (continued)

(f) *Amounts recognised in comprehensive income (continued)*

(iii) Insurance finance income or expenses (continued)

The Group adopts the following approach on the disaggregation of insurance finance income or expenses:

- (a) For contracts measured under the VFA and TMLS' Group Term Life contracts measured under the GMM, the Group includes all insurance finance income or expenses for the period in profit or loss (i.e. the profit or loss option is applied); or
- (b) For other contracts measured under the GMM, the Group disaggregates the insurance finance income or expenses between profit or loss and other comprehensive income.

Insurance finance income or expenses, disaggregated between profit or loss and other comprehensive income for the relevant insurance and reinsurance contract balances where the approach is adopted, are presented separately from insurance revenue and insurance service expenses.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items.

2.4 Investment Return

Investment return is recognised as follows:

(a) *Interest income*

Interest income is recognised using the effective interest method.

(b) *Dividend income*

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(c) *Rental income*

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.5 Group accounting

Subsidiaries

(i) Consolidation

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

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

(ii) Business combinations

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

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

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AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.5 Group accounting (continued)

Subsidiaries (continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph 'Investment in subsidiaries for the accounting policy on investment in subsidiaries' (Note 2.9).

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.6 Property, plant and equipment

(a) Measurement

(i) Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at cost less accumulated impairment losses. Leasehold land and buildings are subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.11).

The Group has elected to measure owner-occupied land and buildings using the fair value model in accordance with SFRS(I) 1-40. The freehold land and buildings are subsequently carried at fair value, representing open market value determined by independent professional valuers. Changes in fair values are recognised in profit or loss.

Land and buildings not held under the participating fund are measured under the revaluation model in accordance with SFRS(I) 1-16. The freehold land is subsequently carried at fair value less accumulated impairment losses. Leasehold land and buildings are subsequently carried at fair value less accumulated depreciation and accumulated impairment losses (Note 2.11). Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the assets, and the net amount is restated to the revalued amount of the assets.

Surpluses arising on revaluation are credited to asset revaluation reserve. Any deficit arising from revaluation is charged against the asset revaluation reserve to the extent of a previous surplus held in the asset revaluation reserve for the same asset.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses (Note 2.11).

(iii) Components of cost

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.6 Property, plant and equipment (continued)

(b) Depreciation

Freehold land and buildings are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line basis to their residual values over the estimated useful lives of the assets. The estimated useful lives of the assets are summarised as follows:

	<u>Useful lives</u>
Leasehold land and buildings	Shorter of 50 years or the lease term
Motor vehicles	5 years
Furniture and equipment	3 - 10 years

Right-of-use assets in relation to other leased property, plant and equipment are carried at cost less accumulated depreciation. The right-of-use asset in relation to a lease is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.6 Property, plant and equipment (continued)

(d) Disposal

On disposal of revalued assets measured under SFRS(I) 1-16, amounts in asset revaluation reserve relating to these assets are transferred to retained earnings. On disposal of all other property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss within other gains - net in Note 7(b).

2.7 Intangible assets

(a) Bancassurance rights

The bancassurance agreement provides an exclusive right to the use of the bancassurance network. The agreement fee is amortised over its useful life of 5 years using the straight-line method. It is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Please refer to Note 2.11 for the accounting policy on impairment of non-financial assets.

(b) Acquired computer software licences

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS

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2. Material accounting policy information (continued)

2.8 Investment properties

Investment properties include those portions of land and buildings that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost. Investment properties are subsequently carried at fair value, representing open market value determined by independent professional valuers. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. The fair values of the investment properties are reviewed annually by an independent professional valuer. Valuations are performed as of the balance sheet date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. Changes in fair values are recognised in profit or loss.

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

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

2.9 Investment in subsidiaries

Investment in subsidiaries is stated at cost less accumulated impairment losses (Note 2.11) in the Company's balance sheet. On disposal, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.10 Structured entities

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

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2. Material accounting policy information (continued)

2.10 Structured entities (continued)

The Group assesses all of its collective investment schemes in accordance with SFRS(I) 10 – Consolidated Financial Statements. The considerations on which the Group assesses control over its investments in collective investment schemes (covering both wholesale or retail funds) include:

- whether the Group, being the unit holder, has the practical ability to summon a unitholders' meeting or any other alternative mechanism to remove the Trustee or the Manager of the collective investment schemes;
- whether the Group has the ability to change the investment objectives / mandates of the collective investment schemes to affect the collective investment schemes' investment strategies and returns;
- any rights arising from other contractual arrangements; and
- whether the Group is exposed to, or has rights to variable returns from its investments in collective investment schemes.

The Group's assessment and conclusion on whether the Group has control over collective investment schemes are included in Note 37 to the financial statements.

The Group invests in funds whose objectives range from achieving medium to long term capital growth. The funds are managed by related and unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. The funds finance their operations by issuing redeemable shares/units which entitles the holder to a proportional stake in the respective fund's net assets. The Group holds redeemable shares/units in each of these funds.

The change in fair value of the funds classified as fair value through profit or loss is included in other gains – net in Note 7(b).

The change in fair value of the funds classified as fair value through comprehensive income ("FVOCI") are included in the Consolidated Statement of Comprehensive Income in "Other Comprehensive Income".

2.11 Impairment of non-financial assets

Property, plant and equipment

Intangible assets

Investment in subsidiaries

Investment properties

Prepayments (included in Other assets)

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.11 Impairment of non-financial assets (continued)

Property, plant and equipment, intangible assets, investment in subsidiaries, investment properties and prepayments are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.12 Financial assets

(a) *Initial recognition and measurement*

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, financial assets are measured at fair value plus, in the case of financial assets not carried at FVTPL, transaction costs incremental and directly attributable to the acquisition, such as fees and commissions. Transaction costs for financial assets at FVTPL are expensed in profit or loss. Subsequent to initial recognition, the Group recognises an expected credit loss ("ECL") allowance for investments in debt instruments measured at FVOCI at each reporting date.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.12 Financial assets (continued)

(b) Amortised cost and effective interest rate

Amortised cost ("AC") is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method for any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate ("EIR") is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its AC before any impairment allowance) or to the AC of a financial liability. The calculation does not consider the ECL and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the EIR.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original EIR. Any changes are recognised in profit or loss.

Interest revenue is calculated by applying the EIR to the gross carrying amount of financial assets recognised at AC or FVOCI.

(c) Classification and subsequent measurement

The Group classifies its financial assets in the following categories: AC, FVOCI and FVTPL.

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as government and corporate bonds.

The classification and subsequent measurement of debt instruments depend on:

- (a) the Group's business model for managing the asset; and
- (b) the cash flow characteristics of the asset (represented by solely payments of principal and interest on the principal amount outstanding ("SPPI")).

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.12 Financial assets (continued)

(c) Classification and subsequent measurement (continued)

(i) Debt instruments (continued)

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- (a) AC: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at AC. The carrying amount of these assets is adjusted by any ECL allowance recognised and measured as described further below. Interest revenue from these financial assets is included in interest revenue from financial assets not measured at FVTPL using the EIR method.
- (b) FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's AC, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other investment return. Interest revenue from these financial assets is included in interest revenue from financial assets not measured at FVTPL using the EIR method.
- (c) FVTPL: Assets that do not meet the criteria for AC or FVOCI are measured at FVTPL. Also, some assets are voluntarily measured at FVTPL, because this significantly reduces an accounting mismatch. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised and presented in profit or loss within other investment return in the period in which it arises.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.12 Financial assets (continued)

(c) *Classification and subsequent measurement* (continued)

(i) Debt instruments (continued)

• Business model

The business model reflects how the Group manages assets in order to generate cash flows. That is, it reflects whether the Group's objective is solely to collect the contractual cash flows from assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of the other business model and measured at FVTPL.

The Company performs its business model assessment at both the investment portfolio level and financial asset type, while TMLM performs this assessment by financial asset type. Existing business models are reviewed whenever there are changes to investment portfolios or business models for managing financial assets.

Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the Group's business model for the investments underlying direct participating contracts is to hold to collect and sell contractual cash flows.

The proceeds from the contractual cash flows of the financial assets are used to settle insurance contract liabilities as they become due. To ensure that the contractual cash flows from the financial assets are sufficient to settle those liabilities, the Group undertakes significant buying and selling activity on a regular basis to rebalance its portfolio of assets and to meet cash flow needs as they arise. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the other business model and measured at FVTPL.

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2. Material accounting policy information (continued)

2.12 Financial assets (continued)

(c) Classification and subsequent measurement (continued)

(i) Debt instruments (continued)

- Solely payments of principal and interest

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent SPPI (the SPPI test). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. The Company has determined that an accounting mismatch is reduced if financial assets backing participating insurance contracts are measured at FVTPL. For these instruments, the Company has applied the option to designate these financial assets at FVTPL. TMLM have not applied such an option.

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.12 Financial assets (continued)

(c) *Classification and subsequent measurement* (continued)

(ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective (i.e. instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets). Examples of equity instruments include basic ordinary shares.

The Group classifies and subsequently measures all equity investments at FVTPL. Equity instruments are mandatorily measured at FVTPL unless the FVOCI election is made at initial recognition, provided the holding of such equity investments is not for the purpose of trading. The Group has not made such an election.

Gains and losses on equity investments at FVTPL are included in other investment return in profit or loss.

(iii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments held for cash management purposes, which have maturities at acquisition of three months or less, or are convertible into known amounts of cash and subject to insignificant risk of changes in value. Cash and cash equivalents also include cash received as collateral for derivative transactions, and repo, as well as cash and cash equivalents held for the benefit of policyholders in connection with unit-linked products. Cash and cash equivalents that are not mandatorily measured at fair value through profit or loss are measured at amortised cost using the EIR method.

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2. Material accounting policy information (continued)

2.12 Financial assets (continued)

(c) Classification and subsequent measurement (continued)

(iv) Other assets

Accrued interest and accrued dividend are held at amortised cost.

Other assets measured at amortised cost primarily include loans, deposits and receivables. These financial assets are initially recognised at fair value plus transaction costs. Subsequently, they are carried at amortised cost using the EIR method less any impairment losses.

(d) Impairment

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at AC and FVOCI. The Group recognises a loss allowance for such losses at each reporting date. The measurement of the ECL reflects:

- (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- (ii) the time value of money; and
- (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 33(C)(d) provides more detail on how the ECL allowance is measured.

(e) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership; or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership but has transferred control of the asset. The Group considers control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and can exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

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2. Material accounting policy information (continued)

2.13 Financial liabilities

(a) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified and subsequently measured at AC, except for derivatives, which is measured at FVTPL.

(b) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.14 Offsetting of financial instruments

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

2.15 Other payables

Other payables are recognised when due and measured on initial recognition at the fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the EIR method.

2.16 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the EIR method.

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.17 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Fair value changes for derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss in the financial year when the changes arise. Transaction costs incurred in buying and selling derivative instruments are recognised in profit or loss when incurred.

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

(a) Forward exchange contracts

Forward exchange contracts represent agreements to exchange the currency of one country for the currency of another country at an agreed price and settlement date.

(b) Cross currency swaps

Cross currency swaps are contractual agreements that involve the exchange of both periodic and final amounts in two different currencies. Exposure to gain and loss on the foreign exchange contracts will increase or decrease over their respective lives as a function of maturity dates, interest and foreign exchange rates, implied volatilities of the underlying indices, and the timing of payments.

(c) Interest rate swaps

Interest rate swaps are contractual agreements between two parties to exchange periodic payments in the same currency, each of which is computed on a different interest rate basis, on a specified notional amount. Most interest rate swaps involve the net exchange of payments calculated as the difference between the fixed and floating rate interest payments.

(d) Warrant

Warrant is a financial instrument that gives the right to the holder to purchase a specific number of shares at the predetermined price (exercise price) within a specific time frame (the expiration date).

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2. Material accounting policy information (continued)

2.18 Securities lending including repurchase agreements

The Group has been a party to various repurchase agreements which securities are loans to third parties on short-term basis. The loaned securities are not derecognised and so, they continue to be recognised and remain within the appropriate investment classification.

Assets sold under repurchase agreements continue to be recognised and a liability is established for the consideration received. The Group may be required to provide additional collateral based on the fair value of the underlying assets, and such collateral assets remain on the balance sheet.

2.19 Fair value estimation of financial assets and liabilities

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

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

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

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2. Material accounting policy information (continued)

2.20 Operating leases

(a) When the Group is the lessee:

The Group leases certain assets from third parties.

At the inception of the contract, the Group assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

- **Right-of-use ("ROU") assets**

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment" (Note 18).

- **Lease liabilities**

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, If the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.20 Operating leases (continued)

(a) When the Group is the lessee: (continued)

- Lease liabilities (continued)

Lease liability is measured at amortised cost using the EIR method. Lease liability shall be remeasured when:

- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to 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.

- Short-term and low-value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(b) When the Group is the lessor:

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

The Group leases investment properties under operating leases to both related and non-related parties.

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.21 Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to, or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management established provisions where appropriate, on the basis of amount expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income tax are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.22 Provisions

Provisions for agents' retirement benefits are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Agents' retirement benefits are provided for the Group's tied agents and are calculated in accordance with the terms and conditions of the agency agreements.

2.23 Employee compensation

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund and Employees Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expenses when they are due. No legal or constructive obligation exists to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

(b) *Employee leave entitlement*

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

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.23 Employee compensation (continued)

(c) *Staff retirement benefits*

Retirement benefits are provided for executive staff. The benefit accrued is computed based on the length of service of the employees and his last drawn salary less the employer's contribution to the employee's Employees Provident Fund.

2.24 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency exchange differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses for each income statement are translated at the average exchange rate (unless the average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

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For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.24 Currency translation (continued)

(c) Translation of Group entities' financial statements (continued)

- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign entity.

2.25 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.26 Dividends to Company's shareholders

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

2.27 Government grants

Grants from government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.28 Presentation of the statement of financial position

The Group's insurance and investment contract liabilities and related assets are realised and settled over periods of several years, reflecting the long-term nature of the Group's products. Accordingly, the Group presents the assets and liabilities in its balance sheet in approximate order of liquidity, rather than distinguishing current and non-current assets and liabilities. The Group regards its intangible assets, property and equipment and investment property as non-current assets as these are held for the longer-term use of the Group.

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2. Material accounting policy information (continued)

2.29 Non-current assets (or disposal groups) classified as held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of carrying amount and fair value less costs to sell except for assets such as deferred tax assets, financial assets and investment property that are carried at fair value and groups of contracts within the scope of SFRS (I) 17 Insurance Contracts. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

The Group intends to sell its wholly owned subsidiary, TMLM to Tokio Marine Nichido & Fire ("TMNF"), with completion expected by September 2025. The detail of the reclassification is disclosed in Note 39.

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3. Critical accounting estimates and judgements

Estimates/assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Insurance contract liabilities

In applying SFRS(I) 17 measurement requirements, the following inputs and methods were used that include significant estimates.

- Discount rates

There are two approaches for the derivation of discount rates. A top-down approach starts with considering a yield curve of a reference portfolio of assets and adjust this downwards to eliminate any risk premium not relevant to the insurance contracts (primarily the allowance for credit risk). The assessment of credit risk premium is done on external ratings. Alternatively, a bottom-up approach could be used under which discount rates are determined by adjusting the liquid risk-free yield curve to reflect the liquidity characteristics of the insurance contracts.

TMLS derives its discount rates using a top-down approach. TMLM derives its discount rates using a bottom-up approach.

In constructing the discount rates, market observable rates are used up to the last available market data point which is reliable. The market observable rates are extrapolated between this point and an ultimate forward rate derived using long-term estimates by applying generally accepted technique such as Smith-Wilson method.

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

		As at 31 December 2024				
Currency	Spot rates	1 year	5 years	10 years	15 years	20 years
SGD	Risk Free	2.72%	2.75%	2.85%	2.89%	2.80%
	Risk Free + Illiquidity Premium	3.38%	3.83%	4.13%	4.24%	4.19%
MYR	Risk Free	3.29%	3.66%	3.86%	4.03%	4.20%
	Risk Free + Illiquidity Premium	3.37%	3.74%	3.94%	4.11%	4.27%
		As at 31 December 2023				
Currency	Spot rates	1 year	5 years	10 years	15 years	20 years
SGD	Risk Free	3.56%	2.64%	2.67%	2.74%	2.71%
	Risk Free + Illiquidity Premium	4.40%	4.09%	4.08%	4.14%	4.13%
MYR	Risk Free	3.30%	3.65%	3.74%	4.05%	4.29%
	Risk Free + Illiquidity Premium	3.40%	3.75%	3.84%	4.15%	4.38%

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For the financial year ended 31 December 2024

3. Critical accounting estimates and judgements (continued)

(a) Insurance contract liabilities (continued)

- **Mortality and morbidity (including longevity)**

Assumptions for death and total and permanent disability (“TPD”) are based on investigation into the Group’s mortality and morbidity experiences over the recent years, and are generally expressed as a percentage of a standard table or reinsurer’s risk premium rates.

Morbidity assumptions for dread disease benefits are based on a percentage of the reinsurer’s risk premium rates.

- **Persistency**

Assumptions for persistency are based on investigation into the Group’s experience over recent years. The investigation is conducted with respect to product classes, policy duration and premium payment mode (regular or single premium) as persistency rates are expected to vary by these factors. An allowance is then made for any trends in the data to arrive at a best estimate of future persistency rates.

- **Expenses**

Assumptions for expenses are based on investigation into the Group’s experience and business plan forecasts. Expenses comprise expenses directly attributable to the groups of contracts including an allocation of fixed and variable overheads. The expense assumption also take into consideration of the inflation. Different expense inflation is used for each territory, reflecting their respective interest rate and general economic environment.

- **Additional assumptions for investment-linked contracts**

For investment-linked insurance policies, additional estimates are made for unit fund growth rate, fund management charge and investment and administration expenses. These assumptions are used for calculating the liabilities and are updated at each reporting date to reflect the best estimates.

- *Unit growth rate*: The unit growth rate is set to the risk-free discount rate at valuation date.
- *Fund management charge*: The fund management charge reflect the recent experience.
- *Investment expenses*: A portfolio average of investment and other related expenses, as determined based on an internal expense analysis, for investment-linked funds are used.

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NOTES TO THE FINANCIAL STATEMENTS

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3. Critical accounting estimates and judgements (continued)

(a) Insurance contract liabilities (continued)

- Additional assumptions for investment-linked contracts (continued)
 - *Take-up rate for premium holiday option:* The take-up rate for the option to cease premium payment while the policy remains in-force is set based on industry experience with some adjustment to reflect product features.

(b) Determining the fair value of unquoted investments

The Group holds financial assets which are not quoted in active markets, particularly its fixed income and unquoted equities portfolio. The majority of the unquoted fixed income investments is debt securities issued by government and public authorities and by private sector corporations. The fair values of these financial assets are based on quotations from independent third parties, such as brokers and agencies. The quotations from these third parties may change drastically due to market and economic conditions. For the unquoted equities portfolio, the fair values are measured based on the adjusted net asset value method by referencing to the annual financial statements of the entities that the Group invested in. The Group uses recent arm's length transactions or reference to instruments that are substantially the same or at cost if these are not available to value its unlisted equities. The assumption for valuation at cost will be affected by change in credit risk and interest rates and may have a negative impact on the financial statements.

(c) Expected credit loss

The measurement of the ECL allowance for financial assets measured at AC and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are required in applying the accounting requirements for measuring the ECL, such as:

- i. Determining criteria for a significant increase in credit risk ("SICR");
- ii. Choosing appropriate models and assumptions for the measurement of the ECL;
- iii. Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated the ECL; and
- iv. Establishing groups of similar financial assets for the purposes of measuring the ECL.

For further disclosures relating to ECL allowance, refer to Note 33(C)(d).

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

3. Critical accounting estimates and judgements (continued)

(d) Uncertain tax positions

The Group is subject to income taxes in a number of jurisdictions. In determining the income tax liabilities, management has estimated the amount of capital allowances and the taxability/deductibility of certain income/expenses (“uncertain tax positions”) at each tax jurisdiction.

The Group has several open tax assessments with a tax authority at the balance sheet date that requires a certain degree of judgement and estimates. The Group has recognised the tax liability on these uncertain tax positions.

(e) Fair values of property held for own use and investment property

The Group uses independent professional valuers to determine the fair value of properties on the basis of the highest-and-best use using the sales comparison approach at the balance sheet date. These are registered as Level 3 of the fair value measurement hierarchy. Under the sales comparison approach, the recent sale prices of properties in close proximity are adjusted for differences in key attributes such as tenure, location and condition of the properties. The most significant input into this valuation approach is selling price per square foot.

Further details of the fair value of the property held for own use and investment property are provided in Note 18 and Note 16 respectively.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Income taxes

(a) Income tax expense

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
On the results for the financial year:				
Singapore income tax	4,996	6,031	4,996	6,031
Foreign income tax	15,731	10,029	-	-
Withholding tax	6,601	2,098	6,601	2,098
Deferred tax (Note 24)	1,937	4,175	(17,474)	(5,956)
	29,265	22,333	(5,877)	2,173
Under/(over) provision in preceding financial years:				
Singapore income tax	254	321	254	320
Foreign income tax	(214)	(248)	-	-
	29,305	22,406	(5,623)	2,493

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Income taxes (continued)

- (b) The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
(Loss)/profit before tax	(212,392)	73,683	(273,620)	28,609
Tax calculated at Singapore statutory tax rate of 17% (2023: 17%)	(36,107)	12,526	(46,515)	4,864
Tax calculated at concessionary tax rate (including the participating fund)	(3,643)	(6,406)	(3,643)	(6,406)
Effect of different tax rates in other countries	5,899	3,953	-	-
Income not subject to tax	(37,669)	(25,982)	(23,956)	(16,017)
Expenses not deductible for tax purpose	12,359	7,810	11,163	7,928
Tax effect of overseas branch	2,656	523	2,656	523
Tax effect of investment income from policyholders' and unitholders' funds	31,763	17,821	-	-
Withholding tax	6,601	2,098	6,601	2,098
Different basis of tax	46,831	7,893	47,931	8,532
Deferred tax not recognised	575	1,398	(114)	-
Others	-	699	-	651
Over provision of tax in preceding financial years	40	72	254	320
	29,305	22,405	(5,623)	2,493

The Company has unrecognised tax losses of \$365,478,000 (2023: \$364,805,000) at balance sheet which can be carried forward and used to offset future taxable income subject to meeting certain statutory requirements. The tax losses and capital allowances have no expiry date.

(c) OECD Pillar Two model rules

On 20 December 2021, the Organisation for Economic Co-operation and Development (OECD) published Pillar Two Global Anti-Base Erosion model rules as part of its efforts toward international tax reform. The Pillar Two model rules provide for the implementation of a 15% global minimum tax ("Pillar 2 tax") for large multinational enterprises, which is to be applied on a jurisdiction-by-jurisdiction basis.

Singapore has enacted the OECD Pillar Two rules, including the Domestic Top-Up Tax, at the end of the reporting period, with effect from 1 January 2025. The Pillar GloBE model rules are expected to apply to the Constituent Entities of the Group located in Singapore from 1 January 2025.

SFRS(I) 1-12 has been amended to introduce a mandatory temporary exception to recognise and disclose information about deferred tax assets and liabilities that are related to the Pillar 2 taxes. The Group and the Company has applied the temporary exception.

Since Pillar Two legislation was not effective at the reporting date, the Group and the Company has no related current tax exposure.

The Group and the Company will continue to follow Pillar Two legislative developments to evaluate the potential future impact on its operations, financial position and cash flows.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. Insurance operations

(A) Composition of the insurance contract balances

An analysis of the amounts presented on the consolidated and Company level balance sheet for insurance contracts is included in the table below:

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Insurance contract liabilities	(10,274,099)	(11,854,743)	(10,262,993)	(9,248,769)
Reinsurance contract assets	64,494	67,407	64,494	42,631
Reinsurance contract liabilities	-	(1,330)	-	-

Detailed reconciliations of changes in insurance and reinsurance contract balances during the reporting periods are included in notes 5(B), (C) and (D). For credit risk disclosures relating to insurance and reinsurance contract assets, refer to Note 33(C)(d).

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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For the financial year ended 31 December 2024

5. Insurance operations (continued)

(B) Insurance revenue and expenses

(a) Insurance revenue and insurance service result

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held for 2024 and 2023 is included in the following tables. Additional information on amounts recognised in profit or loss and OCI is included in the insurance contract and reinsurance contract held balances reconciliations below in notes 5(C) and (D).

