TOKIO MARINE INSURANCE SINGAPORE LTD.
(Incorporated in Singapore. Registration No: 192300014M)

ANNUAL REPORT
For the financial year ended 31 December 2024

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(Incorporated in Singapore)

ANNUAL REPORT
For the financial year ended 31 December 2024

Contents

DIRECTORS' STATEMENT
For the financial year ended 31 December 2024

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 December 2024.

In the opinion of the directors,

(a) the financial statements as set out on pages 6 to 92 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Company for the 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
Tham Chee Soon (appointed on 11 July 2024)
Yoshinori Fukaura (appointed on 15 April 2025)
Hiroyuki Hata (appointed on 18 June 2024)

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.

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.

Share options

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

No shares were 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

Yoshinori Fukaura
Director

Hiroyuki Hata
Director

29 APR 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TOKIO MARINE 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 financial statements of Tokio Marine Insurance Singapore Ltd. (the "Company") are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:
- the statement of comprehensive income for the financial year ended 31 December 2024;
- the balance sheet as at 31 December 2024;
- the statement of changes in equity for the financial year then ended;
- the statement of cash flows 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 Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

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.

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 FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Report on the Audit of the Financial Statements (continued)

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

- 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 Company as a basis for forming an opinion on the 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.

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 have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 29 April 2025

TOKIO MARINE INSURANCE SINGAPORE LTD.

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2024

	Note	**2024** **$'000**	2023 $'000
Insurance revenue		**253,794**	231,434
Insurance service expenses		**(143,654)**	(188,944)
Net expenses from reinsurance contracts held		**(77,811)**	(16,616)
Insurance service result	5	**32,329**	25,874
Investment revenue on			
Financial assets not measured at fair value through profit or loss		**14,050**	12,197
Financial assets measured at fair value through profit or loss		**4,108**	5,895
Net credit impairment reversal on financial assets		**3**	38
Net investment result	6	**18,161**	18,130
Net finance income/(expenses) from reinsurance contracts held		**765**	(1,806)
Net finance income from insurance contracts		**593**	1,377
Net insurance finance income/(expenses)	6	**1,358**	(429)
Fee income	7(a)	**4,568**	4,738
Other operating income	7(b)	**8,805**	8,670
Other expenses	8	**(7,925)**	(8,128)
Profit before tax		**57,296**	48,855
Income tax expense	9(a)	**(8,123)**	(8,873)
Net profit		**49,173**	39,982
Other comprehensive income ("OCI"):			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gains on equity securities designated at fair value through other comprehensive income ("FVOCI") (gross of tax)	12	**155**	133
Items that may be reclassified subsequently to profit or loss:			
Fair value gains on debt securities measured at FVOCI (gross of tax)	12	**6,794**	15,626
Fair value gains on debt securities measured at FVOCI reclassified to profit or loss on disposal (gross of tax)	6	**67**	242
Net credit impairment losses on financial assets at FVOCI	6	**5**	(42)
		6,866	15,826
Income tax on items recorded through other comprehensive income	19	**(1,144)**	(2,720)
		5,722	13,106
Total other comprehensive income		**5,877**	13,239
Total comprehensive income		**55,050**	53,221

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

TOKIO MARINE INSURANCE SINGAPORE LTD.

BALANCE SHEET
As at 31 December 2024

	Note	31 December 2024 $'000	31 December 2023 $'000
ASSETS			
Cash and cash equivalents	10	**198,916**	120,323
Other assets	11	**36,779**	30,798
Investment assets	12	**336,690**	357,505
Reinsurance contracts assets	13	**117,212**	137,172
Investment properties	14	**38,492**	39,224
Property, plant and equipment	15	**17,270**	18,321
Right-of-use assets	16(a)	**797**	772
Deferred income tax assets	19	**-**	4,289
Total assets		**746,156**	708,404
LIABILITIES			
Other payables	18	**82,589**	81,345
Lease liabilities	16(b)	**763**	758
Insurance contracts liabilities	13	**255,373**	274,984
Current income tax liabilities	9(b)	**10,294**	11,223
Deferred income tax liabilities	19	**1,993**	-
Total liabilities		**351,012**	368,310
NET ASSETS		**395,144**	340,094
EQUITY			
Share capital	20	**100,000**	100,000
Fair value reserve		**(3,763)**	(9,640)
Retained earnings		**298,907**	249,734
Total equity		**395,144**	340,094