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Insurance revenue				
Contracts not measured under the PAA				
Amounts relating to the changes in the liability for remaining coverage				
- Expected incurred claims and other expenses after loss component allocation	383,097	365,579	221,078	215,928
- Change in the risk adjustment for non-financial risk	19,491	19,050	11,475	11,246
- CSM recognised in profit or loss for the services provided	109,557	95,760	79,908	67,125
- Insurance acquisition cash flows recovery	58,259	49,622	39,060	34,135
- Other	8	2	8	2
Total insurance revenue	570,412	530,013	351,529	328,436
Insurance service expenses				
Incurred claims and other directly attributable expenses	(364,980)	(331,935)	(197,678)	(170,630)
Losses on onerous contracts and reversal of those losses	(54,875)	(64,682)	(55,471)	(64,196)
Insurance acquisition cash flows amortisation	(58,259)	(49,622)	(39,060)	(34,135)
Other	(2,087)	(2,096)	(2,087)	(2,096)
Total insurance service expenses	(480,201)	(448,335)	(294,296)	(271,057)

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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For the financial year ended 31 December 2024

5. Insurance operations (continued)

(B) Insurance revenue and expenses (continued)

(a) Insurance revenue and insurance service result (continued)

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Net (expenses)/income from reinsurance contracts held				
Reinsurance expenses – contracts not measured under the PAA				
Amounts relating to the changes in the remaining coverage:				
- Expected claims and other expenses after loss component allocation	(90,432)	(89,494)	(76,785)	(76,459)
- Change in the risk adjustment for non-financial risk for the expired after loss component allocation	(15,254)	(15,247)	(13,721)	(13,795)
- CSM recognised in profit or loss for the service received	(7,890)	(3,408)	(7,604)	(1,580)
Reinsurance expenses – contracts not measured under the PAA	(113,576)	(108,149)	(98,110)	(91,834)
Reinsurance expenses - contracts measured under the PAA	(102)	(1)	-	-
	(113,678)	(108,150)	(98,110)	(91,834)
Incurred claims recovery and other incurred directly attributable expenses	101,951	103,322	84,966	90,330
Effect of changes in the risk of reinsurers non-performance	(151)	(3)	(140)	-
Recovery of losses on onerous underlying contracts and reversal of those recoveries	20,839	(375)	20,835	(378)
Total net (expenses)/income from reinsurance contracts held	8,961	(5,206)	7,551	(1,882)
Total insurance service result	99,172	76,472	64,784	55,497

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For the financial year ended 31 December 2024

5. Insurance operations (continued)

(B) Insurance revenue and expenses (continued)

(b) Amounts determined on transition to SFRS(I) 17

For insurance contracts not measured under the PAA, an analysis of insurance revenue for insurance contracts issued and the CSM by transition method is included in the following tables.

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Insurance contracts issued				
<u>Insurance revenue</u>				
New contracts and contracts measured under the full retrospective approach at transition	218,510	177,685	153,265	136,193
Contract measured under the modified retrospective approach at transition	111,668	120,178	-	-
Contracts measured under the fair value approach at transition	240,234	232,150	198,264	192,243
<u>CSM as at 31 December</u>				
New contracts and contracts measured under the full retrospective approach at transition	47,565	120,118	47,565	19,165
Contract measured under the modified retrospective approach at transition	-	183,686	-	-
Contracts measured under the fair value approach at transition	992,009	913,894	992,009	883,770
Reinsurance contracts held				
<u>CSM as at 31 December</u>				
New contracts and contracts measured under the full retrospective approach at transition	(1,655)	3,786	(1,654)	(1,441)
Contracts measured under the fair value approach at transition	(19,949)	(25,205)	(19,950)	(18,459)

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. Insurance operations (continued)

(B) Insurance revenue and expenses (continued)

(c) Expected recognition of the contractual service margin

With the impending sales of wholly owned subsidiary TMLM, expected to be completed by September 2025, the following table provides an analysis of the expected recognition of the CSM at the end of the reporting period in profit or loss, excluding TMLM.

The Group

Number of years until expected to be recognised	Insurance contract issued \$'000	Reinsurance contracts held \$'000
As at 31 December 2024		
1 year or less	68,806	(3,200)
2	64,780	(1,622)
3	61,199	(1,488)
4	57,725	(1,352)
5	54,373	(1,244)
5 years or more	732,691	(12,698)
Total	1,039,574	(21,604)

Number of years until expected to be recognised	Insurance contract issued \$'000	Reinsurance contracts held \$'000
As at 31 December 2023		
1 year or less	86,909	(3,272)
2	80,896	(1,701)
3	75,798	(1,556)
4	71,036	(1,420)
5	66,615	(1,289)
5 years or more	836,444	(12,181)
Total	1,217,698	(21,419)

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5. Insurance operations (continued)

(B) Insurance revenue and expenses (continued)

Expected recognition of the contractual service margin (continued)

The Company

Number of years until expected to be recognised	Insurance contract issued \$'000	Reinsurance contract held \$'000
As at 31 December 2024		
1 year or less	68,806	(3,200)
2	64,780	(1,622)
3	61,199	(1,488)
4	57,725	(1,352)
5	54,373	(1,244)
5 years or more	732,691	(12,698)
Total	1,039,574	(21,604)

Number of years until expected to be recognised	Insurance contract issued \$'000	Reinsurance contract held \$'000
As at 31 December 2023		
1 year or less	60,023	(2,845)
2	56,072	(1,441)
3	52,543	(1,328)
4	49,462	(1,222)
5	46,633	(1,115)
5 years or more	638,203	(11,949)
Total	902,936	(19,900)

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For the financial year ended 31 December 2024

5. Insurance operations (continued)

(C) Insurance contracts issued

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims

	<u>The Group</u>					<u>The Company</u>			
	Liabilities for remaining coverage Excluding loss component	Liabilities for remaining coverage loss component	Liabilities for incurred claims	Assets for insurance acquisition cash flows	Total	Liabilities for remaining coverage Excluding loss component	Liabilities for remaining coverage loss component	Liabilities for incurred claims	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024									
Opening insurance contract liabilities	11,169,842	91,047	598,686	(4,832)	11,854,743	8,869,066	86,974	292,729	9,248,769
Net balance as at 1 January	11,169,842	91,047	598,686	(4,832)	11,854,743	8,869,066	86,974	292,729	9,248,769
Insurance revenue	(570,412)	-	-	-	(570,412)	(351,529)	-	-	(351,529)
Insurance service expenses									
Incurred claims and other directly attributable expenses	-	(33,645)	398,625	-	364,980	-	(33,208)	230,886	197,678
Losses on onerous contracts and reversals of those losses	-	54,875	-	-	54,875	-	55,471	-	55,471
Insurance acquisition cash flows amortisation	58,259	-	-	-	58,259	39,060	-	-	39,060
Other	-	-	2,087	-	2,087	-	-	2,087	2,087
Insurance service expenses	58,259	21,230	400,712	-	480,201	39,060	22,263	232,973	294,296
Insurance service result	(512,153)	21,230	400,712	-	(90,211)	(312,469)	22,263	232,973	(57,233)
Finance expenses from insurance contracts through profit and loss	1,230,914	979	(931)	-	1,230,962	988,408	1,023	(931)	988,500
Finance expenses from insurance contracts through OCI	1,504	-	(3)	-	1,501	(114)	-	(3)	(117)
Total amounts recognised in comprehensive income	720,265	22,209	399,778	-	1,142,252	675,825	23,286	232,039	931,150
Investment components	(528,943)	-	528,943	-	-	(358,044)	-	358,044	-
Allocation of assets for acquisition cash flows	(4,932)	-	-	4,932	-	-	-	-	-

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

5. Insurance operations (continued)

(C) Insurance contracts issued (continued)

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	<u>The Group</u>					<u>The Company</u>				
	Liabilities for remaining coverage Excluding loss component \$'000	Liabilities for remaining coverage loss component \$'000	Liabilities for incurred claims \$'000	Assets for insurance acquisition cash flows \$'000	Total \$'000	Liabilities for remaining coverage Excluding loss component \$'000	Liabilities for remaining coverage loss component \$'000	Liabilities for incurred claims \$'000	Total \$'000	
2024 (continued)										
Cash flows										
Premium received	1,166,639	-	-	-	1,166,639	734,526	-	-	734,526	
Claims and other insurance service expenses paid	-	-	(838,099)	-	(838,099)	-	-	(521,120)	(521,120)	
Net policy loan disbursement	-	-	(14,861)	-	(14,861)	-	-	(14,861)	(14,861)	
Administration costs paid	-	-	(938)	-	(938)	-	-	(938)	(938)	
Insurance acquisition cash flows	(127,875)	-	-	-	(127,875)	(101,206)	-	-	(101,206)	
Other movement (e.g. premium waiver)	3,271	(1,271)	(15,327)	-	(13,327)	1,308	-	(14,635)	(13,327)	
Total cash flows	1,042,035	(1,271)	(869,225)	-	171,539	634,628	-	(551,554)	83,074	
Currency translation differences	145,033	153	18,757	(100)	163,843	-	-	-	-	
Net balance as at 31 December	12,543,300	112,138	676,939	-	13,332,377	9,821,475	110,260	331,258	10,262,993	
Closing insurance contract liabilities	12,543,300	112,138	676,939	-	13,332,377	9,821,475	110,260	331,258	10,262,993	
Reclassified to disposal group	(2,710,719)	(1,878)	(345,681)	-	(3,058,278)	-	-	-	-	
Net balance as at 31 December	9,832,581	110,260	331,258	-	10,274,099	9,821,475	110,260	331,258	10,262,993	

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

5. Insurance operations (continued)

(C) Insurance contracts issued (continued)

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	<u>The Group</u>					<u>The Company</u>			
	Liabilities for remaining coverage Excluding loss component	Liabilities for remaining coverage loss component	Liabilities for incurred claims	Assets for insurance acquisition cash flows	Total	Liabilities for remaining coverage Excluding loss component	Liabilities for remaining coverage loss component	Liabilities for incurred claims	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023									
Opening insurance contract liabilities	10,581,047	52,150	536,471	(10,228)	11,159,440	8,344,358	47,800	242,949	8,635,107
Opening insurance contract assets	(861)	179	429	-	(253)	(861)	179	429	(253)
Net balance as at 1 January	10,580,186	52,329	536,900	(10,228)	11,159,187	8,343,497	47,979	243,378	8,634,854
Insurance revenue	(530,013)	-	-	-	(530,013)	(328,436)	-	-	(328,436)
Insurance service expenses									
Incurred claims and other directly attributable expenses	-	(26,361)	358,296	-	331,935	-	(25,873)	196,503	170,630
Losses on onerous contracts and reversals of those losses	-	64,682	-	-	64,682	-	64,196	-	64,196
Insurance acquisition cash flows amortisation	49,622	-	-	-	49,622	34,135	-	-	34,135
Other	-	-	2,096	-	2,096	-	-	2,096	2,096
Insurance service expenses	49,622	38,321	360,392	-	448,335	34,135	38,323	198,599	271,057
Insurance service result	(480,391)	38,321	360,392	-	(81,678)	(294,301)	38,323	198,599	(57,379)
Finance expenses from insurance contracts through profit and loss	737,736	635	(665)	-	737,706	624,881	672	(665)	624,888
Finance expenses from insurance contracts through OCI	34,022	-	2	-	34,024	(1,566)	-	2	(1,564)
Total amounts recognised in comprehensive income	291,367	38,956	359,729	-	690,052	329,014	38,995	197,936	565,945
Investment components	(561,476)	-	561,476	-	-	(412,905)	-	412,905	-
Allocation of assets for acquisition cash flows	(4,939)	-	-	4,939	-	-	-	-	-

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For the financial year ended 31 December 2024

5. Insurance operations (continued)

(C) Insurance contracts issued (continued)

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	<u>The Group</u>					<u>The Company</u>				
	Liabilities for remaining coverage Excluding loss component \$'000	Liabilities for remaining coverage loss component \$'000	Liabilities for incurred claims \$'000	Assets for insurance acquisition cash flows \$'000	<u>Total</u> \$'000	Liabilities for remaining coverage Excluding loss component \$'000	Liabilities for remaining coverage loss component \$'000	Liabilities for incurred claims \$'000	<u>Total</u> \$'000	
2023 (continued)										
Cash flows										
Premium received	1,138,879	-	-	-	1,138,879	717,294	-	-	717,294	
Claims and other insurance service expenses paid	-	-	(817,318)	-	(817,318)	-	-	(537,897)	(537,897)	
Net policy loan disbursement	-	-	(8,788)	-	(8,788)	-	-	(8,788)	(8,788)	
Administration costs paid	-	-	(2,465)	-	(2,465)	-	-	(2,465)	(2,465)	
Insurance acquisition cash flows	(149,533)	-	-	-	(149,533)	(109,140)	-	-	(109,140)	
Other movement (e.g. premium waiver)	2,977	-	(14,011)	-	(11,034)	1,306	-	(12,340)	(11,034)	
Total cash flows	992,323	-	(842,582)	-	149,741	609,460	-	(561,490)	47,970	
Currency translation differences	(127,619)	(238)	(16,837)	457	(144,237)	-	-	-	-	
Net balance as at 31 December	11,169,842	91,047	598,686	(4,832)	11,854,743	8,869,066	86,974	292,729	9,248,769	
Closing insurance contract liabilities	11,169,842	91,047	598,686	(4,832)	11,854,743	8,869,066	86,974	292,729	9,248,769	
Net balance as at 31 December	11,169,842	91,047	598,686	(4,832)	11,854,743	8,869,066	86,974	292,729	9,248,769	

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

5. Insurance operations (continued)

(C) Insurance contracts issued (continued)

(ii) Reconciliation of the measurement components of insurance contract balances

The table below presents a roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM.

	<u>The Group</u>					<u>The Company</u>				
	Present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contractual service margin \$'000	Assets for Insurance Acquisition Cash flows \$'000	Total \$'000	Present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contractual service margin \$'000	Total \$'000	
2024										
Opening insurance contract liabilities	10,409,544	232,333	1,217,698	(4,832)	11,854,743	8,167,790	178,044	902,935	9,248,769	
Net balance as at 1 January	10,409,544	232,333	1,217,698	(4,832)	11,854,743	8,167,790	178,044	902,935	9,248,769	
Changes that relate to current service										
CSM recognised in profit or loss for the services provided	-	-	(109,557)	-	(109,557)	-	-	(79,908)	(79,908)	
Change in the risk adjustment for non-financial risk for the risk expired	-	(43,065)	-	-	(43,065)	-	(35,050)	-	(35,050)	
Experience adjustments	7,536	-	-	-	7,536	2,254	-	-	2,254	
	7,536	(43,065)	(109,557)	-	(145,086)	2,254	(35,050)	(79,908)	(112,704)	
Changes that relate to future service										
Changes in estimates that adjust the CSM	(168,377)	(4,368)	172,745	-	-	(188,607)	(6,695)	195,302	-	
Changes in estimates that result in onerous contract losses or reversal of losses	20,279	6,923	-	-	27,202	19,304	8,512	-	27,816	
Contracts initially recognised in the period	(76,581)	36,798	67,456	-	27,673	(23,167)	29,469	21,353	27,655	
	(224,679)	39,353	240,201	-	54,875	(192,470)	31,286	216,655	55,471	

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For the financial year ended 31 December 2024

5. Insurance operations (continued)

(C) Insurance contracts issued (continued)

(ii) Reconciliation of the measurement components of insurance contract balances (continued)

	<u>The Group</u>					<u>The Company</u>				
	Present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contractual service margin \$'000	Assets for insurance acquisition Cash flows \$'000	Total \$'000	Present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contractual service margin \$'000	Total \$'000	
2024 (continued)										
Insurance service result	(217,143)	(3,712)	130,644	-	(90,211)	(190,216)	(3,764)	136,747	(57,233)	
Finance expenses from insurance contracts through profit and loss	1,222,688	2,481	5,793	-	1,230,962	987,563	1,045	(108)	988,500	
Finance expenses/(income) from insurance contracts issued through OCI	1,425	76	-	-	1,501	(10)	(107)	-	(117)	
Total amounts recognised in comprehensive income	1,006,970	(1,155)	136,437	-	1,142,252	797,337	(2,826)	136,639	931,150	
Allocation of assets for acquisition cash flows	(4,932)	-	-	4,932	-	-	-	-	-	
Cash flows										
Premium received	1,166,639	-	-	-	1,166,639	734,526	-	-	734,526	
Claims and other insurance service expenses paid	(838,099)	-	-	-	(838,099)	(521,120)	-	-	(521,120)	
Net policy loan disbursement	(14,861)	-	-	-	(14,861)	(14,861)	-	-	(14,861)	
Administration costs paid	(938)	-	-	-	(938)	(938)	-	-	(938)	
Insurance acquisition cash flows	(127,875)	-	-	-	(127,875)	(101,206)	-	-	(101,206)	
Other movement (e.g. premium waiver)	(13,327)	-	-	-	(13,327)	(13,327)	-	-	(13,327)	
Total cash flows	171,539	-	-	-	171,539	83,074	-	-	83,074	
Currency translation differences	142,202	3,252	18,489	(100)	163,843	-	-	-	-	
Net balance as at 31 December	11,725,323	234,430	1,372,624	-	13,332,377	9,048,201	175,218	1,039,574	10,262,993	
Closing insurance contract liabilities	11,725,323	234,430	1,372,624	-	13,332,377	9,048,201	175,218	1,039,574	10,262,993	
Reclassified to disposal group	(2,666,016)	(59,212)	(333,050)	-	(3,058,278)	-	-	-	-	
Net balance as at 31 December	9,059,307	175,218	1,039,574	-	10,274,099	9,048,201	175,218	1,039,574	10,262,993	

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

5. Insurance operations (continued)

(C) Insurance contracts issued (continued)

(ii) Reconciliation of the measurement components of insurance contract balances (continued)

	<u>The Group</u>					<u>The Company</u>			
	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Assets for Insurance Acquisition Cash flows	Total	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023									
Opening insurance contract liabilities	9,822,711	224,940	1,122,017	(10,228)	11,159,440	7,648,329	168,786	817,992	8,635,107
Opening insurance contract assets	(772)	464	55	-	(253)	(772)	464	55	(253)
Net balance as at 1 January	9,821,939	225,404	1,122,072	(10,228)	11,159,187	7,647,557	169,250	818,047	8,634,854
Changes that relate to current service									
CSM recognised in profit or loss for the services provided	-	-	(95,761)	-	(95,761)	-	-	(67,126)	(67,126)
Change in the risk adjustment for non-financial risk for the risk expired	-	(39,738)	-	-	(39,738)	-	(31,934)	-	(31,934)
Experience adjustments	(10,861)	-	-	-	(10,861)	(22,515)	-	-	(22,515)
	(10,861)	(39,738)	(95,761)	-	(146,360)	(22,515)	(31,934)	(67,126)	(121,575)
Changes that relate to future service									
Changes in estimates that adjust the CSM	(141,124)	4,609	134,730	-	(1,785)	(141,180)	6,005	135,175	-
Changes in estimates that result in onerous contract losses or reversal of losses	39,597	6,611	(183)	-	46,025	37,345	6,618	(183)	43,780
Contracts initially recognised in the period	(86,038)	36,532	69,948	-	20,442	(24,526)	28,314	16,628	20,416
	(187,565)	47,752	204,495	-	64,682	(128,361)	40,937	151,620	64,196

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

5. Insurance operations (continued)

(C) Insurance contracts issued (continued)

(ii) Reconciliation of the measurement components of insurance contract balances (continued)

	The Group					The Company				
	Present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	Contractual service margin \$'000	Assets for insurance acquisition cash flows \$'000	Total \$'000	Present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	Contractual service margin \$'000	Total \$'000	
2023 (continued)										
Insurance service result	(198,426)	8,014	108,734	-	(81,678)	(150,876)	9,003	84,494	(57,379)	
Finance expenses from insurance contracts through profit and loss	730,142	3,281	4,283	-	737,706	623,464	1,030	394	624,888	
Finance expenses/(income) from insurance contracts issued through OCI	35,263	(1,239)	-	-	34,024	(325)	(1,239)	-	(1,564)	
Total amounts recognised in comprehensive income	566,979	10,056	113,017	-	690,052	472,263	8,794	84,888	565,945	
Allocation of assets for acquisition cash flows	(4,939)	-	-	4,939	-	-	-	-	-	
Cash flows										
Premium received	1,138,879	-	-	-	1,138,879	717,294	-	-	717,294	
Claims and other insurance service expenses paid	(817,318)	-	-	-	(817,318)	(537,897)	-	-	(537,897)	
Net policy loan disbursement	(8,788)	-	-	-	(8,788)	(8,788)	-	-	(8,788)	
Administration costs paid	(2,465)	-	-	-	(2,465)	(2,465)	-	-	(2,465)	
Insurance acquisition cash flows	(149,532)	-	-	-	(149,532)	(109,140)	-	-	(109,140)	
Other movement (e.g. premium waiver)	(11,035)	-	-	-	(11,035)	(11,034)	-	-	(11,034)	
Total cash flows	149,741	-	-	-	149,741	47,970	-	-	47,970	
Currency translation differences	(124,176)	(3,127)	(17,391)	457	(144,237)	-	-	-	-	
Net balance as at 31 December	10,409,544	232,333	1,217,698	(4,832)	11,854,743	8,167,790	178,044	902,935	9,248,769	
Closing insurance contract liabilities	10,409,544	232,333	1,217,698	(4,832)	11,854,743	8,167,790	178,044	902,935	9,248,769	
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	
Net balance as at 31 December	10,409,544	232,333	1,217,698	(4,832)	11,854,743	8,167,790	178,044	902,935	9,248,769	

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS
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5. Insurance operations (continued)

(C) Insurance contracts issued (continued)

(iii) Impact of contracts recognised in the year

	Non-onerous contracts originated	The Group Onerous contracts originated	Total	Non-onerous contracts originated	The Company Onerous contracts originated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Estimates of the present value of future cash outflows						
- Insurance acquisition cash flows	82,169	56,716	138,885	32,842	56,567	89,409
- Claims and other directly attributable expenses	339,427	254,909	594,336	80,031	254,408	334,439
Estimates of the present value of future cash outflows	421,596	311,625	733,221	112,873	310,975	423,848
Estimates of the present value of future cash inflows	(499,597)	(310,205)	(809,802)	(137,507)	(309,508)	(447,015)
Risk adjustment for non-financial risk	10,545	26,253	36,798	3,281	26,188	29,469
CSM	67,456	-	67,456	21,353	-	21,353
Increase in insurance contract liabilities from contracts recognised in the period	-	27,673	27,673	-	27,655	27,655

	Non-onerous contracts originated	The Group Onerous contracts originated	Total	Non-onerous contracts originated	The Company Onerous contracts originated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023						
Estimates of the present value of future cash outflows						
- Insurance acquisition cash flows	87,028	29,472	116,500	40,469	29,289	69,758
- Claims and other directly attributable expenses	427,050	138,935	565,985	183,273	138,285	321,558
Estimates of the present value of future cash outflows	514,078	168,407	682,485	223,742	167,574	391,316
Estimates of the present value of future cash inflows	(601,050)	(167,473)	(768,523)	(249,280)	(166,562)	(415,842)
Risk adjustment for non-financial risk	17,024	19,508	36,532	8,910	19,404	28,314
CSM	69,948	-	69,948	16,628	-	16,628
Increase in insurance contract liabilities from contracts recognised in the period	-	20,442	20,442	-	20,416	20,416

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

5. Insurance operations (continued)

(C) Insurance contracts issued (continued)

(iv) Amounts determined on transition to SFRS(I) 17

Insurance revenue and the CSM by transition method

	<u>The Group</u>				<u>The Company</u>			
	New contracts and contracts measured under the full retrospective approach at transition \$'000	Contracts measured under the modified retrospective approach at transition \$'000	Contracts measured under the fair value approach at transition \$'000	Total \$'000	New contracts and contracts measured under the full retrospective approach at transition \$'000	Contracts measured under the modified retrospective approach at transition \$'000	Contracts measured under the fair value approach at transition \$'000	Total \$'000
2024								
Insurance revenue	218,510	111,668	240,234	570,412	153,265	-	198,264	351,529
CSM as at 1 January	120,120	183,684	913,894	1,217,698	19,165	-	883,770	902,935
Changes that relate to current service								
CSM recognised in profit or loss for the services provided	(21,439)	(16,174)	(71,944)	(109,557)	(10,950)	-	(68,958)	(79,908)
Changes that relate to future service								
Changes in estimates that adjust the CSM	4,119	(21,009)	189,635	172,745	17,969	-	177,333	195,302
Changes in estimates that result in onerous contract losses or reversal of losses	-	-	-	-	-	-	-	-
Contracts initially recognised in the period	67,456	-	-	67,456	21,353	-	-	21,353
Finance expenses/(income) from insurance contracts issued	2,513	2,966	314	5,793	28	-	(136)	(108)
Total amounts recognised in comprehensive income	52,649	(34,217)	118,005	136,437	28,400	-	108,239	136,639
Currency translation differences	6,832	9,524	2,133	18,489	-	-	-	-
Reclassified to disposal group	(132,036)	(158,991)	(42,023)	(333,050)	-	-	-	-
CSM as at 31 December	47,565	-	992,009	1,039,574	47,565	-	992,009	1,039,574

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

5. Insurance operations (continued)

(C) Insurance contracts issued (continued)

(iv) Amounts determined on transition to SFRS(I) 17 (continued)

	<u>The Group</u>				<u>The Company</u>			
	New contracts and contracts measured under the full retrospective approach at <u>transition</u> \$'000	Contracts measured under the modified retrospective approach at <u>transition</u> \$'000	Contracts measured under the fair value approach at <u>transition</u> \$'000	<u>Total</u> \$'000	New contracts and contracts measured under the full retrospective approach at <u>transition</u> \$'000	Contracts measured under the modified retrospective approach at <u>transition</u> \$'000	Contracts measured under the fair value approach at <u>transition</u> \$'000	<u>Total</u> \$'000
2023								
Insurance revenue	177,685	120,178	232,150	530,013	136,193	-	192,243	328,436
CSM as at 1 January	68,713	220,345	833,014	1,122,072	10,895	-	807,152	818,047
Changes that relate to current service								
CSM recognised in profit or loss for the services provided	(13,845)	(17,878)	(64,038)	(95,761)	(5,324)	-	(61,802)	(67,126)
Changes that relate to future service								
Changes in estimates that adjust the CSM	(2,029)	(10,653)	147,412	134,730	(3,013)	-	138,188	135,175
Changes in estimates that result in onerous contract losses or reversal of losses	(183)	-	-	(183)	(183)	-	-	(183)
Contracts initially recognised in the period	69,948	-	-	69,948	16,628	-	-	16,628
Finance expenses from insurance contracts issued	1,735	3,488	(940)	4,283	162	-	232	394
Total amounts recognised in comprehensive income	55,626	(25,043)	82,434	113,017	8,270	-	76,618	84,888
Currency translation differences	(4,219)	(11,618)	(1,554)	(17,391)	-	-	-	-
CSM as at 31 December	120,120	183,684	913,894	1,217,698	19,165	-	883,770	902,935

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

5. Insurance operations (continued)

(D) Reinsurance contracts held

(i) Reconciliation of assets for remaining coverage and incurred claims

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers in the life insurance unit is disclosed in the table below:

	Asset for Remaining coverage \$'000	The Group Asset for Incurred claims \$'000	Total \$'000	Asset for Remaining coverage \$'000	The Company Asset for Incurred claims \$'000	Total \$'000
2024						
Opening reinsurance contract assets	(26,971)	94,378	67,407	(35,232)	77,863	42,631
Opening reinsurance contract liabilities	(1,611)	281	(1,330)	-	-	-
Net balance as at 1 January	(28,582)	94,659	66,077	(35,232)	77,863	42,631
Net (expense)/income from reinsurance contracts held						
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(92,839)	101,951	9,112	(77,275)	84,966	7,691
Effect of changes in the risk of reinsurers non-performance	(140)	(11)	(151)	(140)	-	(140)
Net (expenses)/ income from reinsurance contracts held	(92,979)	101,940	8,961	(77,415)	84,966	7,551
Finance income from reinsurance contracts held through profit & loss	3,152	814	3,966	2,250	818	3,068
Finance income/(expenses) from reinsurance contracts held through OCI	1	-	1	(664)	-	(664)
Total amounts recognised in comprehensive income	(89,826)	102,754	12,928	(75,829)	85,784	9,955
Investment components	(931)	931	-	-	-	-
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	113,942	-	113,942	95,758	-	95,758
Recoveries from reinsurance	-	(97,682)	(97,682)	-	(83,850)	(83,850)
Total cash flows	113,942	(97,682)	16,260	95,758	(83,850)	11,908
Currency translation differences	509	1,142	1,651	-	-	-
Net balance as at 31 December	(4,888)	101,804	96,916	(15,303)	79,797	64,494
Closing reinsurance contract assets	(3,540)	101,670	98,130	(15,303)	79,797	64,494
Closing reinsurance contract liabilities	(1,348)	134	(1,214)	-	-	-
Reclassified to disposal group	(10,415)	(22,007)	(32,422)	-	-	-
Net balance as at 31 December	(15,303)	79,797	64,494	(15,303)	79,797	64,494

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

5. Insurance operations (continued)

(D) Reinsurance contracts held (continued)

(i) Reconciliation of assets for remaining coverage and incurred claims (continued)

	Asset for Remaining coverage \$'000	The Group Asset for Incurred claims \$'000	Total \$'000	Asset for Remaining coverage \$'000	The Company Asset for Incurred claims \$'000	Total \$'000
2023						
Opening reinsurance contract assets	(17,068)	78,847	61,779	(21,307)	60,517	39,210
Opening reinsurance contract liabilities	(1,815)	344	(1,471)	-	-	-
Net balance as at 1 January	(18,883)	79,191	60,308	(21,307)	60,517	39,210
Net (expense)/income from reinsurance contracts held						
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(108,592)	103,389	(5,203)	(92,212)	90,330	(1,882)
Effect of changes in the risk of reinsurers non-performance	-	(3)	(3)	-	-	-
Net (expenses)/ income from reinsurance contracts held	(108,592)	103,386	(5,206)	(92,212)	90,330	(1,882)
Finance income/(expenses) from reinsurance contracts held through profit & loss	2,261	(308)	1,953	1,540	(306)	1,234
Finance expenses from reinsurance contracts held through OCI	(1,606)	-	(1,606)	(2,104)	-	(2,104)
Total amounts recognised in comprehensive income	(107,937)	103,078	(4,859)	(92,776)	90,024	(2,752)
Investment components	(1,177)	1,177	-	-	-	-
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	99,646	-	99,646	78,851	-	78,851
Recoveries from reinsurance	-	(87,776)	(87,776)	-	(72,678)	(72,678)
Total cash flows	99,646	(87,776)	11,870	78,851	(72,678)	6,173
Currency translation differences	(231)	(1,011)	(1,242)	-	-	-
Net balance as at 31 December	(28,582)	94,659	66,077	(35,232)	77,863	42,631
Closing reinsurance contract assets	(26,971)	94,378	67,407	(35,232)	77,863	42,631
Closing reinsurance contract liabilities	(1,611)	281	(1,330)	-	-	-
Net balance as at 31 December	(28,582)	94,659	66,077	(35,232)	77,863	42,631

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

5. Insurance operations (continued)

(D) Reinsurance contracts held (continued)

(ii) Reconciliation of the measurement components of reinsurance contract balances

The table below presents a roll-forward of the net asset or liability for reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and CSM.

	<u>The Group</u>				<u>The Company</u>			
	Present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	Contractual service margin \$'000	Total \$'000	Present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	Contractual service margin \$'000	Total \$'000
2024								
Opening reinsurance contract assets	21,324	24,304	21,779	67,407	8,352	14,379	19,900	42,631
Opening reinsurance contract liabilities	(970)	-	(360)	(1,330)	-	-	-	-
Net balance as at 1 January	20,354	24,304	21,419	66,077	8,352	14,379	19,900	42,631
Changes that relate to current service								
CSM recognised in profit or loss for the services provided (including loss recovery component)	-	-	(11,002)	(11,002)	-	-	(10,715)	(10,715)
Change in the risk adjustment for non-financial risk for the risk expired	-	(15,254)	-	(15,254)	-	(13,721)	-	(13,721)
Experience adjustments	10,411	-	1,006	11,417	8,180	-	-	8,180
	10,411	(15,254)	(9,996)	(14,839)	8,180	(13,721)	(10,715)	(16,256)
Changes that relate to future service								
Changes in estimates that adjust the CSM	20,032	5,214	(25,246)	-	13,699	(670)	(13,029)	-
Contracts initially recognised in the period	(10,950)	13,174	10,919	13,143	(11,531)	11,960	12,714	13,143
CSM adjustments for income on initial recognition of onerous underlying contracts	-	-	4	4	-	-	-	-
Changes in loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	10,804	10,804	-	-	10,804	10,804
	9,082	18,388	(3,519)	23,951	2,168	11,290	10,489	23,947

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

5. Insurance operations (continued)

(D) Reinsurance contracts held (continued)

(ii) Reconciliation of the measurement components of reinsurance contract balances (continued)

	<u>The Group</u>				<u>The Company</u>			
	Present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	Contractual service margin \$'000	Total \$'000	Present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	Contractual service margin \$'000	Total \$'000
2024 (continued)								
Effect of changes in the risk of reinsurers non-performance	139	(290)	-	(151)	150	(290)	-	(140)
Net income/(expenses) from reinsurance contracts held	19,632	2,844	(13,515)	8,961	10,498	(2,721)	(226)	7,551
Finance expenses from reinsurance contracts issued through profit & loss	872	1,168	1,926	3,966	383	755	1,930	3,068
Finance (income)/expenses from reinsurance contracts issued through OCI	(530)	531	-	1	(891)	227	-	(664)
Total amounts recognised in comprehensive income	19,974	4,543	(11,589)	12,928	9,990	(1,739)	1,704	9,955
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	113,942	-	-	113,942	95,758	-	-	95,758
Recoveries from reinsurance	(97,682)	-	-	(97,682)	(83,850)	-	-	(83,850)
Total cash flows	16,260	-	-	16,260	11,908	-	-	11,908
Currency translation differences	1,234	819	(402)	1,651	-	-	-	-
Net balance as at 31 December	57,822	29,666	9,428	96,916	30,250	12,640	21,604	64,494
Closing reinsurance contract assets	58,028	29,666	10,436	98,130	30,250	12,640	21,604	64,494
Closing reinsurance contract liabilities	(206)	-	(1,008)	(1,214)	-	-	-	-
Reclassified to disposal group	(27,572)	(17,026)	12,176	(32,422)	-	-	-	-
Net balance as at 31 December	30,250	12,640	21,604	64,494	30,250	12,640	21,604	64,494

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

5. Insurance operations (continued)

(D) Reinsurance contracts held (continued)

(ii) Reconciliation of the measurement components of reinsurance contract balances (continued)

	<u>The Group</u>				<u>The Company</u>			
	Present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	Contractual service margin \$'000	Total \$'000	Present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	Contractual service margin \$'000	Total \$'000
2023								
Opening reinsurance contract assets	(8,240)	22,237	47,782	61,779	(15,971)	12,453	42,728	39,210
Opening reinsurance contract liabilities	(1,241)	-	(230)	(1,471)	-	-	-	-
Net balance as at 1 January	(9,481)	22,237	47,552	60,308	(15,971)	12,453	42,728	39,210
Changes that relate to current service								
CSM recognised in profit or loss for the services provided	-	-	(3,409)	(3,409)	-	-	(1,580)	(1,580)
Change in the risk adjustment for non-financial risk for the risk expired	-	(15,247)	-	(15,247)	-	(13,795)	-	(13,795)
Experience adjustments	12,878	-	949	13,827	13,871	-	-	13,871
	12,878	(15,247)	(2,460)	(4,829)	13,871	(13,795)	(1,580)	(1,504)
Changes that relate to future service								
Changes in estimates that adjust the CSM	14,023	2,870	(16,894)	(1)	13,939	2,694	(16,634)	(1)
Contracts initially recognised in the period	(5,453)	13,063	5,644	13,254	(6,214)	11,717	7,751	13,254
Reversals of loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	(13,628)	(13,628)	-	-	(13,631)	(13,631)
	8,570	15,933	(24,878)	(375)	7,725	14,411	(22,514)	(378)

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

5. Insurance operations (continued)

(D) Reinsurance contracts held (continued)

(ii) Reconciliation of the measurement components of reinsurance contract balances (continued)

	<u>The Group</u>				<u>The Company</u>			
	Present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	Contractual service margin \$'000	Total \$'000	Present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	Contractual service margin \$'000	Total \$'000
2023 (continued)								
Effect of changes in the risk of reinsurers non-performance	(2)	-	-	(2)	-	-	-	-
Net income/(expenses) from reinsurance contracts held	21,446	686	(27,338)	(5,206)	21,596	616	(24,094)	(1,882)
Finance (expenses)/income from reinsurance contracts issued through profit & loss	(491)	1,041	1,403	1,953	(447)	415	1,266	1,234
Finance (expenses)/income from reinsurance contracts issued through OCI	(2,501)	895	-	(1,606)	(2,999)	895	-	(2,104)
Total amounts recognised in comprehensive income	18,454	2,622	(25,935)	(4,859)	18,150	1,926	(22,828)	(2,752)
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	99,646	-	-	99,646	78,851	-	-	78,851
Recoveries from reinsurance	(87,776)	-	-	(87,776)	(72,678)	-	-	(72,678)
Total cash flows	11,870	-	-	11,870	6,173	-	-	6,173
Currency translation differences	(489)	(555)	(198)	(1,242)	-	-	-	-
Net balance as at 31 December	20,354	24,304	21,419	66,077	8,352	14,379	19,900	42,631
Closing reinsurance contract assets	21,324	24,304	21,779	67,407	8,352	14,379	19,900	42,631
Closing reinsurance contract liabilities	(970)	-	(360)	(1,330)	-	-	-	-
Net balance as at 31 December	20,354	24,304	21,419	66,077	8,352	14,379	19,900	42,631

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT
For the financial year ended 31 December 2024

5. Insurance operations (continued)

(D) Reinsurance contracts held (continued)

(iii) Impact of contracts recognised in the year

	<u>The Group</u>		<u>The Company</u>	
	Contracts originated		Contracts originated	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Estimates of the present value of future cash inflows	53,241	52,816	65,712	66,844
Estimates of the present value of future cash outflows	(64,191)	(58,269)	(77,243)	(73,058)
Risk adjustment for non-financial risk	13,174	13,063	11,960	11,717
CSM	10,923	5,644	12,714	7,751
	<u>13,147</u>	<u>13,254</u>	<u>13,143</u>	<u>13,254</u>

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

5. Insurance operations (continued)

(D) Reinsurance contracts held (continued)

(iv) Amounts determined on transition to SFRS(I) 17

	<u>The Group</u>			<u>The Company</u>		
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
CSM as at 1 January	(3,785)	25,204	21,419	1,441	18,459	19,900
Changes that relate to current service						
CSM recognised in profit or loss for the services provided (including loss recovery component)	(18,925)	7,923	(11,002)	(18,706)	7,991	(10,715)
Experience adjustments for ceded premiums	786	220	1,006	-	-	-
	(18,139)	8,143	(9,996)	(18,706)	7,991	(10,715)
Changes that relate to future service						
Changes in estimates that adjust the CSM	(1,440)	(23,806)	(25,246)	1,440	(14,469)	(13,029)
Contracts initially recognised in the period	10,919	-	10,919	12,714	-	12,714
Changes of loss-recovery component other than changes in the FCF of reinsurance contracts held	4,242	6,566	10,808	4,238	6,566	10,804
	(4,418)	(9,097)	(13,515)	(314)	88	(226)
Finance expenses from reinsurance contracts held	283	1,643	1,926	527	1,403	1,930
Total amounts recognised in comprehensive income	(4,135)	(7,454)	(11,589)	213	1,491	1,704
Currency translation differences	(466)	64	(402)	-	-	-
Reclassified to disposal group	10,041	2,135	12,176	-	-	-
CSM as at 31 December	1,655	19,949	21,604	1,654	19,950	21,604

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT
For the financial year ended 31 December 2024
5. Insurance operations (continued)
(D) Reinsurance contracts held (continued)
(iv) Amounts determined on transition to SFRS(I) 17 (continued)

	<u>The Group</u>			<u>The Company</u>		
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	<u>Total</u>	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023						
CSM as at 1 January	(2,858)	50,410	47,552	1,194	41,534	42,728
Changes that relate to current service						
CSM recognised in profit or loss for the services provided	(902)	(2,507)	(3,409)	59	(1,639)	(1,580)
Experience adjustments for ceded premiums	1,251	(302)	949	-	-	-
	349	(2,809)	(2,460)	59	(1,639)	(1,580)
Changes that relate to future service						
Changes in estimates that adjust the CSM	6,619	(23,513)	(16,894)	6,080	(22,714)	(16,634)
Contracts initially recognised in the period	5,644	-	5,644	7,751	-	7,751
Changes of loss-recovery component other than changes in the FCF of reinsurance contracts held	(13,954)	326	(13,628)	(13,957)	326	(13,631)
	(1,342)	(25,996)	(27,338)	(67)	(24,027)	(24,094)
Finance expenses from reinsurance contracts held	160	1,243	1,403	314	952	1,266
Total amounts recognised in comprehensive income	(1,182)	(24,753)	(25,935)	247	(23,075)	(22,828)
Currency translation differences	255	(453)	(198)	-	-	-
CSM as at 31 December	(3,785)	25,204	21,419	1,441	18,459	19,900

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**
NOTES TO THE FINANCIAL STATEMENT
For the financial year ended 31 December 2024
6. Net investment result

The net investment result in profit or loss and other comprehensive income:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Investment return				
Interest revenue on financial assets	428,189	406,641	330,023	314,294
Other investment return	567,596	350,018	371,317	296,574
Net impairment losses on financial assets	(202)	(1,318)	(210)	(1,151)
Amount recognised in profit or loss	995,583	755,341	701,130	609,717
Amount recognised in OCI	(11,622)	23,723	(12,959)	(29,402)
Total investment return	983,961	779,064	688,171	580,315
Net finance expense from insurance contracts issued				
Changes in fair value of underlying assets of contracts measured under the VFA	(1,199,577)	(733,017)	(982,397)	(619,447)
Interest accreted	(11,603)	(10,183)	(6,750)	(5,538)
Effect of changes in interest rates and other financial assumptions	604	1,772	604	1,772
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	(22,047)	(30,191)	-	-
Foreign exchange gain/(loss)	160	(111)	160	(111)
Total net finance expense from insurance contracts issued	(1,232,463)	(771,730)	(988,383)	(623,324)
Net finance income/(expense) from reinsurance contracts held				
Interest accreted	2,811	1,754	2,811	1,754
Effect of changes in interest rates and other financial assumptions	735	(1,147)	(664)	(2,359)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	164	5	-	-
Foreign exchange gain/(loss)	257	(265)	257	(265)
Total net finance income/(expense) from reinsurance contracts held	3,967	347	2,404	(870)
Net investment result	(244,535)	7,681	(297,808)	(43,879)
Summary of the amounts recognised in profit or loss				
Investment return	995,583	755,341	701,130	609,717
Net finance expense from insurance contracts issued ⁽¹⁾	(1,230,962)	(737,706)	(988,500)	(624,888)
Net finance income from reinsurance contracts held	3,966	1,953	3,068	1,234
	(231,413)	19,588	(284,302)	(13,937)
Summary of the amounts recognised in OCI				
Investment return	(11,622)	23,723	(12,959)	(29,402)
Net finance (expense)/income from insurance contracts issued	(1,501)	(34,024)	117	1,564
Net finance income/(expense) from reinsurance contracts held	1	(1,606)	(664)	(2,104)
	(13,122)	(11,907)	(13,506)	(29,942)
Summary of the amounts recognised				
Investment return	983,961	779,064	688,171	580,315
Net finance expense from insurance contracts issued	(1,232,463)	(771,730)	(988,383)	(623,324)
Net finance income/(expense) from reinsurance contracts held	3,967	347	2,404	(870)
Net investment result	(244,535)	7,681	(297,808)	(43,879)

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT
For the financial year ended 31 December 2024
6. Net investment result (continued)

(1) A capital injection amounting to \$323.4 million was made into the Participating Funds to support policyholder bonuses and to address losses incurred from TMLS's hedging activities. This transaction resulted in an increase in the value of underlying items and a corresponding increase in obligations to policyholders. Consequently, the capital injection led to an immediate loss recognised in the profit and loss statement, causing a negative impact on shareholder equity. The accounting treatment of this is in view of the requirements of SFRS(I) 17 for insurance contracts with direct participation features.

The net gains or losses for each class of financial instrument by measurement category is as follows:

The Group

	<u>AC</u>	<u>FVOCI</u>	<u>Designated</u>	<u>FVTPL</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Interest revenue on financial assets					
Financial assets measured at AC	21,011	-	-	-	21,011
Financial assets measured at FVOCI	-	135,025	-	-	135,025
Financial assets measured at FVTPL	-	-	212,291	59,862	272,153
	21,011	135,025	212,291	59,862	428,189
Other investment return					
Dividend income	-	-	-	97,576	97,576
Rental income	-	-	-	2,871	2,871
Net fair value movement of investment property and property, plant and equipment	-	-	-	7,886	7,886
Net gains of debt securities	-	1,420	18,498	16,818	36,736
Net gains of equity shares	-	-	-	594,987	594,987
Net fair value movement on derivatives	-	-	-	(169,047)	(169,047)
Investment expenses	-	(2,592)	-	(100,627)	(103,219)
Net foreign exchange gains	477	5,911	92,509	909	99,806
	477	4,739	111,007	451,373	567,596
Net impairment losses on financial assets	-	(202)	-	-	(202)
Total investment return	21,488	139,562	323,298	511,235	995,583

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

6. Net investment result (continued)

The net gains or losses for each class of financial instrument by measurement category is as follows:

The Group

	AC	FVOCI	FVTPL		Total
	\$'000	\$'000	Designated \$'000	Mandatory \$'000	\$'000
2023					
Interest revenue on financial assets					
Financial assets measured at AC	14,395	-	-	-	14,395
Financial assets measured at FVOCI	-	125,124	-	-	125,124
Financial assets measured at FVTPL	-	-	205,664	61,458	267,122
	14,395	125,124	205,664	61,458	406,641
Other investment return					
Dividend income	-	-	-	81,742	81,742
Rental income	-	-	-	3,373	3,373
Net fair value movement of investment property and property, plant and equipment (Note 16, 18)	-	-	-	2,268	2,268
Net (losses)/gains of debt securities	-	(2,008)	126,123	45,226	169,341
Net gains of equity shares	-	-	-	154,543	154,543
Net fair value movement on derivatives	-	-	-	91,638	91,638
Investment expenses	-	(3,751)	-	(119,739)	(123,490)
Net foreign exchange (losses)/gains	(1,703)	(2,390)	(29,387)	4,083	(29,397)
	(1,703)	(8,149)	96,736	263,134	350,018
Net impairment losses on financial assets	-	(1,003)	-	-	(1,003)
Total investment return	12,692	115,972	302,400	324,592	755,656

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

6. Net investment result (continued)

The net gain or loss for each class of financial instrument by measurement category is as follows:

The Company

	<u>AC</u>	<u>FVOCI</u>	<u>Designated</u>	<u>FVTPL</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Interest revenue on financial assets					
Financial assets measured at AC	15,854	-	-	-	15,854
Financial assets measured at FVOCI	-	49,569	-	-	49,569
Financial assets measured at FVTPL	-	-	212,291	52,309	264,600
	15,854	49,569	212,291	52,309	330,023
Other investment return					
Dividend income	-	-	-	75,878	75,878
Rental income	-	-	-	1,358	1,358
Net fair value movement of investment property and property, plant and equipment (Note 16, 18)	-	-	-	3,549	3,549
Net (losses)/gains of debt securities	-	(2,091)	18,498	16,535	32,942
Net gains of equity shares	-	-	-	426,171	426,171
Net fair value movement on derivatives	-	-	-	(169,047)	(169,047)
Investment expenses	-	(1,869)	-	(97,471)	(99,340)
Net foreign exchange gains	477	5,911	92,509	909	99,806
	477	1,951	111,007	257,882	371,317
Net impairment losses on financial assets	-	(210)	-	-	(210)
Total investment return	16,331	51,310	323,298	310,191	701,130

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

6. Net investment result (continued)

The net gain or loss for each class of financial instrument by measurement category is as follows:

	AC	FVOCI	FVTPL	Total	
	\$'000	\$'000	Designated \$'000	Mandatory \$'000	\$'000
2023					
Interest revenue on financial assets					
Financial assets measured at AC	8,099	-	-	-	8,099
Financial assets measured at FVOCI	-	44,444	-	-	44,444
Financial assets measured at FVTPL	-	-	205,664	56,087	261,751
	8,099	44,444	205,664	56,087	314,294
Other investment return					
Dividend income	-	-	-	65,707	65,707
Rental income	-	-	-	1,240	1,240
Net fair value movement of investment property and property, plant and equipment (Note 16, 18)	-	-	-	2,070	2,070
Net (losses)/gains of debt securities	-	(2,941)	126,123	42,899	166,081
Net gains of equity shares	-	-	-	122,728	122,728
Net fair value movement on derivatives	-	-	-	91,635	91,635
Investment expenses	-	(3,751)	-	(119,739)	(123,490)
Net foreign exchange (losses)/gains	(1,703)	(2,390)	(29,387)	4,083	(29,397)
	(1,703)	(9,082)	96,736	210,623	296,574
Net impairment losses on financial assets	-	(1,151)	-	-	(1,151)
Total investment return	6,396	34,211	302,400	266,710	609,717

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

6. Net investment result (continued)

For the group of contracts that the Group and the Company applies the fair value approach, the movement in the fair value reserve for the debt securities at fair value through other comprehensive income was as follows:

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January	52,426	(6,916)	(9,349)	(17,295)
Net change in fair value	(15,998)	63,248	2,998	9,461
Net amount reclassified to profit or loss	(3,684)	(2,177)	(955)	(1,515)
Currency translation difference	2,823	(1,729)	-	-
Reclassified to disposal group	(42,873)	-	-	-
Balance at 31 December	(7,306)	52,426	(7,306)	(9,349)

7(a). Other income

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Government grant	44	31	41	31
Management fee income	499	110	2,819	1,694
Commission income from third parties	2,473	1,680	-	-
	3,016	1,821	2,860	1,725

7(b). Other gains - net

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Gain on disposal of property, plant and equipment	-	4	-	4
Fair value gain of property, plant and equipment	-	3,201	-	3,201
Others	4,149	3,778	4,149	3,778
	4,149	6,983	4,149	6,983

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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For the financial year ended 31 December 2024
8. Other operating expenses – expenses by nature

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Employee compensation	64,811	55,343	35,483	27,899
Commission and agency expenses	115,095	108,989	53,601	49,206
Depreciation	2,682	2,860	855	963
Amortisation	2,884	2,147	1,687	801
Other operating expenses ⁽²⁾	430,431	366,542	276,691	229,646
	615,903	535,881	368,317	308,515
Amounts attributed to insurance acquisition cash flows ⁽¹⁾	(89,930)	(87,849)	(51,970)	(49,934)
Amortisation of insurance acquisition cash flows	41,544	31,484	39,060	34,135
Insurance service and other expense	567,517	479,516	355,407	292,716

An analysis of the expenses incurred by the Group in the reporting period is included in the table below:

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Insurance service expenses	480,201	448,335	294,296	271,057
Other expenses	87,316	31,181	61,111	21,659
	567,517	479,516	355,407	292,716

(1) Expenses attributed to insurance acquisition cash flows incurred by the Group in the reporting period that relate directly to the fulfilment of contracts issued within SFRS(I) 17's scope and reinsurance contracts held. These expenses are recognised in the consolidated statement of comprehensive income based on SFRS(I) 17.