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

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2024

	Note	Share capital $'000	Fair value reserve $'000	Retained earnings $'000	Total equity $'000
2024					
Balance at 1 January 2024		**100,000**	**(9,640)**	**249,734**	**340,094**
Profit for the year		-	-	**49,173**	**49,173**
Other comprehensive income for the year		-	**5,877**	-	**5,877**
Total comprehensive income		-	**5,877**	**49,173**	**55,050**
Total transactions with owners, recognised directly in equity					
Dividend paid	21	-	-	-	-
End of financial year		**100,000**	**(3,763)**	**298,907**	**395,144**
2023					
Balance at 1 January 2023		**100,000**	**(28,137)**	**254,600**	**326,463**
Impact of initial application of FRS 109		-	5,258	(5,548)	(290)
Restated Balance as at 1 January 2023		100,000	(22,879)	249,052	326,173
Profit for the year		-	-	39,982	39,982
Other comprehensive income for the year		-	13,239	-	13,239
Total comprehensive income		-	13,239	39,982	53,221
Total transactions with owners, recognised directly in equity					
Dividend paid	21	-	-	(39,300)	(39,300)
End of financial year		100,000	(9,640)	249,734	340,094

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Profit after tax		**49,173**	39,982
Adjustments for:			
- Income tax expense		**8,123**	8,873
- Depreciation of property, plant and equipment		**1,442**	1,568
- Depreciation of right-of-use assets		**783**	600
- Depreciation of investment properties		**732**	736
- Increase/(decrease) in allowance for impairment of club membership		**59**	(127)
- Amortisation of investment assets		**115**	193
- Net gains of on disposal of property, plant and equipment		**(1)**	-
- Net losses on disposal of Investment assets		**67**	242
- Fair value gains recognised in profit and loss		**(1,948)**	(3,529)
- Net gain on lease modification		**(7)**	-
- Interest expense on lease liabilities		**53**	44
- Impact on initial application of FRS 109		**-**	(290)
- Provision/(write-back) of expected credit loss on debt securities at FVOCI		**5**	(42)
- Interest income		**(14,088)**	(12,439)
- Dividend income		**(2,189)**	(2,366)
		42,319	33,445
Changes in working capital:			
- Increase in other assets		**(5,928)**	(342)
- Decrease/(increase) reinsurance contract assets		**19,960**	(41,568)
- (Decrease)/increase in insurance contract liabilities		**(19,611)**	46,116
- Increase in other payables		**1,244**	7,286
Cash generated from operations		**37,984**	44,937
Income tax paid		**(3,914)**	(6,068)
Net cash provided by operating activities		**34,070**	38,869
Cash flows from investing activities			
Additions to property, plant and equipment		**(391)**	(1,464)
Disposal of property, plant and equipment		**1**	-
Purchases of investment assets		**(33,471)**	(18,036)
Disposal of investment assets		**63,068**	25,191
Interest received		**13,972**	12,204
Dividends received		**2,189**	2,366
Net cash provided by investing activities		**45,368**	20,261
Cash flows from financing activities			
Principal payment of lease liabilities		**(845)**	(638)
Dividend paid		**-**	(39,300)
Net cash used in financing activities		**(845)**	(39,938)
Net increase in cash and cash equivalents		**78,593**	19,192
Cash and cash equivalents			
Beginning of financial year		**120,323**	101,131
Cash and cash equivalents at end of financial year	10	**198,916**	120,323

Reconciliation of lease liabilities arising from financing activities

	Beginning of financial year $'000	Principal payment $'000	Interest expense $'000	Addition – new leases $'000	Modifications of lease liabilities $'000	End of financial year $'000
2024	**758**	**(845)**	**53**	**964**	**(167)**	**763**
2023	265	(638)	44	1,101	(14)	758

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

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

1. General information

Tokio Marine Insurance Singapore Ltd. (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is 20 McCallum Street, #09-01 Tokio Marine Centre, Singapore 069046.