(2) The other operating expenses mainly relate to incurred claims and other benefits and loss on onerous contracts, refer to Note 5 (B).

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Employee compensation</u>				
Wages and salaries	58,835	49,337	32,545	25,230
Employer's contribution to defined contribution plans including Central Provident Fund and Employees Provident Fund	5,975	6,006	2,938	2,669
Staff retirement benefits	1	-	-	-
Insurance service and other expense	64,811	55,343	35,483	27,899

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

9. Cash and cash equivalents

(a)

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	338,861	148,105	332,414	134,371
Fixed deposits with financial institutions	105,122	342,728	80,714	165,876
	443,983	490,833	413,128	300,247

(b) Fixed deposits with financial institutions at the balance sheet date has an average maturity of 1 month (2023: 1 month) from the end of the financial year with the following weighted average effective interest rates per annum:

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	%	%	%	%
Singapore Dollar	3.09	3.93	2.98	3.93
Malaysian Ringgit	-	3.18	-	-

(c) Fixed deposits with financial institutions are analysed as follows:

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Fixed deposits maturing within 12 months	105,122	342,728	80,714	165,876
Total fixed deposits with financial institutions	105,122	342,728	80,714	165,876

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

10. Financial assets at fair value through profit or loss

The carrying amounts of the financial assets held by the Group and the Company are:

	<u>The Group</u> <u>FVTPL</u>			<u>The Company</u> <u>FVTPL</u>		
	<u>Designated</u>	<u>Mandatory</u>	<u>Total</u>	<u>Designated</u>	<u>Mandatory</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Government and public authority securities	2,120,437	-	2,120,437	2,120,437	-	2,120,437
Debt securities in corporations	3,636,891	37,408	3,674,299	3,636,891	37,408	3,674,299
Equity securities	-	3,379,905	3,379,905	-	3,379,905	3,379,905
Derivative financial assets	-	68,027	68,027	-	68,027	68,027
Total investment assets	5,757,328	3,485,340	9,242,668	5,757,328	3,485,340	9,242,668
Current			3,140,005			3,140,005
Non-current			6,102,663			6,102,663
			9,242,668			9,242,668

	<u>The Group</u> <u>FVTPL</u>			<u>The Company</u> <u>FVTPL</u>		
	<u>Designated</u>	<u>Mandatory</u>	<u>Total</u>	<u>Designated</u>	<u>Mandatory</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023						
Government securities and public authority securities	2,502,202	-	2,502,202	2,480,627	-	2,480,627
Debt securities in corporations	3,433,574	101,684	3,535,258	3,356,356	101,684	3,458,040
Equity securities	-	3,698,788	3,698,788	-	2,862,789	2,862,789
Derivative financial assets	-	130,306	130,306	-	130,301	130,301
Total investment assets	5,935,776	3,930,778	9,866,554	5,836,983	3,094,774	8,931,757
Current			3,498,073			2,657,168
Non-current			6,368,481			6,274,589
			9,866,554			8,931,757

Refer to the accounting policies in Note 2.12 for an explanation as to why the Group and the Company have designated certain financial assets at FVTPL.

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11. Financial assets at fair value through other comprehensive income

The carrying amounts of the financial assets held by the Group and the Company are:

	<u>The Group</u>		<u>The Company</u>	
	<u>FVOCI</u>		<u>FVOCI</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Government securities and public authority and securities	2,102,391	2,352,234	2,102,391	1,377,311
Debt securities in corporations	458,632	1,165,993	458,632	289,154
Total investment assets	2,561,023	3,518,227	2,561,023	1,666,465
Current	129,216	115,861	129,216	21,900
Non-current	2,431,807	3,402,366	2,431,807	1,644,565
	2,561,023	3,518,227	2,561,023	1,666,465

Refer to the accounting policies in Note 2.12 for an explanation as to why the Group and the Company have designated certain financial assets at FVOCI.

12. Financial assets at amortised cost

The carrying amounts of the financial assets held by the Group and the Company are:

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Accrued investment income	85,084	98,924	85,044	77,822
Other assets	19,716	18,359	12,721	11,264
Loans	-	214	-	-
Cash and cash equivalents	443,983	490,833	413,128	300,247
Total financial assets	548,783	608,330	510,893	389,333
Current	548,783	608,116	510,893	389,333
Non-current	-	214	-	-
	548,783	608,330	510,893	389,333

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13. Derivative financial instruments

(a) Derivative financial instruments

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Derivative financial assets:</u>				
Warrants	-	5	-	-
Foreign exchange contracts	-	34,976	-	34,976
Cross currency swaps	68,027	95,325	68,027	95,325
	68,027	130,306	68,027	130,301
<u>Derivative financial liabilities:</u>				
Foreign exchange contracts	(91,588)	(1,455)	(91,588)	(1,455)
Interest rate swaps	(73,976)	(67,079)	(73,976)	(67,079)
Cross currency swaps	(9,883)	(5,159)	(9,883)	(5,159)
	(175,447)	(73,693)	(175,447)	(73,693)

(b) Warrants

	<u>The Group</u>	
	2024	2023
	\$'000	\$'000
Warrants due after 12 months	-	5

(c) Foreign exchange contracts

At 31 December, the contractual amounts and the fair value of the Group's and the Company's outstanding foreign exchange contracts are as follows:

	<u>The Group and the Company</u>			
<u>Description</u>	<u>Contract notional amount</u>		<u>Net fair value</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
United States Dollar	2,855,473	2,934,208	(91,588)	33,521
	2024		2024	2023
	\$'000		\$'000	\$'000
Beginning of financial year			33,521	87,450
Fair value losses recognised in profit or loss			(125,109)	(53,929)
Balance at end of financial year			(91,588)	33,521

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For the financial year ended 31 December 2024

13. Derivative financial instruments (continued)

(d) Cross currency swaps

At 31 December, the contractual amounts and the fair value of the Group's and the Company's outstanding cross currency swaps are as follows:

<u>Description</u>	<u>The Group and the Company</u>			
	<u>Contract notional amount</u>		<u>Net fair value</u>	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
United States Dollar	560,334	587,492	58,144	90,166
			2024 \$'000	2023 \$'000
Beginning of financial year			90,166	20,506
Fair value (losses)/gains recognised in profit or loss			(32,022)	69,660
Balance at end of financial year			58,144	90,166

As at 31 December 2024, deferred income from cross currency swaps amounted to \$39,177,000 (2023: \$42,634,000).

(e) Interest rate swaps

At 31 December, the contractual amounts and the fair value of the Group's and the Company's outstanding interest rate swaps are as follows:

<u>Description</u>	<u>The Group and the Company</u>			
	<u>Contract notional amount</u>		<u>Net fair value</u>	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
United States Dollar	240,000	240,000	(73,976)	(67,078)
			2024 \$'000	2023 \$'000
Beginning of financial year			(67,078)	(87,058)
Fair value (losses)/gains recognised in profit or loss			(6,898)	19,980
End of financial year			(73,976)	(67,078)

As at 31 December 2024, the Company pledged debt securities with carrying value of \$31 million on (2023: \$26 million) for liabilities in respect of derivative transactions.

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For the financial year ended 31 December 2024

14. Other assets

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Accrued investment income				
- Financial assets at FVTPL	63,880	64,527	63,880	62,759
Accrued investment income				
- Financial assets at FVOCI	21,090	33,426	21,090	14,584
Accrued investment income				
- Financial assets at AC	114	971	74	479
Club memberships	13	13	13	13
Due from subsidiary companies - non-trade	-	-	2,484	-
Due from fellow subsidiaries - non-trade	357	542	357	365
Due from intermediate holding company - non-trade	19	-	19	-
Receivable from sales of investment	3,770	9,069	3,770	8,754
Prepayments	1,196	1,277	1,104	930
Other receivables	6,117	8,748	6,091	2,145
	96,556	118,573	98,882	90,029

Other assets are due within 12 months. Amounts due from fellow subsidiaries and related companies are unsecured, non-interest bearing and repayable on demand.

15. Loans

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Loans secured on properties	-	480	-	-
Less: Mortgage interest in arrears	-	(324)	-	-
	-	156	-	-
Unsecured loans	-	58	-	-
	-	214	-	-

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16. Investment properties

(a) The Group

	Freehold <u>land</u> \$'000	Leasehold <u>land</u> \$'000	<u>Building</u> \$'000	<u>Total</u> \$'000
<u>Fair value</u>				
2024				
At 1 January 2024	122,914	1,796	24,212	148,922
Currency translation differences	2,109	110	818	3,037
Transfer (to)/from property, plant and equipment (Note 18)	-	(37)	106	69
Additions	-	-	791	791
Fair value changes for the financial year (Note 6)	6,525	123	398	7,046
Reclassified to disposal group	(39,553)	(1,992)	(14,820)	(56,365)
At 31 December 2024	91,995	-	11,505	103,500
2023				
At 1 January 2023	124,769	1,782	24,523	151,074
Currency translation differences	(1,938)	(101)	(811)	(2,850)
Fair value changes for the financial year (Note 6)	83	115	500	698
At 31 December 2023	122,914	1,796	24,212	148,922

The following amounts are recognised in profit or loss:

	<u>The Group</u>	
	2024	2023
	\$'000	\$'000
Rental income	5,265	5,075
Direct operating expenses arising from:		
- Investment properties that generate rental income	(1,809)	(1,538)
- Investment properties that do not generate rental income	(414)	(471)
	(2,223)	(2,009)
Net rental income	3,042	3,066
Fair value recognised in other gains	7,046	2,268
	10,088	5,334

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16. Investment properties (continued)

(b) The Company

	Freehold land \$'000	Building \$'000	Total \$'000
2024			
At 1 January 2024	105,876	16,054	121,930
Additions	-	791	791
Fair value changes for the financial year (Note 6)	2,570	409	2,979
At 31 December 2024	108,446	17,254	125,700
2023			
At 1 January 2023	89,700	9,800	99,500
Transfer from property, plant and equipment (Note 18)	14,606	5,754	20,360
Fair value changes for the financial year (Note 6)	1,570	500	2,070
At 31 December 2023	105,876	16,054	121,930

The following amounts are recognised in profit or loss:

	<u>The Company</u>	
	2024	2023
	\$'000	\$'000
Rental income	1,358	1,240
Direct operating expenses arising from:		
- Investment properties that generate rental income	(505)	(307)
Net rental income	853	933
Fair value recognised in other gains	2,979	2,070
	3,832	3,003

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16. Investment properties (continued)

Investment properties are carried at fair value and the changes in fair values are presented in profit or loss as part of other gains.

The investment properties of the Company were valued by independent professional valuers based on the properties' highest-and-best use using the sales comparison approach at the balance sheet date. These are registered as Level 3 of the fair value measurement hierarchy. Under the sales comparison approach, the recent sale prices of properties in close proximity are adjusted for differences in key attributes such as tenure, location and condition of the properties. The most significant input into this valuation approach is based on the average selling price per square foot derived and evaluated on comparable transactions and industry data.

17. Investment in subsidiaries

		<u>The Company</u>	
		2024	2023
		\$'000	\$'000
(a)	Unquoted equity shares, at cost	35,000	107,636
	Beginning of financial year	107,636	87,636
	Additions	15,000	20,000
	Reclassified to non-current asset classified as held-for-sale	(87,636)	-
	End of financial year	35,000	107,636

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17. Investment in subsidiaries (continued)

(b) The subsidiaries of the Company is as follows:

With the impending sales of wholly owned subsidiary TMLM with completion expected by September 2025, TMLM are presented as a disposal group classified as held-for-sale as at 31 December 2024.

<u>Name of subsidiary</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Cost of investment</u>		<u>% of paid up capital held by the Company</u>	
			2024 \$'000	2023 \$'000	2024 %	2023 %
Tokio Marine Life Insurance Malaysia Bhd.*	Life assurance	Malaysia	87,636	87,636	100	100
Tokio Marine Financial Advisers (Singapore) Private Limited**	Insurance agencies and agents	Singapore	35,000	20,000	100	100

* Audited by PricewaterhouseCoopers PLT.

** Audited by PricewaterhouseCoopers LLP.

The nature of the balance is non-current.

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18. Property, plant and equipment

With the impending sales of wholly owned subsidiary TMLM with completion expected by September 2025, the table below shows the Group's property, plant and equipment position, excluding TMLM.

(a) The Group

	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Freehold Land (SFRS(I) 1-40) \$'000	Building (SFRS(I) 1-40) \$'000	Motor vehicles \$'000	Furniture and equipment \$'000	Total \$'000
2024								
<u>Cost/Valuation</u>								
At 1 January 2024	23,124	1,738	29,126	49,190	17,500	688	13,578	134,944
Currency translation differences	1,359	102	1,687	-	-	15	405	3,568
Transfer from/(to) Investment properties (Note 16)	-	37	(106)	-	-	-	-	(69)
Additions	-	-	633	-	-	-	727	1,360
Disposals	-	-	-	-	-	-	(376)	(376)
Write-offs	-	-	(102)	-	-	-	(49)	(151)
Revaluation gains for the financial year	478	8	797	840	-	-	-	2,123
Elimination of accumulated depreciation arising from revaluation	-	(20)	(797)	-	-	-	-	(817)
Reclassified to disposal group	(24,961)	(1,865)	(30,502)	-	-	(280)	(7,652)	(65,260)
At 31 December 2024	-	-	736	50,030	17,500	423	6,633	75,322
Cost	-	-	736	-	-	423	6,633	7,792
Valuation	-	-	-	50,030	17,500	-	-	67,530
At 31 December 2024	-	-	736	50,030	17,500	423	6,633	75,322
<u>Accumulated depreciation</u>								
At 1 January 2024	-	-	6,036	-	-	688	10,845	17,569
Currency translation differences	-	1	386	-	-	15	346	748
Depreciation charge	-	20	1,460	-	-	-	1,202	2,682
Disposals	-	-	-	-	-	-	(376)	(376)
Write-offs	-	-	(102)	-	-	-	(45)	(147)
Elimination of accumulated depreciation arising from revaluation	-	(20)	(797)	-	-	-	-	(817)
Reclassified to disposal group	-	(1)	(6,639)	-	-	(280)	(6,412)	(13,332)
At 31 December 2024	-	-	344	-	-	423	5,560	6,327
Net book value at 31 December 2024	-	-	392	50,030	17,500	-	1,073	68,995

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18. Property, plant and equipment (continued)

(a) The Group (Continued)

	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Freehold Land (SFRS(I) 1-40) \$'000	Building (SFRS(I) 1-40) \$'000	Motor vehicles \$'000	Furniture and equipment \$'000	Total \$'000
2023								
<u>Cost/Valuation</u>								
At 1 January 2023	24,181	1,834	30,920	44,419	17,500	703	13,622	133,179
Currency translation differences	(1,335)	(101)	(1,687)	-	-	(15)	(388)	(3,526)
Additions	-	-	666	-	-	-	562	1,228
Disposals	-	-	-	-	-	-	(185)	(185)
Write-offs	-	-	(145)	-	-	-	(33)	(178)
Derecognition	-	-	(205)	-	-	-	-	(205)
Revaluation gains for the financial year	278	24	308	4,771	-	-	-	5,381
Elimination of accumulated depreciation arising from revaluation	-	(19)	(731)	-	-	-	-	(750)
At 31 December 2023	23,124	1,738	29,126	49,190	17,500	688	13,578	134,944
Cost	-	-	424	-	-	688	13,578	14,690
Valuation	23,124	1,738	28,702	49,190	17,500	-	-	120,254
At 31 December 2023	23,124	1,738	29,126	49,190	17,500	688	13,578	134,944
<u>Accumulated depreciation</u>								
At 1 January 2023	-	-	6,055	-	-	643	9,941	16,639
Currency translation differences	-	-	(344)	-	-	(15)	(299)	(658)
Depreciation charge	-	19	1,402	-	-	60	1,379	2,860
Disposals	-	-	-	-	-	-	(149)	(149)
Write-offs	-	-	(146)	-	-	-	(27)	(173)
Derecognition	-	-	(200)	-	-	-	-	(200)
Elimination of accumulated depreciation arising from revaluation	-	(19)	(731)	-	-	-	-	(750)
At 31 December 2023	-	-	6,036	-	-	688	10,845	17,569
Net book value at 31 December 2023	23,124	1,738	23,090	49,190	17,500	-	2,733	117,375

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18. Property, plant and equipment (continued)
(a) The Group (continued)

With the impending sales of wholly owned subsidiary TMLM with completion expected by September 2025, the table below shows the Group's net book value of the revalued land and buildings, excluding TMLM, as if these assets had been carried at cost less accumulated depreciation.

	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Freehold Land (SFRS(I) 1-40) \$'000	Building (SFRS(I) 1-40) \$'000	Total \$'000
Cost	4,670	1,163	27,260	13,938	8,568	55,599
Accumulated depreciation	-	(125)	(12,074)	-	(2,242)	(14,441)
Net book value at 31 December 2024	4,670	1,038	15,186	13,938	6,326	41,158
Cost	4,523	1,086	25,485	13,938	8,568	53,600
Accumulated depreciation	-	(105)	(10,767)	-	(2,242)	(13,114)
Net book value at 31 December 2023	4,523	981	14,718	13,938	6,326	40,486

(b) The Company

	Freehold land \$'000	Buildings \$'000	Freehold Land (SFRS(I) 1-40) \$'000	Building (SFRS(I) 1-40) \$'000	Motor vehicles \$'000	Furniture and equipment \$'000	Total \$'000
2024							
<u>Cost/Valuation</u>							
At 1 January 2024	-	424	33,014	11,746	423	6,652	52,259
Additions	-	414	-	-	-	310	724
Disposals	-	-	-	-	-	(376)	(376)
Write-offs	-	(102)	-	-	-	-	(102)
Revaluation gains for the financial year	-	-	570	-	-	-	570
At 31 December 2024	-	736	33,584	11,746	423	6,586	53,075
Cost	-	736	-	-	423	6,586	7,745
Valuation	-	-	33,584	11,746	-	-	45,330
At 31 December 2024	-	736	33,584	11,746	423	6,586	53,075
<u>Accumulated depreciation</u>							
At 1 January 2024	-	185	-	-	423	5,323	5,931
Depreciation charge	-	261	-	-	-	594	855
Disposals	-	-	-	-	-	(376)	(376)
Write-offs	-	(102)	-	-	-	-	(102)
At 31 December 2024	-	344	-	-	423	5,541	6,308
Net book value at 31 December 2024	-	392	33,584	11,746	-	1,045	46,767

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18. Property, plant and equipment (continued)

(b) The Company (continued)

	Freehold <u>land</u> \$'000	<u>Buildings</u> \$'000	Freehold Land (SFRS(I) <u>1-40</u>) \$'000	Building (SFRS(I) <u>1-40</u>) \$'000	Motor <u>vehicles</u> \$'000	Furniture and <u>equipment</u> \$'000	<u>Total</u> \$'000
2023							
<u>Cost/Valuation</u>							
At 1 January 2023	-	350	44,419	17,500	423	6,598	69,290
Reclass from/(to) Investment Property (Note 16)	-	-	(14,606)	(5,754)	-	-	(20,360)
Additions	-	424	-	-	-	239	663
Disposals	-	-	-	-	-	(185)	(185)
Write-offs	-	(145)	-	-	-	-	(145)
Derecognition	-	(205)	-	-	-	-	(205)
Revaluation gains for the financial year	-	-	3,201	-	-	-	3,201
At 31 December 2023	-	424	33,014	11,746	423	6,652	52,259
<u>Cost</u>	-	424	-	-	423	6,652	7,499
<u>Valuation</u>	-	-	33,014	11,746	-	-	44,760
At 31 December 2023	-	424	33,014	11,746	423	6,652	52,259
<u>Accumulated depreciation</u>							
At 1 January 2023	-	299	-	-	363	4,801	5,463
Depreciation charge	-	232	-	-	60	671	963
Disposals	-	-	-	-	-	(149)	(149)
Write-offs	-	(146)	-	-	-	-	(146)
Derecognition	-	(200)	-	-	-	-	(200)
At 31 December 2023	-	185	-	-	423	5,323	5,931
Net book value at 31 December 2023	-	239	33,014	11,746	-	1,329	46,328

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18. Property, plant and equipment (continued)

(b) The Company (continued)

The net book value of the revalued land and buildings, had these assets been carried at cost less accumulated depreciation is as follows:

	<u>Buildings</u> \$'000	<u>Freehold Land (SFRS(I) 1-40)</u> \$'000	<u>Building (SFRS(I) 1-40)</u> \$'000	<u>Total</u> \$'000
Cost	736	13,938	8,568	23,242
Accumulated depreciation	(344)	-	(2,242)	(2,586)
Net book value at 31 December 2024	392	13,938	6,326	20,656
Cost	424	13,938	8,568	22,930
Accumulated depreciation	(185)	-	(2,242)	(2,427)
Net book value at 31 December 2023	239	13,938	6,326	20,503

- (c) Right-of-use ("ROU") assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such assets are disclosed in Note 19.
- (d) Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers. External independent valuers are engaged to determine the fair value annually. Changes in fair value are recognised in profit or loss. Land and buildings not held under participating fund are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation gains is credited to asset revaluation reserve in equity. All other property, plant and equipment is recognised at historical cost less depreciation.

The land and buildings of the Group were valued by independent professional valuers based on the properties' highest-and-best use using the sales comparison approach at the balance sheet date. These are registered as Level 3 of the fair value measurement hierarchy. Under the sales comparison approach, the recent sale prices of properties in close proximity are adjusted for differences in key attributes such as tenure, location and condition of the properties. The most significant input into this valuation approach is selling price per square foot. The nature of the balance is non-current.

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

19. Leases

(A) *Leases – The Group and Company as a lessee*

Nature of the Group's and Company's leasing activities

Buildings

The Group and Company lease office space and residential space for the purpose of back-office operations and staff accommodation for certain foreign expatriate employees.

Furniture and equipment

The Group and Company lease copiers for the purpose of back office operations.

There are no externally imposed covenants on these lease arrangements.

(a) Carrying amounts

ROU assets classified within property, plant and equipment

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Leasehold Buildings	392	288	392	239
Furniture and equipment	112	235	112	174
	504	523	504	413

(b) Depreciation charge during the year

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Leasehold Land	20	-	-	-
Leasehold Buildings	426	353	261	229
Furniture and equipment	108	108	61	61
	554	461	322	290

(c) Interest expense

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	44	50	18	21

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

19. Leases (continued)

(A) *Leases – The Group and Company as a lessee (continued)*

(d) Lease expense not capitalised in lease liabilities

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Short term lease expense	46	93	13	52
Low value lease expense	52	69	42	59
	98	162	55	111

(e) Total cash outflow for all leases (including short term and low value leases) in 2024 was \$637,000 and \$395,000 (2023: \$594,000 and \$423,000) for the Group and the Company respectively.

(f) Addition of ROU assets during the financial year 2024 was \$414,000 and \$414,000 (2023: \$424,000 and \$424,000) for the Group and the Company respectively.

(B) *Leases – The Group and Company as a lessor*

The Group and the Company lease out their investment properties to third parties for monthly lease payments.

Rental income from investment properties are disclosed in Note 16.

The future aggregate minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables are as follows:

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Not later than one year	1,022	3,679	1,022	1,175
Between one and five years	743	1,927	743	967
	1,765	5,606	1,765	2,142

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

20. Intangible assets

Computer software licences

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Cost</u>				
At 1 January	30,338	31,152	15,452	14,999
Currency translation differences	873	(892)	-	-
Additions	1,092	1,019	73	468
Write-offs	-	(926)	-	-
Disposal	-	(15)	-	(15)
Reclassified to disposal group	(16,450)	-	-	-
At 31 December	15,853	30,338	15,525	15,452
<u>Accumulated amortisation</u>				
At 1 January	22,562	22,072	10,080	9,279
Currency translation differences	778	(715)	-	-
Amortisation charge	2,884	2,147	1,687	801
Write-offs	-	(942)	-	-
Reclassified to disposal group	(14,444)	-	-	-
At 31 December	11,780	22,562	11,767	10,080
Net book value at 31 December	4,073	7,776	3,758	5,372

Recognised within computer software licenses for the Group and the Company are assets under construction amounting to \$3,077,000 and \$2,499,251 (2023: \$3,528,000 and \$3,051,281). Included in the Group's 2024 balance of \$3,077,000 is an amount of \$578,043 that has been reclassified to assets held for sale as part of the disposal group. Assets under construction are not amortised until they are put in use.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

21. Other payables

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Investment creditors	12,729	13,629	12,729	13,585
Cash collateral	10,069	8,332	10,069	8,332
Due to subsidiary companies				
- non trade	-	-	189	2,625
Due to fellow subsidiaries - non-trade	236	577	236	428
Unclaimed dividend	631	631	631	631
Accrued management expenses	1,390	23,842	1,390	1,283
Rental deposits and advances	136	1,135	136	249
GST payable	850	847	778	761
Other financial liability (Note 37)	-	194	-	-
Other non-trade payables	33,303	44,336	21,069	19,404
	59,344	93,523	47,227	47,298

Of the total payables, \$59,344,000 and \$47,038,000 (2023: \$93,329,000 and \$44,673,000) for the Group and the Company respectively are due within next 12 months.

Amounts due to fellow subsidiaries and intermediate holding company are unsecured, non-interest bearing and repayable on demand.

22. Deferred income

	<u>The Group and The Company</u>	
	2024	2023
	\$'000	\$'000
Deferred income – cross currency swaps	39,177	42,634

Deferred income from cross currency swaps, relates to upfront fees received from counterparties of cross currency swaps. The deferred income is amortised on a straight-line basis up to the maturity date of the cross currency swaps.

Details of the cross currency swaps are disclosed in Note 13(d).

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT
For the financial year ended 31 December 2024
23. Borrowings

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Loan from				
- immediate holding company	47,129	47,129	47,129	47,129
- intermediate holding company	819,126	498,385	819,126	498,385
Lease liabilities due to				
- others	510	569	510	430
	866,765	546,083	866,765	545,944
Due within 12 months	2,857	2,100	2,857	2,100
Due after 12 months	863,908	543,983	863,908	543,844

The loan from immediate holding company is unsecured and repayable in full on 13 September 2026. Interest is fixed at 3.2% per annum. The loan from intermediate holding company is unsecured and repayable in full on 12 December 2028. The interest rate is calculated by applying an applicable margin of 0.81% on the SWAP rate.

With the cessation of the SWAP rate over the next few years, the Group monitors its contracts that are referenced to the SWAP rate. The Group believes that it will not result in a material impact to the financial statements even though there is uncertainty around the alternative interest rate benchmark.

Reconciliation of liabilities arising from financing activities
The Group

	1 January <u>2024</u> \$'000	Proceeds from <u>Borrowings</u> \$'000	Principal and interest <u>payments</u> \$'000	Interest <u>expense</u> \$'000	Addition - new leases \$'000	Derecognition <u>of leases</u> \$'000	Foreign Exchange <u>Movement</u> \$'000	Reclassified to disposal <u>group</u> \$'000	31 December <u>2024</u> \$'000
Loan from immediate holding company	47,129	-	(1,498)	1,498	-	-	-	-	47,129
Loan from intermediate holding company	498,385	320,000	(40,943)	41,684	-	-	-	-	819,126
Lease Liabilities	569	-	(550)	45	589	-	9	(152)	510
	1 January <u>2023</u> \$'000	Proceeds from <u>Borrowings</u> \$'000	Principal and interest <u>payments</u> \$'000	Interest <u>expense</u> \$'000	Addition - new leases \$'000	Derecognition <u>of leases</u> \$'000	Foreign Exchange <u>Movement</u> \$'000	Reclassified to disposal <u>group</u> \$'000	31 December <u>2023</u> \$'000
Loan from immediate holding company	47,129	-	(1,494)	1,494	-	-	-	-	47,129
Loan from intermediate holding company	150,417	347,000	(11,638)	12,606	-	-	-	-	498,385
Lease Liabilities	589	-	(470)	49	424	(6)	(17)	-	569

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

24. Deferred income taxes

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

The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	<u>The Group</u>		<u>The Company</u>	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
Settled after 12 months				
Deferred tax assets	(118,499)	(101,025)	(118,499)	(101,025)
Deferred tax liabilities	-	82,986	-	-

The movement in deferred tax liabilities (prior to offsetting of balances within the same jurisdiction) during the period is as follows:

The Group

Deferred tax assets

	<u>Accelerated tax depreciation</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Investment properties</u> \$'000	<u>Other temporary differences</u> \$'000	<u>Total</u> \$'000
31 December 2024					
At 1 January 2024	832	-	10,610	(112,467)	(101,025)
Tax (credit)/charge to profit or loss (Note 4(a))	(234)	-	499	(17,739)	(17,474)
At 31 December 2024	598	-	11,109	(130,206)	(118,499)
31 December 2023					
At 1 January 2023	905	(34,754)	10,381	(106,355)	(129,823)
Tax (credit)/charge to profit or loss (Note 4(a))	(73)	-	229	(6,112)	(5,956)
Tax charge to equity	-	34,754	-	-	34,754
At 31 December 2023	832	-	10,610	(112,467)	(101,025)

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

24. Deferred income taxes (continued)

The Group (continued)

Deferred tax liabilities

	Accelerated tax depreciation \$'000	Fair value reserve \$'000	Asset revaluation reserve \$'000	Investment properties \$'000	Other temporary differences \$'000	Total \$'000
31 December 2024						
At 1 January 2024	114	15,835	1,704	3,682	61,651	82,986
Currency translation differences	6	595	106	232	4,677	5,616
Tax (credit)/charge to profit or loss (Note 4(a))	(13)	-	-	347	19,077	19,411
Tax charge/(credit) to equity	-	575	115	-	(201)	489
Reclassified to disposal group	(107)	(17,005)	(1,925)	(4,261)	(85,204)	(108,502)
At 31 December 2024	-	-	-	-	-	-
31 December 2023						
At 1 January 2023	142	6,677	1,745	3,882	57,667	70,113
Currency translation differences	(8)	(236)	(99)	(217)	(3,682)	(4,242)
Tax (credit)/charge to profit or loss (Note 4(a))	(20)	-	-	17	10,134	10,131
Tax charge/(credit) to equity	-	9,394	58	-	(2,468)	6,984
At 31 December 2023	114	15,835	1,704	3,682	61,651	82,986

The Company

Deferred tax assets

	Accelerated tax depreciation \$'000	Fair value reserve \$'000	Investment properties \$'000	Other temporary differences \$'000	Total \$'000
31 December 2024					
At 1 January 2024	832	-	10,610	(112,467)	(101,025)
Tax (credit)/charge to profit or loss (Note 4(a))	(234)	-	499	(17,739)	(17,474)
At 31 December 2024	598	-	11,109	(130,206)	(118,499)
31 December 2023					
At 1 January 2023	905	(34,754)	10,381	(106,355)	(129,823)
Tax (credit)/charge to profit or loss (Note 4(a))	(73)	-	229	(6,112)	(5,956)
Tax charge to equity	-	34,754	-	-	34,754
At 31 December 2023	832	-	10,610	(112,467)	(101,025)

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24. Deferred income taxes (continued)

The Company (continued)

The other temporary differences mainly relate to deferred tax liabilities recognised for timing difference in recognising the release of insurance contract liability between accounting basis and tax basis. The Company has not recognised deferred tax assets in respect of tax losses due to uncertainty of its recoverability against future taxable profits. The use of these tax losses is subject to the agreement of the Singapore Tax Authority and compliance with certain provisions of tax legislation.

25. Staff retirement benefits

	The Group	
	2024	2023
	\$'000	\$'000
At 1 January	2	1
Currency translation differences	-	-
Increase in provision for the financial year	1	1
Reclassified to disposal group	(3)	-
At 31 December	-	2
Due after 12 months	-	2

26. Agents' retirement benefits

	The Group	
	2024	2023
	\$'000	\$'000
At 1 January	11,948	12,142
Currency translation differences	696	(671)
Amount paid during the financial year	(933)	(1,136)
Increase in provision for the financial year	2,043	1,613
Reclassified to disposal group	(13,638)	-
At 31 December	116	11,948
Due within 12 months	-	4,163
Due after 12 months	116	7,785
	116	11,948

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

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27. Obligations under repurchase agreements

The Group and the Company entered into repurchase agreements whereby securities are sold to third parties with a concurrent agreement to repurchase the securities at a specified date.

The securities related to these agreements are not de-recognised from the Group's and the Company's balance sheet, but are retained within the appropriate financial asset classification. During the term of the repurchase agreements, the Group and the Company is restricted from selling or pledging the transferred debt securities.

The following table specifies the amounts included within financial investments subject to repurchase agreements which do not qualify for de-recognition at each period end:

	<u>The Group and The Company</u>	
	2024	2023
	\$'000	\$'000
Debt securities - FVOCI		
Repurchase agreements	-	423,435
Debt securities - FVTPL		
Repurchase agreements	580,936	1,322,706

Collateral

As at 31 December 2024, the Company had \$4.2 million pledged debt securities (2023: \$73.5 million). Cash collateral of \$1 million (2023: \$8 million) was received based on the market value of securities transferred.

As at 31 December 2024, the obligations under repurchase agreements were \$567 million (2023: \$1,763 million).

Reconciliation of liabilities arising from financing activities

The Group and The Company

	1 January <u>2024</u> \$'000	Proceeds from <u>borrowings</u> \$'000	Principal and interest <u>payments</u> \$'000	Non-cash changes Interest <u>expense</u> \$'000	31 December <u>2024</u> \$'000
Obligations under repurchase agreements	1,762,711	3,672,963	(4,923,448)	54,313	566,539
	1 January <u>2023</u> \$'000	Proceeds from <u>borrowings</u> \$'000	Principal and interest <u>payments</u> \$'000	Non-cash changes Interest <u>expense</u> \$'000	31 December <u>2023</u> \$'000
Obligations under repurchase agreements	2,067,156	2,919,231	(3,300,207)	76,531	1,762,711

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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For the financial year ended 31 December 2024

28. Share capital

	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Number of ordinary shares '000	'000	Amount \$'000	\$'000
<u>The Group and The Company</u>				
At 1 January	77,240	68,972	369,625	302,740
Shares issued pursuant to rights issue	279,458	8,268	1,430,826	66,885
Share issue expenses	-	-	(1,137)	-
At 31 December	356,698	77,240	1,799,314	369,625

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

As at 31 December 2024, the Company issued 279,458,276 (2023: 8,267,553) new ordinary shares pursuant to the rights issue, for a total sum of \$1,430,826,373 (2023: \$66,884,504). After deducting related expenses, the net proceeds of \$1,429,688,826 were recognized as an increase to share capital. The equity raised strengthened the Company's balance sheet and liquidity position.

29. Related party transactions

The related parties of, and their relationship with the Group, are as follows:

	<u>Country of incorporation</u>	<u>Relationship</u>
Asia General Holdings Ltd	Singapore	Immediate holding company
Tokio Marine Insurance Singapore Ltd	Singapore	Fellow subsidiary
Tokio Marine Asset Management International Pte. Ltd.	Singapore	Fellow subsidiary
Tokio Marine Asia Pte Ltd	Singapore	Fellow subsidiary
Tokio Marine Nichido Fire Insurance Co. Ltd	Japan	Intermediate holding company
Tokio Marine & Nichido Life Insurance Co., Ltd	Japan	Fellow subsidiary
Tokio Marine Insurance (Malaysia) Berhad	Malaysia	Fellow subsidiary
Tokio Marine Financial Advisers (Singapore) Pte Ltd	Singapore	Subsidiary
TM Claims Service Asia Pte Ltd	Singapore	Fellow subsidiary
Tokio Marine Holdings, Inc.	Japan	Ultimate holding corporation

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29. Related party transactions (continued)

- (a) Other than disclosed elsewhere in the financial statements, the following significant transactions took place between the Group, the Company and related parties during the financial year on terms agreed between the parties concerned:

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Office rent paid to fellow subsidiary	(21)	(237)	(115)	(138)
Office rent received from subsidiary	-	-	676	394
Dividend received from subsidiary	-	-	2,868	2,886
Insurance premium received from fellow subsidiary	169	424	162	124
Insurance premium received from a subsidiary	-	-	75	25
Insurance premium paid to fellow subsidiary	(185)	(191)	(41)	(42)
Investment management fee received from fellow subsidiary	499	504	499	504
General Service fee paid to fellow subsidiary	(5,520)	(1,104)	(780)	(974)
Management fee received from fellow subsidiary	283	263	204	208
Management fee received from a subsidiary	-	-	2,327	1,190
Commission expense paid to a subsidiary	-	-	(17,178)	(8,950)
Loan interest paid to immediate holding company	(1,498)	(1,494)	(1,498)	(1,494)
Loan interest paid to intermediate holding company	(41,684)	(12,606)	(41,684)	(12,606)
Guarantee fee paid to intermediate holding company	(186)	(133)	(186)	(133)
Expenses paid on behalf for related corporation	(315)	(261)	-	-
Management fee paid to fellow subsidiary	-	-	(17)	(25)
Retainer fee paid to fellow subsidiary	(10)	(10)	(10)	(10)
Sales of fixed asset to a subsidiary	-	-	-	36

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29. Related party transactions (continued)
(b) Key management personnel compensation

Key management personnel includes the directors, Chief Executive Officer (“CEO”) and senior management who report directly to the respective CEO of the Group and the Company.

Key management personnel compensation is analysed as follows:

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Salaries and other short-term employment benefits	10,576	8,810	2,939	3,428
Directors' post-employment benefits including contributions to Central Provident Fund	92	117	92	117
Directors' fees	695	531	524	379

30. Immediate holding company and ultimate holding corporation

The Company's immediate holding company is Asia General Holdings Ltd., incorporated in Singapore. The ultimate holding corporation is Tokio Marine Holdings, Inc. incorporated in Japan.

31. Commitments
Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Capital commitments	923	673	-	-

Investment commitments

The Company has entered into obligations under repurchase agreements (Note 27) and the securities under repurchase agreements are treated as pledged assets. As at year-end, borrowings amounting to \$567 million (2023: \$1,763 million) were backed by securities sold under repurchase agreements.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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For the financial year ended 31 December 2024
32. Segmental information
By Business Segments

	<u>The Group</u>					
	<u>Par</u>	<u>2024</u>	<u>Total</u>	<u>Par</u>	<u>2023</u>	<u>Total</u>
	<u>\$'000</u>	<u>Others</u>	<u>\$'000</u>	<u>\$'000</u>	<u>Others</u>	<u>\$'000</u>
Insurance revenue	199,396	371,016	570,412	192,423	337,590	530,013
Insurance service expenses	(126,764)	(353,437)	(480,201)	(102,255)	(346,080)	(448,335)
Net income/(expense) from reinsurance contracts held	-	8,961	8,961	-	(5,206)	(5,206)
Insurance service result	72,632	26,540	99,172	90,168	(13,696)	76,472
Investment return	725,409	270,174	995,583	617,953	137,388	755,341
Net finance (expense) from insurance contracts and reinsurance contracts held	(1,044,478)	(182,518)	(1,226,996)	(637,219)	(98,534)	(735,753)
Net investment result	(319,069)	87,656	(231,413)	(19,266)	38,854	19,588
Other income	1,450	1,566	3,016	827	994	1,821
Other (losses)/gains	(52,390)	56,539	4,149	(53,687)	60,670	6,983
Other operating Income/(expenses)	17,850	(105,166)	(87,316)	21,402	(52,583)	(31,181)
(Loss)/profit before tax	(279,527)	67,135	(212,392)	39,444	34,239	73,683
Tax (expenses)/credit	(11,172)	(18,133)	(29,305)	3,761	(26,167)	(22,406)
Net (loss)/profit	(290,699)	49,002	(241,697)	43,205	8,072	51,277

The amounts relating to reinsurance contracts held for both business segments are being presented under the Others segment in light of its size relative to Par segment.

By Business Segments

	<u>The Company</u>					
	<u>Par</u>	<u>2024</u>	<u>Total</u>	<u>Par</u>	<u>2023</u>	<u>Total</u>
	<u>\$'000</u>	<u>Others</u>	<u>\$'000</u>	<u>\$'000</u>	<u>Others</u>	<u>\$'000</u>
Insurance revenue	168,237	183,292	351,529	163,390	165,046	328,436
Insurance service expenses	(97,730)	(196,566)	(294,296)	(73,250)	(197,807)	(271,057)
Net income/(expense) from reinsurance contracts held	-	7,551	7,551	-	(1,882)	(1,882)
Insurance service result	70,507	(5,723)	64,784	90,140	(34,643)	55,497
Investment return	578,959	122,171	701,130	542,075	67,642	609,717
Net finance expense from insurance contracts and reinsurance contracts held	(909,658)	(75,774)	(985,432)	(568,688)	(54,966)	(623,654)
Net investment result	(330,699)	46,397	(284,302)	(26,613)	12,676	(13,937)
Other income	1,450	1,410	2,860	827	898	1,725
Other (losses)/gains	(52,390)	56,539	4,149	(53,687)	60,670	6,983
Other operating Income/(expenses)	17,876	(78,987)	(61,111)	21,460	(43,119)	(21,659)
(Loss)/profit before tax	(293,256)	19,636	(273,620)	32,127	(3,518)	28,609
Tax (expenses)/credit	(298)	5,921	5,623	9,586	(12,079)	(2,493)
Net (loss)/profit	(293,554)	25,557	(267,997)	41,713	(15,597)	26,116

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NOTES TO THE FINANCIAL STATEMENT

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33. Insurance and financial risk management

As the Group intends to sell its wholly owned subsidiary, TMLM to Tokio Marine Nichido & Fire ("TMNF"), with completion expected by September 2025 (Note 39), the entire assets and liabilities related to TMLM are presented as a disposal group classified as held-for-sale as at 31 December 2024 (Note 38). As such, the insurance and financial risk management disclosures for 2024 have excluded disclosures related to TMLM.

(A) Insurance risk

The risk under any one life insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the 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 Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits will vary from year to year from the estimate. A more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio.

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims management.

The Group has developed its underwriting strategy for accepting insurance risks, including selection and approval of risks to be insured, use of limits, appropriate risk classification and premium level.

The Group utilises both quota share and surplus reinsurance. These are supplemented by catastrophe excess of loss reinsurance cover.

A substantial portion of the Group's life insurance business is Participating in nature. The Group carries out bonus investigation on an annual basis to ascertain the sustainability of current bonus scales, in light of volatility in the investment climate and/or unusual claims experience. The Company also performs notional bonus cuts to reflect bonus rates that are as close as possible to the bonus rates based on the investigation.

For Individual non-participating contracts where the benefits are fully guaranteed and future premiums are fixed, there are no mitigating terms and conditions that reduce the insurance risk accepted. For contracts offering Dread Disease and stand-alone medical benefits, the Group generally has the right to vary the non-guaranteed future premium rates if claim experience deteriorates in the future.

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(A) Insurance risk (continued)

For Group non-participating contracts, the contracts are mainly issued to employers as part of their employee benefit plans. The risk of death and disability may be affected by the nature of the industry in which the employer operates, in addition to other factors stated above. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims management.

For Investment-linked contracts where the mortality and morbidity risks are significant, the Group applies charges for mortality and morbidity risks. It has the right to alter these charges based on its mortality and morbidity experience and hence minimise its exposure to these risks. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may reduce its mitigating effect.

For Investment-linked contracts where the mortality and morbidity risks are less significant, the Group does not apply explicit mortality and morbidity risk charges, and as such are subjected to exposure to these risks.

The Group performs regular experience analyses, including mortality, morbidity, investment return, management expenses, and policy persistency. The objective is to compare the current best estimate assumptions with actual experiences, to identify any unexpected changes that would materially impact the Group's financial position. The Group reviews and updates the assumptions (where the basis are not prescribed) used in the estimation of its insurance contract liabilities regularly to ensure its relevance and appropriateness.

Stress testing on the financial condition is performed on an annual basis to assess the Group's ability to withstand adverse deviations in various assumptions. For Singapore, the regulatory prescribed scenarios are relied upon. For Malaysia, a dynamic solvency testing is performed annually to monitor its solvency position.

(a) Concentrations of insurance risks

The following tables present the concentration of insured benefits across three bands of insured benefits per individual life assured, separately for non-linked and investment-linked business. These tables do not include annuity contracts.

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(A) Insurance risk (continued)

(a) Concentrations of insurance risks (continued)

TMLS

Benefits assured per life assured at the end of 2024

	Total benefits insured for non-linked business			
	<u>Before reinsurance</u>		<u>After reinsurance (estimated)</u>	
	\$'000	%	\$'000	%
0 - 500	13,619,230	65	10,097,666	81
500 - 1,000	3,464,053	17	1,445,956	11
More than 1,000	3,794,914	18	954,584	8
Total	20,878,197	100	12,498,206	100

Benefits assured per life assured at the end of 2023

	Total benefits insured for non-linked business			
	<u>Before reinsurance</u>		<u>After reinsurance (estimated)</u>	
	\$'000	%	\$'000	%
0 - 500	13,856,666	66	10,292,487	82
500 - 1,000	3,483,577	16	1,426,101	11
More than 1,000	3,823,498	18	925,998	7
Total	21,163,741	100	12,644,586	100

Benefits assured (in terms of Sum at Risk,) per life assured at the end of 2024

	Total benefits insured (in terms of sum at risk, or linked business)			
	<u>Before reinsurance</u>		<u>After reinsurance (estimated)</u>	
	\$'000	%	\$'000	%
0 - 100	108,516	22	71,417	27
100 - 200	125,845	26	81,164	31
More than 200	253,388	52	111,315	42
Total	487,749	100	263,896	100

Benefits assured (in terms of Sum at Risk,) per life assured at the end of 2023

	Total benefits insured (in terms of sum at risk, or linked business)			
	<u>Before reinsurance</u>		<u>After reinsurance (estimated)</u>	
	\$'000	%	\$'000	%
0 - 100	80,594	20	55,661	25
100 - 200	93,414	23	63,425	28
More than 200	233,073	57	104,425	47
Total	407,081	100	223,511	100

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(A) Insurance risk (continued)

(a) Concentrations of insurance risks (continued)

TMLM

As the Group intends to sell its wholly owned subsidiary, TMLM to Tokio Marine Nichido & Fire ("TMNF"), with completion expected by September 2025 (Note 39), the entire assets and liabilities related to TMLM are presented as a disposal group classified as held-for-sale as at 31 December 2024 (Note 38). As such, insurance risk is no longer disclose for TMLM at the end of 2024.

Benefits assured per life assured at the end of 2023

	Total benefits insured for non-linked business					
	Before reinsurance			After reinsurance (estimated)		
	MYR\$'000	<u>Equivalent</u> S\$'000	%	MYR\$'000	<u>Equivalent</u> S\$'000	%
0 - 500	51,584,951	14,835,832	77	24,175,327	6,952,824	78
500 - 1,000	12,624,707	3,630,866	19	5,639,652	1,621,964	18
More than 1,000	2,862,295	823,196	4	1,281,100	368,444	4
Total	67,071,953	19,289,894	100	31,096,079	8,943,232	100

Benefits assured per life assured at the end of 2023

	Total benefits insured for linked business					
	Before reinsurance			After reinsurance (estimated)		
	MYR\$'000	<u>Equivalent</u> S\$'000	%	MYR\$'000	<u>Equivalent</u> S\$'000	%
0 – 100	7,881,670	2,266,768	37	5,905,832	1,698,517	37
100 - 200	2,148,417	617,885	10	1,609,836	462,989	10
More than 200	11,153,194	3,207,658	53	8,357,225	2,403,538	53
Total	21,183,281	6,092,311	100	15,872,893	4,565,044	100

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(A) Insurance risk (continued)

(a) Concentrations of insurance risks (continued)

The following table for annuity insurance contracts illustrates the concentration of risk based on three bands that group these contracts in relation to the amount payable per annum as if the annuity were in payment at the year end. The Group does not hold any reinsurance contracts against the liabilities carried for these contracts.