The principal activity of the Company is to carry on the business of general insurance.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The 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.

Interpretations and amendments to published standards effective in 2024

On 1 January 2024, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policy information have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and no material effect on the amounts reported for the current or prior financial years.

2. **Material accounting policy information** (continued)

2.2 Insurance contracts and reinsurance contracts held

(a) *Summary of measurement methods*

The issued insurance contracts and its respective reinsurance contracts are accounted for applying the Premium Allocation Approach ("PAA"). The PAA is a simplified measurement model which can be applied to all short duration contracts and to longer duration contracts that meet PAA eligibility criteria. The Company has adopted PAA for its' entire insurance contracts measurement for simplicity in view that the insurance contracts underwritten are largely short duration and for those that are not, further tests have been performed with results showing no material differences from that under the General Measurement Model ("GMM").

(b) *Definition and classifications*

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether it contains significant insurance risk, by assessing if a reinsured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the reinsured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the reinsurance contract.

The Company holds reinsurance contracts to mitigate certain risk exposure. These are facultative and treaty reinsurance contracts.

(c) *Combining a set or series of contracts*

When determining whether it is necessary to treat a set or series of reinsurance contracts as a single contract involves significant judgement and careful consideration.

In assessing whether a set or series of insurance contracts achieve, or are designed to achieve, an overall commercial effect, the Company determines whether the rights and obligations are different when looked at together compared to when looked at individually and whether the Company is unable to measure one contract without considering the other.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(d) Separating components from insurance contracts issued and reinsurance contracts held

Some insurance contracts and reinsurance contracts held issued by the Company have several components in addition to the provision of the insurance coverage service, such as an investment component.

The Company assesses its products to determine whether some of these components are distinct and need to be separated and accounted for applying other Standards. When these non-insurance components are non-distinct, they will be accounted for together with the insurance component as part of the accounting for insurance contracts and reinsurance contracts held.

The Company first considers the need to separate distinct embedded derivatives (if any issued during the year) and investment components before assessing the need to separate any non-insurance services component.

(i) Separating investment components

The Company issues policies which include an investment component under which the Company is required to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. Investment components are only separated from the insurance contract if they are distinct. Those distinct investment components are accounted for applying FRS 109.

In assessing whether an investment component is distinct, the Company considers whether the investment and insurance components are not highly interrelated and a contract with equivalent terms to the investment component is sold (or could be sold) separately in the same market or in the same jurisdiction by other entities (including entities issuing reinsurance contracts).

In determining whether investment and reinsurance components are highly interrelated, the Company assesses whether it is unable to measure one component without considering the other and the policyholder is unable to benefit from one component unless the other component is present, i.e. whether cancelling one component also terminates the other. The Company has not identified any distinct investment components.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(d) Separating components from insurance contracts issued and reinsurance contracts held (continued)

(i) Separating investment components (continued)

The Company applies FRS 117 to account for non-distinct investment components ("NDIC"). The profit and sliding scale commissions for reinsurance contracts held were the only NDIC identified by the Company.

(ii) Separating promises to transfer distinct goods or non-insurance services

After the Company has determined whether to separate embedded derivatives (if any) and investment components, it considers the separation of any promise to transfer goods or non-insurance services embedded in the contract. The Company separates from the host reinsurance contract only distinct promises to transfer goods or non-reinsurance services to a policyholder. Once separated, such promises are accounted for applying FRS 115.

In determining whether an obligation to deliver a good or non-insurance service promised to a policyholder is distinct, the Company considers whether the policyholder can benefit from the good or service either on its own or together with other resources readily available to the policyholder that are either sold separately or it is something that the policyholder already has.