Singapore

Annuity payable (\$'000) per annum per life assured at the end of 2024

	Total annuity payable per annum for annuity business (TMLS)	
	\$ '000	%
0 - 10	6,713	84
10 - 20	1,092	14
More than 20	174	2
Total	7,979	100

Annuity payable (\$'000) per annum per life assured at the end of 2023

	Total annuity payable per annum for annuity business (TMLS)	
	\$ '000	%
0 - 10	6,829	84
10 - 20	1,092	14
More than 20	174	2
Total	8,095	100

Malaysia

There is no annuity business in force as at 31 Dec 2023. With the impending sale of wholly owned subsidiary, TMLM with completion expected by September 2025, the concentrations of insurance risks focuses on TMLS. This is in view that TMLM will only be part of TMLS for a limited period of time at point of preparing this financial statement and hence movement in the parameters is of less importance relative to impact on TMLS Company itself.

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For the financial year ended 31 December 2024
33. Insurance and financial risk management (continued)
(A) Insurance risk (continued)
(b) Sensitivity analysis

The following tables present information on how reasonably possible changes in assumptions made by the Group with regard to underwriting risk variables impact product line insurance liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. With the impending sale of wholly owned subsidiary, TMLM with completion expected by September 2025, the risk assessment and thus sensitivity tests focuses on TMLS. This is in view that TMLM will only be part of TMLS for a limited period of time at point of preparing this financial statement and hence movement in the parameters is of less importance relative to impact on TMLS Company itself.

The Group

	Change in assumption (%)	Impact on profit before tax		Impact on equity (before the effects of taxation)	
		Gross \$'000	Net \$'000	Gross \$'000	Net \$'000
As at 31 December 2024					
Worsening of mortality/morbidity	25	(72,575)	(34,309)	(70,328)	(35,651)
Improvement in mortality/morbidity	-25	66,805	32,138	64,506	33,993
Worsening of lapse/surrender rates	25	11,330	5,947	10,814	5,481
Improvement in lapse/surrender rates	-25	(12,462)	(5,496)	(11,827)	(4,924)
Worsening of expense	25	(37,331)	(37,318)	(36,915)	(36,904)
Improvement in expense	-25	34,620	30,667	34,205	30,254
As at 31 December 2023					
Worsening of mortality/morbidity	25	(83,740)	(46,765)	(83,765)	(51,606)
Improvement in mortality/morbidity	-25	72,895	54,407	72,569	59,780
Worsening of lapse/surrender rates	25	12,208	8,839	12,733	9,357
Improvement in lapse/surrender rates	-25	(13,772)	(8,273)	(14,216)	(8,648)
Worsening of expense	25	(35,733)	(35,701)	(35,855)	(35,830)
Improvement in expense	-25	34,956	31,732	34,819	31,601

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(A) Insurance risk (continued)

(b) Sensitivity analysis (continued)

The Company

	Change in <u>assumption (%)</u>	Impact on <u>profit before tax</u>		Impact on equity (before the effects of <u>taxation</u>)	
		Gross \$'000	Net \$'000	Gross \$'000	Net \$'000
As at 31 December 2024					
Worsening of mortality/morbidity	25	(72,575)	(34,309)	(70,328)	(35,651)
Improvement in mortality/morbidity	-25	66,805	32,138	64,506	33,993
Worsening of lapse/surrender rates	25	11,330	5,947	10,814	5,481
Improvement in lapse/surrender rates	-25	(12,462)	(5,496)	(11,827)	(4,924)
Worsening of expense	25	(37,331)	(37,318)	(36,915)	(36,904)
Improvement in expense	-25	34,620	30,667	34,205	30,254
As at 31 December 2023					
Worsening of mortality/morbidity	25	(66,320)	(31,621)	(64,558)	(34,675)
Improvement in mortality/morbidity	-25	61,742	45,270	59,658	48,885
Worsening of lapse/surrender rates	25	10,869	7,621	10,402	7,148
Improvement in lapse/surrender rates	-25	(12,543)	(7,079)	(11,932)	(6,472)
Worsening of expense	25	(31,489)	(31,471)	(31,349)	(31,339)
Improvement in expense	-25	30,956	27,759	30,559	27,368

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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33. Insurance and financial risk management (continued)

(B) Group Risk Management Policies

In alignment with Tokio Marine Holdings, the Group and the Company does not seek to eliminate all risks, but to identify, understand and manage the risks effectively. The Company is selective in its approach to risk taking, striking a balance between risk accepted and the reward it can derive from accepting that risk. The Boards of Directors of the respective entities within the Group are responsible for the overall establishment, supervision and review of all risk management processes for each entity.

The Company has in place an Enterprise Risk Management (“ERM”) Framework which is a structured and disciplined approach for aligning strategy, processes, people and systems to evaluate and manage the uncertainties the enterprise faces as it creates value. Key industry frameworks and guidelines, relevant regulatory requirements and Tokio Marine Group practices are considered in the ERM Framework.

The key ideas behind the Company’s Risk Management Philosophy include:

- Protecting the interest of policyholders by ensuring that future obligations can be met;
- Maintaining financial resilience to fund existing business and future growth in most market environments;
- Ensuring financial sufficiency to meet liquidity and capital management needs;
- Seeking earnings consistency in order to maximise long term shareholder value; and
- Building of a strong risk culture through appropriate tone from the top and ownership of risks.

The Board of Directors of the Company is ultimately responsible for the governance of risk and plays a pivotal role in ensuring a sound risk management culture and environment. It is entrusted to be the custodian of good corporate governance, the prerequisite for sound risk management. The Board is collectively accountable to stakeholders, including shareholders, for the long-term success and financial soundness of the institution.

The Board has established a Board Risk Management Committee (“RMC”) which is a committee dedicated to assist the Board in the governance of risk within the Company. The Board and RMC are supported by the Chief Risk Officer and Risk Management Department. They are responsible for the development, review and implementation of the ERM Framework.

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(B) Group Risk Management Policies (continued)

To ensure that appropriate risk are taken, business risk strategies follow the risk appetite of the Company and are monitored on a regular basis to ensure that they are within the tolerance and limits set. These levels are reviewed on an annual basis to ensure its relevancy and sufficiency in relation to the overall Company's business objective. As such, quantitative and qualitative approaches are taken to set individual risk appetite statements that are relevant to the Company.

In addition to the ERM Framework, the Company recognises that establishing a strong risk culture is necessary for the long-term success of the Company. Having a good risk culture helps in creating risk awareness among all staff of the Company. As everyone is responsible for managing the risks within their area of influence, having a higher state of risk awareness enables one to recognise risks before they appear. This enhances the Company's performance by decreasing issues and impediments. The Company uses a repertoire of tools consisting of setting the appropriate tone from the top, risk culture surveys, implementing accountability and governance policies and staff education and training to ensure continual improvement to the risk culture.

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33. Insurance and financial risk management (continued)

(C) Investment Committee

The Company's Investment Committee (also known as "Asset Liability Management & Investment Committee") is responsible for managing the Company's investment activities. Prior to the impending sales of wholly owned subsidiary TMLM with completion expected by September 2025, the TMLM's Investment Committee is responsible for managing the subsidiary's investment activities and these are managed through an in-house investment team headed by the Chief Investment Officer. The respective Investment Committees are responsible for the formulation of the Company's and TMLM's investment strategy, principles, policies and procedures for the investment function. The Investment Committees set the investment limits and procedures to manage the market and credit risks faced by the Company and TMLM.

The Company and TMLM establishes suitable investment allocations and limits - Strategic Asset Allocation ("SAA") for each asset class that are in line with the Company's and Subsidiary's broad investment strategy, subject to an overall risk tolerance and requirements from shareholders, regulators and policyholders.

For the insurance funds, the setting of SAA pays due regard to asset-liability management, which puts priority on ensuring the ability to pay all contractual policyholder benefits and expense obligations. The primary aim is to generate relatively stable investment returns for the portfolio over the long-term.

The SAA is reviewed on an annual basis, recognising among other things, changes in business in-force and the economic environment, so as to ensure that it remains appropriate and is consistent with the asset-liability management strategies required to support any new products.

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33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

The monitoring of market risks includes the quantification of the Group's exposure to interest rate, currency, equity price and credit risks.

The Group is exposed to market risk arising from its investment in debt securities, equities and properties. Changes in interest rates, foreign exchange rates, equity prices and credit ratings will impact the financial positions of the Group as they affect the present and future earnings of the Group.

The Investment Committees are responsible and have oversight over the investment teams to manage market risk actively through the setting of investment policies and strategic asset allocations. Investment limits are set and monitored at various levels to ensure that all investment activities are within the guidelines set by the Investment Committees.

The following is a brief description of the Group's various exposures to market risk.

The liabilities assumptions used for Asset Liability Management ("ALM") purpose are the same as those disclosed in Note 3(a) Critical accounting estimates and judgements. Capital held as a consequence of a mismatch between assets and liabilities are in accordance with the Insurance (Valuation & Capital) (Amendment) Regulations 2020, MAS Notice 133 (Notice on Valuation and Capital Framework for Insurers), BDCB Insurance Order 2006, and BNM Risk-based Capital Framework, including any subsequent revisions to the notice and regulations.

(a) Interest rate risk

The Group is exposed to interest rate risk primarily through investments in debt instruments.

The Group manages the interest rate risk after taking into consideration the underwriting and investment risks. The Company produces a quarterly Investment and ALM report for the Investment Committee to monitor the duration, convexity of its fixed income portfolio and projected policy cash-flow. The Investment Committee of the respective Company and Subsidiary would receive quarterly updates on their exposures to interest rate as part of the fixed income review.

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

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NOTES TO THE FINANCIAL STATEMENT

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33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(a) Interest rate risk (continued)

The tables below illustrate the interest rate exposure of the Group's financial assets and liabilities:

The Group

	<u>Fixed rate</u> \$'000	<u>Floating rate</u> \$'000	<u>Non-interest bearing</u> \$'000	<u>Total</u> \$'000
As at 31 December 2024				
Financial Assets at FVTPL				
Government securities	2,065,515	-	54,922	2,120,437
Debt securities	2,992,538	681,761	-	3,674,299
Equity securities	-	-	3,379,905	3,379,905
Derivative financial instruments (exclude interest rate swaps)	68,027	-	-	68,027
Financial Assets at FVOCI				
Government securities	2,002,521	-	99,870	2,102,391
Debt securities in corporations	365,015	93,617	-	458,632
Financial Assets at Amortised Cost				
Accrued investment income	71,565	12,974	545	85,084
Other assets (Excluding club membership and prepayments)	-	-	19,716	19,716
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
Cash and cash equivalents	105,122	-	338,861	443,983
	7,670,303	788,352	3,893,819	12,352,474
Financial Liabilities				
Other payables	-	-	59,344	59,344
Borrowings	47,659	819,106	-	866,765
Staff retirement benefit	-	-	-	-
Agent's retirement benefit	116	-	-	116
Derivative financial instruments	9,883	73,976	91,588	175,447
Obligations under repurchase agreement	566,539	-	-	566,539
	624,197	893,082	150,932	1,668,211

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(a) Interest rate risk (continued)

The Group (continued)

	<u>Fixed rate</u> \$'000	<u>Floating rate</u> \$'000	<u>Non-interest bearing</u> \$'000	<u>Total</u> \$'000
As at 31 December 2023				
Financial Assets at FVTPL				
Government securities	2,427,445	-	74,757	2,502,202
Debt securities	2,926,063	609,195	-	3,535,258
Equity securities	-	-	3,698,788	3,698,788
Derivative financial instruments (exclude interest rate swaps)	95,325	-	34,981	130,306
Financial Assets at FVOCI				
Government securities	2,352,234	-	-	2,352,234
Debt securities in corporations	1,096,217	69,776	-	1,165,993
Financial Assets at Amortised Cost				
Accrued investment income	84,725	12,779	1,420	98,924
Other assets (Excluding club membership and prepayments)	-	-	18,359	18,359
Secured loans	156	-	-	156
Unsecured loans	58	-	-	58
Cash and cash equivalents	178,908	-	311,925	490,833
	9,161,131	691,750	4,140,230	13,993,111
Financial Liabilities				
Other payables	-	-	93,523	93,523
Borrowings	47,698	498,385	-	546,083
Staff retirement benefit	2	-	-	2
Agent's retirement benefit	11,948	-	-	11,948
Derivative financial instruments	5,159	67,079	1,455	73,693
Obligations under repurchase agreement	1,762,711	-	-	1,762,711
	1,827,518	565,464	94,978	2,487,960

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33. Insurance and financial risk management (continued)

(C) Investment Committees (continued)

(a) Interest rate risk (continued)

The tables below illustrate the interest rate exposure of the Company's financial assets and liabilities:

The Company

	<u>Fixed rate</u> \$'000	<u>Floating rate</u> \$'000	<u>Non-interest bearing</u> \$'000	<u>Total</u> \$'000
As at 31 December 2024				
Financial Assets at FVTPL				
Government securities	2,065,515	-	54,922	2,120,437
Debt securities	2,992,538	681,761	-	3,674,299
Equity securities	-	-	3,379,905	3,379,905
Derivative financial instruments (exclude interest rate swaps)	68,027	-	-	68,027
Financial Assets at FVOCI				
Government securities	2,002,521	-	99,870	2,102,391
Debt securities in corporations	365,015	93,617	-	458,632
Financial Assets at Amortised Cost				
Accrued investment income	71,525	12,974	545	85,044
Other assets (Excluding club membership and prepayments)	-	-	12,721	12,721
Cash and cash equivalents	80,714	-	332,414	413,128
	7,645,855	788,352	3,880,377	12,314,584
Financial Liabilities				
Other payables	-	-	47,227	47,227
Borrowings	47,659	819,106	-	866,765
Derivative financial instruments	9,883	73,976	91,588	175,447
Obligations under repurchase agreement	566,539	-	-	566,539
	624,081	893,082	138,815	1,655,978

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33. Insurance and financial risk management (continued)

(C) Investment Committees (continued)

(a) Interest rate risk (continued)

The Company (continued)

	<u>Fixed rate</u> \$'000	<u>Floating rate</u> \$'000	<u>Non-interest bearing</u> \$'000	<u>Total</u> \$'000
As at 31 December 2023				
Financial Assets at FVTPL				
Government securities	2,405,870	-	74,757	2,480,627
Debt securities	2,848,845	609,195	-	3,458,040
Equity securities	-	-	2,862,789	2,862,789
Derivative financial instruments (exclude interest rate swaps)	95,325	-	34,976	130,301
Financial Assets at FVOCI				
Government securities	1,377,311	-	-	1,377,311
Debt securities in corporations	219,378	69,776	-	289,154
Financial Assets at Amortised Cost				
Accrued investment income	63,623	12,779	1,420	77,822
Other assets (Excluding club membership and prepayments)	-	-	11,264	11,264
Cash and cash equivalents	165,876	-	134,371	300,247
	7,176,228	691,750	3,119,577	10,987,555
Financial Liabilities				
Other payables	-	-	47,298	47,298
Borrowings	47,559	498,385	-	545,944
Derivative financial instruments	5,159	67,079	1,455	73,693
Obligations under repurchase agreement	1,762,711	-	-	1,762,711
	1,815,429	565,464	48,753	2,429,646

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33. Insurance and financial risk management (continued)

(C) Investment Committees (continued)

(a) Interest rate risk (continued)

As the Group also invests in bonds, a study of movement in risk-free rate is undertaken for all the bonds held on the balance sheet date.

A study of a 100 basis points parallel increase or decrease across the relevant yield curves has been undertaken on the fair value of fixed income securities for TMLS and TMLM operations respectively. With the impending sales of wholly owned subsidiary TMLM with completion expected by September 2025, the 2024 table below summarises the impact on profit before tax and total equity (before the effects of taxation), excluding TMLM.

The Group

	Impact on:	
	Profit before tax	Equity (before the effects of taxation)
	\$'000	\$'000
As at 31 December 2024		
<i>100bps increase in interest rates</i>		
Net insurance contracts balance	697,667	713,691
Financial instruments	(680,348)	(1,032,166)
<i>100bps decrease in interest rates</i>		
Net insurance contracts balance	(852,660)	(871,823)
Financial instruments	831,938	1,270,543
As at 31 December 2023		
<i>100bps increase in interest rates</i>		
Net insurance contracts balance	760,356	830,975
Financial instruments	(745,353)	(1,102,839)
<i>100bps decrease in interest rates</i>		
Net insurance contracts balance	(937,004)	(1,019,197)
Financial instruments	917,111	1,349,833

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committees (continued)

(a) Interest rate risk (continued)

The Company

	Impact on:	
	Profit before tax	Equity (before the effects of taxation)
	\$'000	\$'000
As at 31 December 2024		
<i>100bps increase in interest rates</i>		
Net insurance contracts balance	697,667	713,691
Financial instruments	(680,348)	(1,032,166)
<i>100bps decrease in interest rates</i>		
Net insurance contracts balance	(852,660)	(871,823)
Financial instruments	831,938	1,270,543
As at 31 December 2023		
<i>100bps increase in interest rates</i>		
Net insurance contracts balance	758,733	774,400
Financial instruments	(745,353)	(977,238)
<i>100bps decrease in interest rates</i>		
Net insurance contracts balance	(934,368)	(953,750)
Financial instruments	917,111	1,206,451

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(a) Interest rate risk (continued)

Effect of IBOR reform

IBOR reform refers to the global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates ("IBOR") with alternative benchmark rates. The Company's interest rate exposure that is directly affected by the IBOR reform predominantly comprises of variable rate and callable debt securities that are linked to the USD LIBOR and Singapore SWAP Offer Rate. The table below summarises exposure of instruments that are affected by the IBOR reform.

The Group and the Company

	<u>Carrying amount</u>	Of which: not yet transited to an alternative <u>benchmark rate</u>
	\$'000	\$'000
Non-derivative financial assets	243,692	243,692
Loan from intermediate company	817,000	-
Derivative financial instruments	73,976	-

(b) Foreign currency risk

The Group is exposed to foreign exchange risk primarily from transactions denominated in foreign currencies pertaining to investment activities. The Investment Committees manage foreign currency risk by setting limits and monitoring the exposure to foreign currency on a regular basis.

The Singapore Operations has approximately 10% net foreign currency exposure for all its overseas investment assets. Currency risk arising from fixed income investments in foreign currency instruments is generally managed using foreign currency forward contracts and cross currency swaps, which are relatively certain in their timing and extent.

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For the financial year ended 31 December 2024
33. Insurance and financial risk management (continued)
(C) Investment Committee (continued)
(b) Foreign currency risk (continued)

With the impending sales of wholly owned subsidiary TMLM with completion expected by September 2025, the 2024 table below shows the Group's foreign exchange positions excluding TMLM for insurance contracts, reinsurance contracts held, financial assets and liabilities by major currencies.

The Group

	<u>SGD</u> \$'000	<u>MYR</u> \$'000	<u>USD</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
As at 31 December 2024					
Financial Assets at FVTPL					
Government securities	1,699,454	-	420,983	-	2,120,437
Debt securities in corporations	1,453,818	-	2,220,481	-	3,674,299
Equity securities	1,161,479	4,958	1,043,047	1,170,421	3,379,905
Derivative financial instruments	-	-	-	-	-
Financial Assets at FVOCI					
Government securities	2,076,934	-	25,457	-	2,102,391
Debt securities in corporations	321,358	-	137,274	-	458,632
Financial Assets at Amortised Cost					
Accrued investment income	46,162	-	38,504	418	85,084
Other assets (exclude club membership and prepayments)	14,542	-	3,752	1,422	19,716
Cash and Cash equivalents	388,583	156	50,245	4,999	443,983
Reinsurance Contract assets	46,793	-	17,420	281	64,494
	7,209,123	5,114	3,957,163	1,177,541	12,348,941
Financial Liabilities					
Insurance contract liabilities	10,196,397	-	10,904	66,798	10,274,099
Reinsurance contract liabilities	-	-	-	-	-
Other payables	44,775	121	8,868	5,580	59,344
Borrowings	866,765	-	-	-	866,765
Derivative financial instrument	-	-	-	-	-
Obligations under repurchase agreement	566,539	-	-	-	566,539
Staff retirement benefit	-	-	-	-	-
Agent's retirement benefit	116	-	-	-	116
	11,674,592	121	19,772	72,378	11,766,863
Net financial assets	(4,465,469)	4,993	3,937,391	1,105,163	582,078
Less: Forward foreign exchange contracts (net)	-	-	(2,855,473)	-	(2,855,473)
Less: Cross currency swap contracts (net)	-	-	(560,334)	-	(560,334)
Less: Net financial assets denominated in the respective entities	4,465,469	-	-	-	4,465,469
Currency Exposure	-	4,993	521,584	1,105,163	1,631,740

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(b) Foreign currency risk (continued)

The Group (continued)

	<u>SGD</u> \$'000	<u>MYR</u> \$'000	<u>USD</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
As at 31 December 2023					
Financial Assets at FVTPL					
Government securities	2,278,988	21,575	201,639	-	2,502,202
Debt securities in corporations	1,637,276	77,218	1,820,764	-	3,535,258
Equity securities	996,781	608,217	995,035	1,098,755	3,698,788
Derivative financial instruments	-	5	-	-	5
Financial Assets at FVOCI					
Government securities	1,361,413	974,923	15,898	-	2,352,234
Debt securities in corporations	163,786	876,839	125,368	-	1,165,993
Financial Assets at Amortised Cost					
Accrued investment income	47,601	21,070	29,407	846	98,924
Other assets (exclude club membership and prepayments)	5,350	2,850	6,286	3,873	18,359
Secured loans	-	156	-	-	156
Unsecured loans	-	58	-	-	58
Cash and Cash equivalents	274,387	175,616	32,071	8,759	490,833
Reinsurance Contract assets	24,838	24,776	17,631	162	67,407
	6,790,420	2,783,303	3,244,099	1,112,395	13,930,217
Financial Liabilities					
Insurance contract liabilities	9,184,673	2,605,974	14,038	50,058	11,854,743
Reinsurance contract liabilities	-	1,330	-	-	1,330
Other payables	49,913	38,620	3,236	1,754	93,523
Borrowings	545,944	139	-	-	546,083
Derivative financial instrument	67,079	-	6,614	-	73,693
Obligations under repurchase agreement	1,762,711	-	-	-	1,762,711
Staff retirement benefit	-	2	-	-	2
Agent's retirement benefit	119	11,829	-	-	11,948
	11,610,439	2,657,894	23,888	51,812	14,344,033
Net financial assets	(4,820,019)	125,409	3,220,211	1,060,583	(413,816)
Less: Forward foreign exchange contracts (net)	-	-	(2,233,533)	-	(2,233,533)
Less: Cross currency swap contracts (net)	-	-	(587,492)	-	(587,492)
Less: Net financial assets denominated in the respective entities	4,820,019	(120,519)	-	-	4,699,500
Currency Exposure	-	4,890	399,186	1,060,583	1,464,659

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(b) Foreign currency risk (continued)

The tables below show the foreign exchange position of the Company's insurance contracts and reinsurance contracts held, financial assets and liabilities by major currencies:

The Company

	<u>SGD</u> \$'000	<u>MYR</u> \$'000	<u>USD</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
As at 31 December 2024					
Financial Assets at FVTPL					
Government securities	1,699,454	-	420,983	-	2,120,437
Debt securities in corporations	1,453,818	-	2,220,481	-	3,674,299
Equity securities	1,161,479	4,958	1,043,047	1,170,421	3,379,905
Derivative financial instruments	-	-	-	-	-
Financial Assets at FVOCI					
Government securities	2,076,934	-	25,457	-	2,102,391
Debt securities in corporations	321,358	-	137,274	-	458,632
Financial Assets at Amortised Cost					
Accrued investment income	46,122	-	38,504	418	85,044
Other assets (exclude club membership and prepayments)	7,547	-	3,752	1,422	12,721
Cash and Cash equivalents	357,728	156	50,245	4,999	413,128
Insurance Contract assets	-	-	-	-	-
Reinsurance Contract assets	46,793	-	17,420	281	64,494
	7,171,233	5,114	3,957,163	1,177,541	12,311,051
Financial Liabilities					
Insurance contract liabilities	10,185,291	-	10,904	66,798	10,262,993
Reinsurance contract liabilities	-	-	-	-	-
Other payables	32,658	121	8,868	5,580	47,227
Borrowings	866,765	-	-	-	866,765
Derivative financial instrument	-	-	-	-	-
Obligations under repurchase agreement	566,539	-	-	-	566,539
	11,651,253	121	19,772	72,378	11,743,524
Net financial assets	(4,480,020)	4,993	3,937,391	1,105,163	567,527
Less: Forward foreign exchange contracts (net)	-	-	(2,855,473)	-	(2,855,473)
Less: Cross currency swap contracts (net)	-	-	(560,334)	-	(560,334)
Less: Net financial assets denominated in the respective entities	4,480,020	-	-	-	4,480,020
Currency Exposure	-	4,993	521,584	1,105,163	1,631,740

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(b) Foreign currency risk (continued)

The Company (continued)

	<u>SGD</u> \$'000	<u>MYR</u> \$'000	<u>USD</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
As at 31 December 2023					
Financial Assets at FVTPL					
Government securities	2,278,988	-	201,639	-	2,480,627
Debt securities in corporations	1,637,276	-	1,820,764	-	3,458,040
Equity securities	996,781	4,700	762,553	1,098,755	2,862,789
Derivative financial instruments	-	-	-	-	-
Financial Assets at FVOCI					
Government securities	1,361,413	-	15,898	-	1,377,311
Debt securities in corporations	163,786	-	125,368	-	289,154
Financial Assets at Amortised Cost					
Accrued investment income	47,569	-	29,407	846	77,822
Other assets (exclude club membership and prepayments)	1,000	105	6,286	3,873	11,264
Cash and Cash equivalents	259,275	147	32,071	8,754	300,247
Insurance Contract assets	-	-	-	-	-
Reinsurance Contract assets	24,838	-	17,631	162	42,631
	6,770,926	4,952	3,011,617	1,112,390	10,899,885
Financial Liabilities					
Insurance contract liabilities	9,184,673	-	14,038	50,058	9,248,769
Reinsurance contract liabilities	-	-	-	-	-
Other payables	42,246	62	3,236	1,754	47,298
Borrowings	545,944	-	-	-	545,944
Derivative financial instrument	67,079	-	6,614	-	73,693
Obligations under repurchase agreement	1,762,711	-	-	-	1,762,711
	11,602,653	62	23,888	51,812	11,678,415
Net financial assets	(4,831,727)	4,890	2,987,729	1,060,578	(778,530)
Less: Forward foreign exchange contracts (net)	-	-	(2,233,533)	-	(2,233,533)
Less: Cross currency swap contracts (net)	-	-	(587,492)	-	(587,492)
Less: Net financial assets denominated in the respective entities	4,831,727	-	-	-	4,831,727
Currency Exposure	-	4,890	166,704	1,060,578	1,232,172

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(b) Foreign currency risk (continued)

A study of a 10% increase or decrease in the market value of the foreign currency assets has been undertaken for Singapore and Malaysia operations respectively. With the impending sales of wholly owned subsidiary TMLM with completion expected by September 2025, the 2024 table below summarises the impact on profit before tax and total equity (before the effects of taxation, excluding TMLM).

The Group

	Impact on:			
	Profit before tax		Equity (before the effects of taxation)	
	\$'000		\$'000	
	USD	Others	USD	Others
As at 31 December 2024				
<i>5% increase in market value of foreign currency denominated assets</i>				
Net insurance contracts balance	(17,463)	(44,661)	(17,468)	(44,661)
Financial instruments	9,256	44,800	17,498	44,800
<i>5% decrease in market value of foreign currency denominated assets</i>				
Net insurance contracts balance	17,463	44,661	17,468	44,661
Financial instruments	(9,256)	(44,800)	(17,498)	(44,800)
As at 31 December 2023				
<i>5% increase in market value of foreign currency denominated assets</i>				
Net insurance contracts balance	(14,203)	(45,519)	(14,212)	(45,519)
Financial instruments	12,229	45,838	18,467	45,838
<i>5% decrease in market value of foreign currency denominated assets</i>				
Net insurance contracts balance	14,205	45,519	14,214	45,519
Financial instruments	(12,229)	(45,838)	(18,467)	(45,838)

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(b) Foreign currency risk (continued)

The Company

	Impact on:			
	Profit before tax		Equity (before the effects of taxation)	
	\$'000		\$'000	
	USD	Others	USD	Others
As at 31 December 2024				
<i>5% increase in market value of foreign currency denominated assets</i>				
Net insurance contracts balance	(17,463)	(44,661)	(17,468)	(44,661)
Financial instruments	9,256	44,800	17,498	44,800
<i>5% decrease in market value of foreign currency denominated assets</i>				
Net insurance contracts balance	17,463	44,661	17,468	44,661
Financial instruments	(9,256)	(44,800)	(17,498)	(44,800)
As at 31 December 2023				
<i>5% increase in market value of foreign currency denominated assets</i>				
Net insurance contracts balance	(9,473)	(45,519)	(9,482)	(45,519)
Financial instruments	3,241	45,740	9,479	45,740
<i>5% decrease in market value of foreign currency denominated assets</i>				
Net insurance contracts balance	9,473	45,519	9,482	45,519
Financial instruments	(3,241)	(45,740)	(9,479)	(45,740)

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(c) Equity risk

The Group is exposed to equity price risk primarily through its investments in quoted equity instruments. The Group is directly exposed to equity price risk for investments and bears all or most of the volatility in returns and investment performance. Equity price risk also exists in investment-linked products but these risks are generally borne by the policyholders. The impact to the Group is that the revenues of the insurance operations (management fees) are linked to the value of the underlying investment-linked assets.

The Group has determined the target percentage of equity exposure to the total investment portfolio. These exposure limits approved by the Investment Committees, are defined within SAA and includes the monitoring of limits to various countries and sectors in the equity market.

The Group invests primarily in Developed Market and Asian stock markets for its Singapore operations. Prior to 2024, the Group also invested in Malaysia and Asian stock markets for its Malaysia operations. However, following the sale of the wholly owned subsidiary TMLM expected to be completed by September 2025, the Group no longer maintains operations in Malaysia. In this analysis, the applicable shock is applied to each market exposure. In addition, the Group make adjustments or assumptions where it determines this to be necessary or appropriate.

A study of a 10% increase or decrease in the equity prices has been undertaken for Singapore. Prior to 2024, this analysis also included Malaysia operations. The table below summarises the impact on profit before tax and total equity (before the effects of taxation).

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(c) Equity risk (continued)

The Group

	Impact on:	
	<u>Profit before tax</u>	<u>Equity</u>
	<u>\$'000</u>	<u>(before the</u>
		<u>effects of taxation)</u>
		<u>\$'000</u>
As at 31 December 2024		
<i>10% increase in equity prices</i>		
Net insurance contracts balance	(286,618)	(286,643)
Financial instruments	297,920	297,920
<i>10% decrease in equity prices</i>		
Net insurance contracts balance	286,905	287,041
Financial instruments	(297,920)	(297,920)
As at 31 December 2023		
<i>10% increase in equity prices</i>		
Net insurance contracts balance	(263,193)	(263,087)
Financial instruments	284,736	284,736
<i>10% decrease in equity prices</i>		
Net insurance contracts balance	264,004	263,911
Financial instruments	(284,736)	(284,736)

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(c) Equity risk (continued)

The Company

	Impact on:	
	<u>Profit before tax</u>	<u>Equity</u> <u>(before the</u>
	<u>\$'000</u>	<u>effects of taxation)</u> <u>\$'000</u>
As at 31 December 2024		
<i>10% increase in equity prices</i>		
Net insurance contracts balance	(286,618)	(286,643)
Financial instruments	297,920	297,920
<i>10% decrease in equity prices</i>		
Net insurance contracts balance	286,905	287,041
Financial instruments	(297,920)	(297,920)
As at 31 December 2023		
<i>10% increase in equity prices</i>		
Net insurance contracts balance	(231,818)	(231,712)
Financial instruments	241,731	241,731
<i>10% decrease in equity prices</i>		
Net insurance contracts balance	232,637	232,544
Financial instruments	(241,731)	(241,731)

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(d) Credit risk

The Group is exposed to credit risk through (i) investments in cash, money market and debt instruments (ii) exposure to counterparty's credit in group and reinsurance contracts (iii) lending activities.

For all three types of exposures, financial loss may materialise as a result of a default by the borrower or counterparty. For investments in cash, money market and debt instruments, financial loss may also materialise as a result of a default by the issuer on the coupon payment or the principal amount. Even without a default, losses may materialise due to a widening of credit spread or a downgrade of credit rating. The Group has internal limits by issuer or counterparty and restrict debt instruments to investment grade ratings or equivalents (internal ratings for unrated bonds). These limits are actively monitored to manage the credit and concentration risk. These limits are reviewed on a regular basis by the Investment Committees. For unrated issues, they were not rated as the issuer did not obtain any credit rating from the respective rating agencies during the launch. Such issues although not rated are issued by companies which have sound financial and high credit worthiness. The credit worthiness for such bonds is evaluated and given an internal rating by the investment manager. They are then monitored on an ongoing basis with a review annually at the minimum for any deviation especially for a deterioration.

The creditworthiness of reinsurers is assessed on at least a quarterly basis by reviewing their financial strength through published credit ratings and other publicly available financial information.

The Group manages its lending activities by extending loans against collateral pledged to the Group. Regular monitoring and review of the payments of loans are performed by the Group to identify any non-performing loan. Any non-performing loan identified is communicated to management. Based on the decisions made by management on the possible course of recovery and provision of these loans, appropriate action is taken.

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NOTES TO THE FINANCIAL STATEMENT
For the financial year ended 31 December 2024
33. Insurance and financial risk management (continued)
(C) Investment Committee (continued)
(d) Credit risk (continued)

The table below shows the maximum exposure to credit risk for the components of the balance sheet. In compiling the credit rating tables, ratings from external credit agencies have been used where available. The table also provides information regarding the credit risk exposure of the Group by classifying assets according to the Group's credit ratings of counterparties.

With the impending sale of the wholly owned subsidiary TMLM, expected to be completed by September 2025, the 2024 table below shows the credit ratings of financial assets held by the Group excluding TMLM.

The Group

	<u>Neither past-due nor impaired</u>			<u>Past due or impaired</u>	<u>Total</u>
	Investment grade* (AAA+ to A-) \$'000	Investment grade* (BB+ to BBB-) \$'000	Not rated \$'000	Not rated \$'000	\$'000
As at 31 December 2024					
Financial Assets at FVTPL					
Government and public authority securities	1,938,287	182,150	-	-	2,120,437
Debt securities in corporations	1,712,639	1,149,163	812,497	-	3,674,299
Equities securities	158,287	215,873	3,005,745	-	3,379,905
Derivative financial instruments	-	-	68,027	-	68,027
Financial Assets at FVOCI					
Government and public authority securities	2,094,066	8,325	-	-	2,102,391
Debt securities in corporations	205,366	99,534	153,732	-	458,632
Financial Assets at Amortised Cost					
Accrued investment income	52,942	22,940	9,202	-	85,084
Other assets (exclude club membership and prepayments)	-	-	19,716	-	19,716
Secured Loans	-	-	-	-	-
Unsecured Loans	-	-	-	-	-
Cash and cash equivalents	439,937	4,046	-	-	443,983
Reinsurance contract assets	64,494	-	-	-	64,494
	6,666,018	1,682,031	4,068,919	-	12,416,968
As at 31 December 2023					
Financial Assets at FVTPL					
Government and public authority securities	2,380,013	100,614	21,575	-	2,502,202
Debt securities in corporations	1,539,466	1,085,240	910,552	-	3,535,258
Equities securities	123,700	264,800	3,310,288	-	3,698,788
Derivative financial instruments	-	-	130,306	-	130,306
Financial Assets at FVOCI					
Government and public authority securities	1,368,627	8,684	974,923	-	2,352,234
Debt securities in corporations	1,002,798	88,043	75,152	-	1,165,993
Financial Assets at Amortised Cost					
Accrued investment income	47,738	19,277	31,909	-	98,924
Other assets (exclude club membership and prepayments)	-	-	17,135	1,224	18,359
Secured Loans	-	-	156	-	156
Unsecured Loans	-	-	58	-	58
Cash and cash equivalents	457,348	33,472	13	-	490,833
Reinsurance contract assets	62,663	4,744	-	-	67,407
	6,982,353	1,604,874	5,472,067	1,224	14,060,518

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NOTES TO THE FINANCIAL STATEMENT
For the financial year ended 31 December 2024
33. Insurance and financial risk management (continued)
(C) Investment Committee (continued)
(d) Credit risk (continued)

The tables below show the credit ratings of financial assets held by the Company:

The Company

	<u>Neither past-due nor impaired</u>			<u>Past due or impaired</u>	<u>Total</u>
	Investment grade* (AAA+ to A-) \$'000	Investment grade* (BBB+ to BBB-) \$'000	Not rated \$'000	Not rated \$'000	\$'000
As at 31 December 2024					
Financial Assets at FVTPL					
Government and public authority securities	1,938,287	182,150	-	-	2,120,437
Debt securities in corporations	1,712,639	1,149,163	812,497	-	3,674,299
Equities securities	158,287	215,873	3,005,745	-	3,379,905
Derivative financial instruments	-	-	68,027	-	68,027
Financial Assets at FVOCI					
Government and public authority securities	2,094,066	8,325	-	-	2,102,391
Debt securities in corporations	205,366	99,534	153,732	-	458,632
Financial Assets at Amortised Cost					
Accrued investment income	52,902	22,940	9,202	-	85,044
Other assets (exclude club membership and prepayments)	-	-	12,721	-	12,721
Cash and cash equivalents	409,082	4,046	-	-	413,128
Reinsurance contract assets	64,494	-	-	-	64,494
	6,635,123	1,682,031	4,061,924	-	12,379,078
As at 31 December 2023					
Financial Assets at FVTPL					
Government and public authority securities	2,380,013	100,614	-	-	2,480,627
Debt securities in corporations	1,462,248	1,085,240	910,552	-	3,458,040
Equities securities	123,700	264,800	2,474,289	-	2,862,789
Derivative financial instruments	-	-	130,301	-	130,301
Financial Assets at FVOCI					
Government and public authority securities	1,368,627	8,684	-	-	1,377,311
Debt securities in corporations	138,907	88,043	62,204	-	289,154
Financial Assets at Amortised Cost					
Accrued investment income	47,706	19,277	10,839	-	77,822
Other assets (exclude club membership and prepayments)	-	-	11,264	-	11,264
Cash and cash equivalents	266,775	33,472	-	-	300,247
Reinsurance contract assets	42,631	-	-	-	42,631
	5,830,607	1,600,130	3,599,449	-	11,030,186

*Credit rating scale as per S&P and Fitch

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(d) Credit risk (continued)

The FVOCI financial assets which are not rated comprise mainly bonds issued by Singapore statutory authorities or companies listed on the Singapore Stock Exchange or the Kuala Lumpur Stock Exchange. The issues were not rated as the issuer did not obtain any credit rating from the respective rating agencies during the launch. Such issues although not rated are issued by companies which have sound financial and high credit worthiness. The credit worthiness for such bonds is monitored by the investment manager on a regular basis and reviewed annually at the minimum.

The Group's business portfolio includes mortgage loans as well as other unsecured loans to staff or advisers. Prior to 2024, mortgage loans are generally secured by collateral and were solely related to TMLM. Following the sale of TMLM expected to be completed in 2025, the Group no longer holds mortgage loans at the Group business portfolio. The amount of loan is based on the valuation of the collateral as well as an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of the types of collateral and the valuation parameters. The fair value of collaterals, held by the Group as lender, for which it is entitled to sell or pledge in the event of default is as follows:

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(d) Credit risk (continued)

The tables below show the status of loans given by the Group and Company:

<u>The Group and The Company</u>			
	<u>Type of collaterals</u>	<u>Carrying amount of loans \$'000</u>	<u>Fair value of collaterals \$'000</u>
As at 31 December 2024			
Loan secured by properties	Properties	-	-
Unsecured Loans	NA	-	-
		<u>-</u>	<u>-</u>
As at 31 December 2023			
Loan secured by properties	Properties	156	156
Unsecured Loans	NA	58	-
		<u>214</u>	<u>156</u>

Credit loss allowance on financial assets of the Group is computed using forward looking methodology via the ECL approach. In 2024, an ECL allowance of \$1,220,000 was provided on financial assets.

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(d) Credit risk (continued)

Model for expected credit losses

SFRS(I) 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition as summarised below:

- (i) A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Group.
- (ii) If a SICR⁵ since initial recognition is identified (unless they have low credit risk at the reporting date), the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired.
- (iii) If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.
- (iv) Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of the lifetime ECL that results from default events possible within the next 12 months. Instruments in Stage 2 or 3 have their ECL measured based on the ECL on a lifetime basis.
- (vi) A pervasive concept in measuring the ECL on accordance with SFRS(I) 9 is that is should consider forward-looking information.
- (v) Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

⁵ "SICR" refers to significant increase in credit risk

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(d) Credit risk (continued)

Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

(i) Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

(ii) Qualitative criteria

The borrower meets the unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance;
- The borrower is insolvent;
- The borrower is in breach of (a) financial covenant(s);
- An active market for that financial asset has disappeared because of financial difficulties;
- Concessions have been made by the lender relating to the borrower's financial difficulties;
- It is becoming probable that the borrower will enter bankruptcy or financial reorganisation; or
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") throughout the Group's expected loss calculations.

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33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(d) Credit risk (continued)

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month (“12M”) or lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. The ECL is the discounted product of the PD, EAD and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per definition of default and credit-impaired assets above), either over the next 12 months (“12M PD”) or over the remaining lifetime (“Lifetime PD”)
- The EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.
- The LGD represents the Group’s expectation of the extent of loss on a defaulted exposure. The LGD varies by type of borrower, type and seniority of claim and availability of collateral or other credit support. The LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). The LGD is calculated on a 12M or lifetime basis, where the 12M LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and the lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future year and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier year). This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original EIR or an approximation thereof.

For the Company, the Lifetime PD is developed by calculating probabilities of default at a minimum of an annual frequency all the way out for 20 years. For maturities beyond 20 years, due to lack of availability of data, it is assumed that the 20 year annual marginal PD holds constant from the 20 year mark till maturity.

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(d) Credit risk (continued)

Measuring ECL – Explanation of inputs, assumptions and estimation techniques (continued)

For TMLM, the Lifetime PD is computed based on multi-year PDs of up to 30 years, which are derived from statistical methods relying on both publicly available and internal ratings data.

Forward-looking economic information is also included in determining the 12M and lifetime PD, EAD and LGD. These assumptions vary by product type.

The Group assesses at each reporting date the loss allowances for ECL and the impairment staging of financial assets measured at AC and FVOCI.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Significant increase in credit risk

The Group considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met:

(i) Quantitative criteria

Thresholds have been established to determine whether the remaining Lifetime PD at the reporting date has increased significantly compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised.

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(d) Credit risk (continued)

Significant increase in credit risk (continued)

(ii) *Qualitative criteria*

For debt instruments securities, if the instrument meets one or more of the following criteria:

- significant increase in credit spread;
- significant adverse changes in business, financial and/or economic conditions in which the borrower operates;
- actual or expected forbearance or restructuring; or
- actual or expected significant adverse change in operating results of the borrower.

The assessment of a SICR incorporates forward-looking information and is performed at the borrower level and on a periodic basis. The criteria used to identify a SICR are monitored and reviewed periodically for appropriateness by the finance team.

(iii) *Backstop criteria*

A backstop is applied and the debt financial instrument considered to have experienced a SICR if the borrower is more than 30 days past due on its contractual payments.

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(d) Credit risk (continued)

Low credit risk debt instruments

The Group has used the low credit risk exemption for financial instruments when they meet the following conditions:

- the financial instrument has a low risk of default;
- the borrower is considered to have a strong capacity to meet its obligations in the near term; and
- the Group expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations.

The Group defines low credit risk financial assets as financial assets that are “investment grade” at the reporting date, based on the Group’s credit grading policies. For such instruments, the SICR is still assessed, but the impairment allowance is calculated and the financial asset is measured using the 12M ECL, as long as the financial asset meets the criteria above.

Forward-looking information incorporated in the ECL models

The Company subscribes to Bloomberg’s IFRS 9 ECL product which incorporates forward-looking information into the assessment of SICR and calculation of ECL. This is done through Bloomberg’s methodology of deriving PD from the share price and asset volatility (forward-looking indicators) of the issuer of the financial instrument. This PD value is then used by Bloomberg in both assessment of SICR and ECL computation. TMLM subscribes to RAM MFRS 9 SaaS, which incorporates information such as Gross Domestic Product and current and future interest rate environments into the assessment of SICR and ECL calculation.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes.

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(d) Credit risk (continued)

Amounts arising from expected credit loss

The following tables explain the changes in the loss allowance for FVOCI debt securities between the beginning and the end of the annual period.

The Group

	<u>Stage 1</u>		<u>Stage 2</u>		<u>Total</u>	
	<u>Carrying amount</u>	<u>Related ECL allowance</u>	<u>Carrying amount</u>	<u>Related ECL allowance</u>	<u>Carrying amount</u>	<u>Related ECL allowance</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
As at 1 January 2024	3,537,069	1,207	-	-	3,537,069	1,207
Transfer from Stage 1 to Stage 2	(8,021)	(1)	8,021	1	-	-
Originated or purchased	1,522,674	25	-	-	1,522,674	25
Matured or sold	(454,196)	(92)	-	-	(454,196)	(92)
Remeasurements ¹	(30,940)	103	3,880	132	(27,060)	235
	1,029,517	35	11,901	133	1,041,418	168
Currency translation differences	115,372	10	-	-	115,372	10
Reclassified to disposal group	(2,132,836)	(165)	-	-	(2,132,836)	(165)
As at 31 December 2024	2,549,122	1,087	11,901	133	2,561,023	1,220

	<u>Stage 1</u>		<u>Stage 2</u>		<u>Total</u>	
	<u>Carrying amount</u>	<u>Related ECL allowance</u>	<u>Carrying amount</u>	<u>Related ECL allowance</u>	<u>Carrying amount</u>	<u>Related ECL allowance</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
As at 1 January 2023	3,273,340	769	1,478	82	3,274,818	851
Originated or purchased	610,360	38	-	-	610,360	38
Matured or sold	(291,340)	(190)	(1,501)	(82)	(292,841)	(272)
Remeasurements ¹	45,133	608	23	-	45,156	608
	364,153	456	(1,478)	(82)	362,675	374
Currency translation differences	(100,424)	(18)	-	-	(100,424)	(18)
As at 31 December 2023	3,537,069	1,207	-	-	3,537,069	1,207

¹ Includes releases of ECL allowance.

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33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(d) Credit risk (continued)

Amounts arising from expected credit loss (continued)

The Company

	<u>Stage 1</u>		<u>Stage 2</u>		<u>Total</u>	
	<u>Carrying amount</u>	<u>Related ECL allowance</u>	<u>Carrying amount</u>	<u>Related ECL allowance</u>	<u>Carrying amount</u>	<u>Related ECL allowance</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
As at 1 January 2024	1,666,465	1,044	-	-	1,666,465	1,044
Transfer from Stage 1 to Stage 2	(8,021)	(1)	8,021	1	-	-
Originated or purchased	1,132,554	-	-	-	1,132,554	-
Matured or sold	(225,432)	(63)	-	-	(225,432)	(63)
Remeasurements ¹	(16,444)	107	3,880	132	(12,564)	239
	882,657	43	11,901	133	894,558	176
As at 31 December 2024	2,549,122	1,087	11,901	133	2,561,023	1,220
As at 1 January 2023	1,552,391	443	1,478	82	1,553,869	525
Originated or purchased	188,768	-	-	-	188,768	-
Matured or sold	(63,074)	(25)	(1,501)	(82)	(64,575)	(107)
Remeasurements ¹	(11,620)	626	23	-	(11,597)	626
	114,074	601	(1,478)	(82)	112,596	519
As at 31 December 2023	1,666,465	1,044	-	-	1,666,465	1,044

Credit risk grading

The Group uses external credit risk ratings to assess credit risk. The credit ratings are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating is lower than the difference in the PD between a B and B- rating.

(e) Alternative investment risk

The Group is exposed to alternative investment risk through investments in direct real estate investments in Singapore and Malaysia, but the exposure is minimal.

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33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(f) Fair value measurements

Fair value hierarchy

The Group categorises a financial asset or a financial liability measured at fair value at the same level of fair value hierarchy as the lowest-level input that is significant to the entire measurement.

The Group ranks fair value measurements based on the type of inputs, as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded equities, bonds and derivatives) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The Company has no Level 3 investments during the two reporting periods presented, but the Subsidiary holds Level 3 investments in both reporting periods. With the impending sale of the wholly owned subsidiary expected to be completed in September 2025, the Level 3 investments as at 31 December 2024 no longer includes Level 3 investments held by TMLM.

During the financial years ended 31 December 2024 and 2023, there was no transfer of investments between Level 1 and 2 and in and out of Level 3 of the fair value hierarchy for the Group.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(f) Fair value measurements (continued)

Valuation techniques used to determined fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;
- the fair value of interest rate swaps calculated as the present value of the estimated future cash flows based on observable yield curves;
- the fair value of forward foreign exchange contracts determined using forward exchange rates at the balance sheet date; and
- the fair value of the remaining financial instruments determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in Level 2.