A good or non-insurance service that is promised to the policyholder is not distinct if the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance components and the Company provides a significant service in integrating the good or non-insurance service with the insurance components.

The Company has not identified any distinct goods or non-insurance services.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(e) Level of Aggregation

The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance and reinsurance contracts held into portfolios, the Company considers the similarity of risks rather than the specific labelling of the product lines. The Company determines that all contracts within each product line, as defined for management purposes, have similar risks and, therefore, represent a portfolio of contracts when they are managed together.

Each portfolio is sub-divided into groups of contracts to which the recognition and measurement requirements of FRS 117 are applied. At initial recognition, the Company segregates contracts into annual cohorts, based on Underwriting Year aligned to the financial reporting period.

A cohort contains all contracts that were issued within a 12-month period.

Each cohort is then further disaggregated into three separate profitability groups:

- A group of contracts that are onerous on initial recognition;
- No significant chance of becoming onerous; and
- Other profitable.

In determining the appropriate group, the Company measures a set of contracts together using reasonable and supportable information. The Company applies significant judgement in determining at what level of granularity the Company has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information the Company assesses each contract individually.

The composition of groups established at initial recognition is not subsequently reassessed even if the contract becomes onerous. If the entire non-onerous group becomes onerous subsequently, then the loss component requirements will be triggered.

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability weighted basis. The Company determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(e) Level of Aggregation (continued)

For reinsurance contracts accounted for applying the PAA, FRS 117 permits the Company to assume no contracts in the portfolio are onerous, on initial recognition, unless there are facts and circumstances indicating otherwise. However, the Company has opted not to utilise this simplification and completes an onerous contract test at initial recognition.

Reinsurance contracts held

The determination of the level of aggregation for reinsurance contracts held is largely consistent with that of the assumed side as set out above. The Company identifies portfolios by aggregating reinsurance contracts held that are subject to similar risks and managed together. Specifically, for reinsurance contracts held, the risks that must be similar relate to those transferred from the underlying contract to the issuer of the reinsurance contract held. When deciding whether these risks are similar, reference must be made to the risk profile of underlying contracts as well as the nature of the risks that are transferred.

At initial recognition, the Company segregates contracts into annual cohorts, based on respective underwriting year aligned to the financial reporting period.

There is no difference between the determination of level of aggregation between insurance contracts issued and reinsurance contracts held.

(f) Recognition

The Company recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received); and
- When the Company determines that a group of contracts becomes onerous.

The Company recognises only contracts issued within a one-year period meeting the recognition criteria by the reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period and new contracts are included to the group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the group have been recognised.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(g) *Contract boundaries*

The Company includes in the measurement of a group of insurance contracts all the future cash flows expected to arise within the boundary of each of the contracts in the group.

In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws and regulations. The Company determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums or the Company has a substantive obligation to provide the policyholder with services.

A substantive obligation to provide services ends when:

- The Company has the practical ability to reassess the risks of a particular policyholder and as a result, change the price charged or the level of benefits provided for the price to fully reflect the new level of risk; or
- The boundary assessment is performed at a portfolio rather than individual contract level, there are two criteria that both need to be satisfied: the Company must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders and the Company's pricing must not consider any risks beyond the next reassessment date.

In determining whether all the risks have been reflected either in the premium or in the level of benefits, the Company considers all risks that policyholders would transfer had it issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Company concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks that it would assess when assuming equivalent contracts on the renewal date for the remaining service. The assessment on the Company's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Company disregards restrictions that have no commercial substance. The Company also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. Judgement is required to decide whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(g) *Contract boundaries* (continued)

In estimating expected future cash flows of the group of contracts, the Company applies its judgement in assessing future policyholder behaviour surrounding the exercise of options available to them such as surrenders options, and other options falling within the contract boundary.

The Company assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations.