Recognised fair value measurement

This note sets out the split of financial instruments by fair value hierarchy level:

The Group

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
As at 31 December 2024				
Investment assets at FVTPL				
Government and public authority securities	1,699,454	420,983	-	2,120,437
Debt securities in corporations	-	3,674,299	-	3,674,299
Equity securities	2,187,015	1,192,890	-	3,379,905
Derivatives	-	68,027	-	68,027
	3,886,469	5,356,199	-	9,242,668
Investments assets at FVOCI				
Government bonds	2,076,934	25,457	-	2,102,391
Other debt securities	-	458,632	-	458,632
	2,076,934	484,089	-	2,561,023
Investment properties	-	-	103,500	103,500
Total Assets	5,963,403	5,840,288	103,500	11,907,191
Derivatives	-	175,447	-	175,447
Total Liabilities	-	175,447	-	175,447

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For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(f) Fair value measurements (continued)

Recognised fair value measurement (continued)

The Group (continued)

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
As at 31 December 2023				
Investment assets at FVTPL				
Government and public authority securities	2,278,988	223,214	-	2,502,202
Debt securities in corporations	-	3,535,258	-	3,535,258
Equity securities	2,391,148	1,301,805	5,835	3,698,788
Derivatives	5	130,301	-	130,306
	4,670,141	5,190,578	5,835	9,866,554
Investments assets at FVOCI				
Government bonds	1,361,413	990,821	-	2,352,234
Other debt securities	-	1,165,993	-	1,165,993
	1,361,413	2,156,814	-	3,518,227
Investment properties	-	-	148,922	148,922
Total Assets	6,031,554	7,347,392	154,757	13,533,703
Derivatives	-	73,693	-	73,693
Total Liabilities	-	73,693	-	73,693

The Company

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
As at 31 December 2024				
Investment assets at FVTPL				
Government and public authority securities	1,699,454	420,983	-	2,120,437
Debt securities in corporations	-	3,674,299	-	3,674,299
Equity securities	2,187,015	1,192,890	-	3,379,905
Derivatives	-	68,027	-	68,027
	3,886,469	5,356,199	-	9,242,668
Investments assets at FVOCI				
Government bonds	2,076,934	25,457	-	2,102,391
Other debt securities	-	458,632	-	458,632
	2,076,934	484,089	-	2,561,023
Investment properties	-	-	125,700	125,700
Total assets	5,963,403	5,840,288	125,700	11,929,391
Derivatives	-	175,447	-	175,447
Total liabilities	-	175,447	-	175,447

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(f) Fair value measurements (continued)

Recognised fair value measurement (continued)

The Company (continued)

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
As at 31 December 2023				
Investment assets at FVTPL				
Government and public authority securities	2,278,988	201,639	-	2,480,627
Debt securities in corporations	-	3,458,040	-	3,458,040
Equity securities	1,913,809	948,980	-	2,862,789
Derivatives	-	130,301	-	130,301
	4,192,797	4,738,960	-	8,931,757
Investments assets at FVOCI				
Government bonds	1,361,413	15,898	-	1,377,311
Other debt securities	-	289,154	-	289,154
	1,361,413	305,052	-	1,666,465
Investment properties	-	-	121,930	121,930
Total assets	5,554,210	5,044,012	121,930	10,720,152
Derivatives	-	73,693	-	73,693
Total liabilities	-	73,693	-	73,693

The following table presents the changes in Level 3 instruments at the Group and the Company level:

	<u>The Group</u>		<u>The Company</u>	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Beginning of financial year	154,757	157,010	121,930	99,500
Currency translation differences	3,510	(3,182)	-	-
Transfers	69	-	-	20,360
Purchases	791	-	791	-
Fair value gains recognised in:				
- profit or loss	10,579	929	2,979	2,070
Reclassified to disposal group	(66,206)	-	-	-
End of financial year	103,500	154,757	125,700	121,930

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33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(f) Fair value measurements (continued)

Recognised fair value measurement (continued)

The carrying amounts of cash and cash equivalents, floating rate subordinated debt, other financial assets and other financial liabilities approximate their fair value.

(g) Offsetting financial assets and financial liabilities

The Group entered into enforceable master netting agreements for derivative transactions with various counterparties.

The provision in the master netting agreements or similar agreements enable a party to terminate transactions early and settle at a net amount if a default or termination event occurs. The Group and the Company have the following financial instruments subject to enforceable master netting arrangements or similar agreements. With the impending sale of the wholly owned subsidiary expected to be completed in September 2025, the 2024's table below no longer includes TMLM.

The Group

	2024	2023
	\$'000	\$'000
Derivative financial assets		
Gross amount	68,027	130,306
Less: Gross amount set off in balance sheet	-	-
Net amount presented in balance sheet	68,027	130,306
Less: Financial collateral received	-	-
Net amount	68,027	130,306
Derivative financial liabilities		
Gross amount	175,447	73,693
Less: Gross amount set off in balance sheet	-	-
Net amount presented in balance sheet	175,447	73,693
Less: Financial collateral pledged	(30,528)	(26,147)
Net amount	144,919	47,546

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(g) Offsetting financial assets and financial liabilities (continued)

The Company

	2024	2023
	\$'000	\$'000
Derivative financial assets		
Gross amount	68,027	130,301
Less: Gross amount set off in balance sheet	-	-
Net amount presented in balance sheet	68,027	130,301
Less: Financial collateral received	-	-
Net amount	68,027	130,301
Derivative financial liabilities		
Gross amount	175,447	73,693
Less: Gross amount set off in balance sheet	-	-
Net amount presented in balance sheet	175,447	73,693
Less: Financial collateral pledged	(30,528)	(26,147)
Net amount	144,919	47,546

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33. Insurance and financial risk management (continued)

(C) Investment Committee (continued)

(h) Investment in funds

The funds invested in by the Group may utilise a variety of financial instruments in their trading strategies, including equity and debt securities as well as an array of derivative instruments. Several of these financial instruments contain varying degrees of off-balance sheet risk whereby changes in market values of the securities underlying the financial instruments may be in excess of the amounts recorded on each portfolio fund's statement of financial position. However, as the Group has limited interests in these funds, the Group's risk with respect to such transactions is limited to its capital balance in each fund.

The Group's holding in a fund, as a percentage of the fund's total net asset value, may vary from time to time depending on the volume of subscriptions and redemptions at the fund level. It is possible that the Group may, at any point in time, hold a majority of a fund's total units in issue.

(i) Underlying items of contract with direct participation features

The following table sets out the composition and the fair value of the underlying items for the Group's and the Company's contracts with direct participation features at all the reporting date. With the impending sale of the wholly owned subsidiary TMLM, expected to be completed in September 2025, the 2024 table below excludes TMLM from the Group's composition.

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash & cash equivalent	171,618	248,561	171,618	154,346
Financial assets at fair value through profit and loss	8,335,250	9,426,502	8,335,250	8,743,865
Financial assets at fair value through other comprehensive income	-	920,183	-	-
Derivative financial instruments	68,027	127,220	68,027	127,215
Other assets	63,279	79,076	63,279	67,944
Loans	-	156	-	-
Investment properties	78,670	119,253	78,670	76,010
Property, plant & equipment	68,466	113,339	68,466	67,859
Intangible asset	2,197	4,825	2,197	3,247
<i>Less: payables and other liabilities</i>	(1,034,669)	(1,489,146)	(1,034,669)	(1,453,552)
	7,752,838	9,549,969	7,752,838	7,786,934

TOKIO MARINE LIFE INSURANCE SINGAPORE LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

34. Capital management

As the Group intends to sell its wholly owned subsidiary, TMLM to Tokio Marine Nichido & Fire ("TMNF"), with completion expected by September 2025 (Note 39), the entire assets and liabilities related to TMLM are presented as a disposal group classified as held-for-sale as at 31 December 2024 (Note 38). As such, the insurance and financial risk management disclosures for 2024 have excluded disclosures related to TMLM.

The Group's capital management objective is to hold sufficient capital in order to

- Ensure obligations to policyholders are met with a high degree of certainty.
- Provide capacity to take risk and generate a reasonable return on capital for shareholders.
- Fulfil expectations of regulators about the Company's capital adequacy.

The Group currently uses capital requirements under the respective regulatory regimes it operates in as a proxy for capital adequacy assessment. Each regime prescribes a minimum amount of capital that must be held to fulfil statutory solvency requirements in each country that it operates in and must be met at all times throughout the year. As part of the statutory requirements, the Company and its Malaysian subsidiary report their capital position quarterly. Internally, the Group also sets its own minimum capital position with consideration for the above objectives.

For TMLS, under the Notice 133 Insurance (Valuation and Capital) (Amendment) Regulations 2020 new capital regime (RBC2) pursuant to the section 18 and 64(2) of the Insurance Act, the minimum capital adequacy ratio is 100% as well as any additional capital add-ons imposed by MAS. As at 31 December 2024, the capital adequacy ratio is 233% (2023: 102%), which is the ratio of financial resources of \$3,706 million (2023: \$1,823 million) to the total risk requirement of \$1,592 million (2023: \$1,793 million). There is loan raised on 16 January 2024 and equity raised on 12 September 2024 by the Group to strengthen the balance sheet and liquidity position (Note 28).

For TMLM, under the Risk-based Capital Framework, the minimum requirement for each insurance entity is 130%. As at 31 December 2024, the capital adequacy ratio is 233% (2023: 262%), which is the ratio of available capital of \$1,060 million (2023: \$885 million) to the total risk requirement of \$393 million (2023: 332 million).

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

34. Capital management (continued)

Liquidity Risks

Liquidity risk arises when a company is unable to meet its obligations on a timely basis; especially when the investment portfolio is largely made up of illiquid assets. Under normal circumstances, the liquidity demands of an insurance company are often determined through ongoing operations, continuous premium income, sale of disposable assets and borrowings. For insurers, the expected liquidity needs are often determined through projection of outflows from the in-force insurance policy contract liabilities; the liabilities include renewal commissions, claims and other benefits (maturity and surrender). While the nature of these outflows is deemed to be largely stable and can be assumed at the outset, the Group remains susceptible to exceptional experiences (surrender or catastrophic events) for its insurance portfolio. Also, companies may be subject to unexpected liquidity tightening due to adverse implications from the wider economic factors (domestic or global) or undue volatilities and unexpected losses experienced within investments. Liquidity risk is reduced by having insurance contract liabilities that are well diversified by product and policyholder. The Group designs insurance products to encourage policyholders to maintain their policies in-force, thereby generating a diversified and stable flow of recurring premium income.

The Group adopts prudent liquidity risk management by monitoring daily operating liquidity and cash movements to ensure liquidity is available and cash is employed optimally. The Group and the Company have cash and cash equivalents of \$444 million and \$413 million (2023: \$491 million and \$300 million) to meet its liquidity requirements.

The following table shows the contractual maturity profile of the Group's investment assets and insurance liabilities. For investment assets, the expected recovery or settlement of financial assets and maturity profile of the Group's financial liabilities are presented on a contractual undiscounted cash flow basis. For insurance contracts issued and reinsurance contracts held, the maturity profile is presented based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented. With the impending sale of the wholly owned subsidiary TMLM, expected to be completed in September 2025, the table below excludes TMLM from the Group's composition.

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34. Capital management (continued)

Liquidity Risks (continued)

The Group

	Up to 1 year \$'m	1-2 years \$'m	2-3 years \$'m	3-4 years \$'m	4-5 years \$'m	Over 5 years \$'m	No fixed maturity \$'m
As at 31 December 2024							
Financial Assets at FVTPL							
Government and public authority securities	55	-	-	4	38	2,023	-
Debt securities in corporations	107	144	109	75	144	3,095	-
Equities securities	-	-	-	-	-	402	2,978
Derivative financial instruments	-	-	-	-	-	68	-
Financial Assets at FVOCI							
Government and public authority securities	103	1	-	-	1	1,997	-
Debt securities in corporations	26	22	13	17	24	357	-
Financial Assets at Amortised Cost							
Accrued investment income	85	-	-	-	-	-	-
Secured loans*	-	-	-	-	-	-	-
Unsecured loans*	-	-	-	-	-	-	-
Other assets (Exclude club membership and prepayments)	20	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-	444
Total investment asset	396	167	122	96	207	7,942	3,422
Insurance contract balances							
Reinsurance contract assets	(39)	5	4	4	4	(8)	-
Insurance contract liabilities	526	230	260	289	282	7,462	-
Total insurance contract balances	487	235	264	293	286	7,454	-

*Amounts in secured loans and unsecured loans are rounded to zero in millions

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AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

34. Capital management (continued)

Liquidity Risks (continued)

The Group (continued)

	Up to 1 year \$'m	1-2 years \$'m	2-3 years \$'m	3-4 years \$'m	4-5 years \$'m	Over 5 years \$'m	No fixed maturity \$'m
As at 31 December 2023							
Financial Assets at FVTPL							
Government and public authority securities	75	-	-	5	16	2,406	-
Debt securities in corporations	132	142	213	120	103	2,825	-
Equities securities	-	-	-	-	-	444	3,255
Derivative financial instruments	130	-	-	-	-	-	-
Financial Assets at FVOCI							
Government and public authority securities	13	20	30	35	47	2,207	-
Debt securities in corporations	104	91	88	152	149	582	-
Financial Assets at Amortised Cost							
Accrued investment income	99	-	-	-	-	-	-
Secured loans*	-	-	-	-	-	-	-
Unsecured loans*	-	-	-	-	-	-	-
Other assets (Exclude club membership and prepayments)	18	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-	491
Total investment asset	571	253	331	312	315	8,464	3,746
Insurance contract balances							
Reinsurance contract assets	(37)	3	3	2	2	6	-
Insurance contract liabilities	860	185	218	244	266	8,637	-
Reinsurance contract liabilities	-	-	-	-	-	1	-
Total insurance contract balances	823	188	221	246	268	8,643	-

*Amounts in secured loans and unsecured loans are rounded to zero in millions

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

34. Capital management (continued)

Liquidity Risks (continued)

The Company

	Up to 1 year \$'m	1-2 years \$'m	2-3 years \$'m	3-4 years \$'m	4-5 years \$'m	Over 5 years \$'m	No fixed maturity \$'m
As at 31 December 2024							
Financial Assets at FVTPL							
Government and public authority securities	55	-	-	4	38	2,023	-
Debt securities in corporations	107	144	109	75	144	3,095	-
Equities securities	-	-	-	-	-	402	2,978
Derivative financial instruments	-	-	-	-	-	68	-
Financial Assets at FVOCI							
Government and public authority securities	103	1	-	-	1	1,997	-
Debt securities in corporations	26	22	13	17	24	357	-
Financial Assets at Amortised Cost							
Accrued investment income	85	-	-	-	-	-	-
Other assets (exclude club membership and prepayments)	13	-	-	-	-	-	-
Cash & cash equivalents	-	-	-	-	-	-	413
Total investment asset	389	167	122	96	207	7,942	3,391
Insurance contract balances							
Reinsurance contract assets	(39)	5	4	4	4	(8)	-
Insurance contract liabilities	526	230	260	289	282	7,462	-
Total insurance contract balances	487	235	264	293	286	7,454	-

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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

34. Capital management (continued)

Liquidity Risks (continued)

The Company (continued)

	Up to 1 year \$'m	1-2 years \$'m	2-3 years \$'m	3-4 years \$'m	4-5 years \$'m	Over 5 years \$'m	No fixed maturity \$'m
As at 31 December 2023							
Financial Assets at FVTPL							
Government and public authority securities	75	-	-	3	11	2,392	-
Debt securities in corporations	128	139	205	109	95	2,782	-
Equities securities	-	-	-	-	-	444	2,419
Derivative financial instruments	130	-	-	-	-	-	-
Financial Assets at FVOCI							
Government and public authority securities	-	-	1	-	1	1,375	-
Debt securities in corporations	22	21	25	17	19	185	-
Financial Assets at Amortised Cost							
Accrued investment income	78	-	-	-	-	-	-
Other assets (exclude club membership and prepayments)	11	-	-	-	-	-	-
Cash & cash equivalents	-	-	-	-	-	-	300
Total investment asset	444	160	231	129	126	7,178	2,719
Insurance contract balances							
Reinsurance contract assets	(31)	3	3	2	2	13	-
Insurance contract liabilities	420	134	183	214	239	6,978	-
Total insurance contract balances	389	137	186	216	241	6,991	-

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For the financial year ended 31 December 2024

34. Capital management (continued)

Liquidity Risks (continued)

The following table shows the contractual maturity profile of the Group's financial liabilities. As all the financial liabilities are current, the carrying value approximates the undiscounted cash flows. With the impending sale of the wholly owned subsidiary TMLM, expected to be completed in September 2025, the 2024 table below excludes TMLM from the Group's composition.

The Group

	<u>Up to 1 year</u> S\$m	<u>1-5 years</u> S\$m	<u>>5 years</u> S\$m
As at 31 December 2024			
Other payables	59	-	-
Borrowings	3	197	667
Obligations under repurchase agreement	567	-	-
Derivative financial instruments	92	-	83
As at 31 December 2023			
Other payables	94	-	-
Borrowings	2	47	497
Obligations under repurchase agreement	1,763	-	-
Derivative financial instruments	1	-	73

The Company

	<u>Up to 1 year</u> S\$m	<u>1-5 years</u> S\$m	<u>>5 years</u> S\$m
As at 31 December 2024			
Other payables	47	-	-
Borrowings	3	197	667
Obligations under repurchase agreement	567	-	-
Derivative financial instruments	92	-	83
As at 31 December 2023			
Other payables	47	-	-
Borrowings	2	47	497
Obligations under repurchase agreement	1,763	-	-
Derivative financial instruments	1	-	73

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For the financial year ended 31 December 2024

34. Capital management (continued)

Liquidity Risks (continued)

Demands for funds can usually be met through ongoing normal operations, premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by negative publicity, deterioration of the economy, reports of problems in other companies in the same or similar lines of business, unanticipated policy claims, or other unexpected cash demands from policyholders. Expected liquidity demands are managed through a combination of treasury, investment and asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are monitored and a reasonable amount of assets are kept in liquid instruments at all times. The projected cash flows from the in-force insurance policy contract liabilities consist of renewal premiums, commissions, claims, maturities and surrenders. Renewal premiums, commissions, claims and maturities are generally stable and predictable. Surrenders can be more uncertain although it has been quite stable at a company level over the past several years. Unexpected liquidity demands are managed through a combination of product design, diversification limits, investment strategies and systematic monitoring. The existence of surrender penalty in insurance contracts also protects the Group from losses due to unexpected surrender trends as well as reduces the sensitivity of surrenders to changes in interest rates.

35. Net fair values of financial assets and liabilities

The financial assets and the financial liabilities of the Group and the Company comprise current assets (except tax recoverable and prepayments), loans, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, derivative financial instruments, current liabilities (except current tax liabilities), staff retirement benefits and agents' retirement benefits. The fair values of these financial assets and liabilities at 31 December 2024 approximate their carrying amounts as shown in the balance sheet.

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For the financial year ended 31 December 2024

36. New or revised accounting standards and interpretations

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
<i>Amendments to:</i>	
- <i>SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)</i>	<i>1 January 2025</i>
<i>Amendments to SFRS(I) 9 and SFRS(I) 7:</i>	
- <i>Amendments to the Classification and Measurement of Financial Instruments</i>	<i>1 January 2026</i>
<i>Annual Improvements to SFRS(I)s- Volume 11</i>	
<i>New accounting standards:</i>	
<i>SFRS(I) 18 Presentation and Disclosure in Financial Statements</i>	<i>1 January 2027</i>
<i>Amendments to:</i>	<i>To be determined</i>
<i>SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 28 Investment in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)</i>	

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

37. Controlled structured entities

With the impending sale of TMLM, expected to be completed by September 2025, TMLM was reclassified as a disposal group. The information below remains included to reflect the Group's control over the investment in controlled structure entities held by TMLM during the reporting period.

The Group has determined that its investment in a wholesale unit trust fund and a retail fund amounting to \$14.5 million (2023: \$13.1 million) and \$54.9 million (2023: \$4.6 million) respectively as investments in structured entities ("investee funds"). The Group invests in the investee funds whose objectives range from achieving medium to long-term capital growth and whose investment strategy does not include the use of leverage. The investee funds are managed by RHB Asset Management Sdn Bhd and apply various investment strategies to accomplish their respective investment objectives. The investee funds finance their operations through the creation of investee fund units which entitles the holder to variable returns and fair values in the respective investee fund's net assets.

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37. Controlled structured entities (continued)

The Group holds 100% of RHB Income Plus Fund 8 and 97% of RHB Leisure, Lifestyle and Luxury Fund respectively (2023: 100% of RHB Income Plus Fund 8 and 97% of RHB Leisure, Lifestyle and Luxury Fund). All funds were established in Malaysia and the Group has control over these investee funds. The Group is exposed to, or has rights to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

As the Group has control over these investee funds which are considered controlled structured entities, these structured entities are consolidated as at 31 December 2024.

RHB Income Plus Fund 8, a wholesale unit trust fund and RHB Leisure, Lifestyle and Luxury Fund, a retail unit trust fund are classified as fair value through profit or loss investment and the change in fair value of the investee funds are recognised in the statement of profit or loss in the Group's separate financial statements. The cumulative impact to the non-controlling interest ("NCI") of the subsidiary as at 31 December 2024 and 31 December 2023 are \$175,000 and \$194,000 respectively. This was presented in the financial statements as other financial liability within other payables (Note 21).

All investee funds are audited by PricewaterhouseCoopers PLT.

38. Discontinued operations and disposal group classified as held-for-sale

The entire assets and liabilities related to Tokio Marine Life Insurance Malaysia Bhd are presented as a disposal group classified as held-for-sale as at 31 December 2024. Please refer to note 2.29 for the accounting policy applied.

	<u>The Group</u> As at 31 December 2024 \$'000
(a) Details of the assets of disposal group classified as held-for-sale were as follows:	
Cash and cash equivalent	152,425
Reinsurance contract assets	33,636
Financial assets at fair value through profit and loss	1,221,582
Financial asset at fair value through other comprehensive income	2,132,836
Other assets	25,920
Loans	164
Investment properties (Note 16)	56,365
Property, plant and equipment	51,928
Intangible assets	2,006
	3,676,862

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

38. Discontinued operations and disposal group classified as held-for-sale (continued)

	<u>The Group</u> As at 31 December 2024 \$'000
(b) Details of the liabilities directly associated with disposal group classified as held-for-sale were as follows:	
Other payables	43,637
Borrowings	152
Current tax liabilities	182
Deferred tax liabilities (Note 24)	108,502
Staff retirement benefits (Note 25)	3
Agents' retirement benefit (Note 26)	13,638
Insurance contract liabilities (Note 5 (C))	3,058,278
Reinsurance contract liabilities	1,214
	3,225,606
	Company As at 31 December 2024 \$'000
(a) Details of the assets in non-current asset classified as held-for-sale were as follows:	
Investment in subsidiary (Note 17)	87,636

39. Events occurring after balance sheet date

On 23 January 2025, the Group completed the sale of TMC Levels 5 to 7 to TMIS and concurrently entered into a leaseback arrangement for TMC Levels 6 and 7. The transaction was completed at a selling price of \$67,530,000.

The Group intends to sell its wholly owned subsidiary, TMLM to TMNF, with completion expected by September 2025. The sale is part of corporate restructuring. This enables the group to better manage entities in the organization enabling efficiency in day to day management and reporting of TMLM by TMNF. As at the date these financial statements were authorised for issue, the selling price has not been finalised and no binding agreement has been executed. The entire assets and liabilities related to TMLM are presented as disposal group classified as held-for-sale as at 31 December 2024 (Note 38).

**TOKIO MARINE LIFE INSURANCE SINGAPORE LTD.
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NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2024

39. Events occurring after balance sheet date (continued)

On 1 August 2025, RHB Banking Group (“RHB”) entered into bancassurance and bancatakaful partnerships with TMLM and its takaful partners – Syarikat Takaful Malaysia Keluarga Berhad (“STMKB”), and its wholly owned subsidiary, Syarikat Takaful Malaysia Am Berhad (“STMAB”) (collectively referred to as “Takaful Malaysia”). These partnerships are formalised through separate Distribution Agreements – between RHB Bank and TMLM, and between RHB Islamic and Takaful Malaysia, as well as the Framework Agreement entered into by all parties. Under the Distribution Agreements, RHB will exclusively sell, distribute, market and promote the conventional life insurance products and takaful products developed by TMLM and Takaful Malaysia, in Malaysia. The exclusive Distribution Agreements will be for a period of 20 years commencing 1 August 2025. Following the execution of the Distribution Agreement between the parties, RHB’s appeal at the Court of Appeal has been formally withdrawn on 15 August 2025.

On the 12 August 2025, TMLM has also entered into an Intra-group subordinated loan agreement with Tokio Marine Nichido & Fire. The loan amount of Ringgit Malaysia (“RM”) 570,000,000 will be drawn down on 22 August 2025, with the purpose for the payment of the access fee associated with the bancassurance partnership with RHB. The loan is unsecured, bears interest at 4.5% per annum, and is subordinated to all senior obligations of the Company. The terms of the loan reflect arm’s length principles and are consistent with the internal financing policies.

40. Authorisation of financial statements

These financial statements were authorised for issue in accordance with resolution of the Board of Directors of Tokio Marine Life Insurance Singapore Ltd. on 25 September 2025.