(h) *Measurement of insurance contracts under the PAA*

The Company applies the PAA to the measurement of its insurance and reinsurance contracts as:

- The coverage period of each contract in the group is one year or less, or
- Where the coverage period is longer than one year, the Company has performed an eligibility assessment and has determined that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model.

Insurance acquisition cash flows are allocated over the coverage period and in line with premium.

On initial recognition, the Company measures the liability for remaining coverage ("LRC") at the amount of premiums received, if any, based upon reports from ceding companies minus any insurance acquisition cash flows at that date.

The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the following:

- The premiums received from insurance contracts;
- The amount of insurance revenue recognised for services provided in that period;
- Insurance acquisition cash flows;
- Any amounts relating to the amortisation of the acquisition cash flows recognised as an expense in the reporting period for the group; and
- Any investment component paid or transferred to the liability for incurred claims.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(h) *Measurement of reinsurance contracts under the PAA* (continued)

The Company has determined that there is no significant financing component in the insurance and reinsurance contracts issued. Consequently, the Company does not discount the LRC to reflect the time value of money and financial risk.

The carrying amount of the liability for incurred claim ("LIC") is measured similar to the GMM. The Company discounts the LIC cashflows regardless of whether the time from incurred date to settlement is greater than or less than a year.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done on the basis of the passage of time. The Company applies judgement in determining the basis of allocation.

When facts and circumstances lead the Company to believe that a group under PAA has become onerous, the Company tests if the amount of the fulfilment cash flows exceeds the carrying amount of the LRC. The Company recognises a loss in profit or loss and increases the LRC for the corresponding amount as a loss component.

Acquisition costs now include operating expense paid that falls under the definition of directly attributable acquisition costs. Such acquisition costs will not be recognised as a separate asset, unless they refer to insurance contract acquisition cash flows that arise before the related insurance contracts are recognised. Operating expense is analysed for directly attributable maintenance costs. This expense will be included as part of insurance service expenses.

Insurance acquisition cash flows are allocated based on the passage of time as a portion of premium to profit or loss over the coverage period and in line with premium.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(i) Onerous contracts

The Company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract plus any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on groups of contracts, assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognises loss component in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.

(j) Reinsurance contracts held

The Company uses facultative and treaty reinsurance to mitigate some of its risks exposures. Reinsurance contracts held are accounted under FRS 117 when they meet the definition of an insurance contract, which includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts held transfer significant reinsurance risk only if they transfer to the reinsurer substantially all the reinsurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract held does not expose the issuer (reinsurer) to the possibility of a significant loss. The effect of non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the Company disaggregates a portfolio of its reinsurance contracts held into two groups of contracts:

- Contracts that, on initial recognition, have a net gain; and
- Contracts that, on initial recognition, have a net loss.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(j) *Reinsurance contracts held* (continued)

In determining the timing of initial recognition of a reinsurance contract held, the Company assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Company recognises a group of reinsurance contracts held that provides proportionate coverage as the later of:

- The inception date for the reinsurance contract held treaty; and
- The recognition date of any of the underlying insurance policy (if the Company entered into the reinsurance contract held at or before that date).

The Company recognises a group of non-proportional reinsurance contracts held at the earliest of the inception date of the non-proportional reinsurance contract held or the date an underlying onerous group of contracts is recognised. Cash flows are within the boundary of a reinsurance contract held, if they arise from the substantive rights and obligations of the insured that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract held. Where an insurance contract has a contract boundary shorter than the one of the reinsurance contract held boundary, (e.g. in the case of a 90 day termination clause on the assumed treaty), it is assumed that the contract boundary of the reinsurance contract held is aligned with that of the assumed.

Reinsurance contracts held measured under the PAA

After establishing a reinsurance loss recovery component, except for further additions of onerous contracts to the underlying groups, its amount is adjusted for:

- Changes in fulfilment cash flows of underlying insurance contracts related to future service; and
- Loss recovery component reversals to the extent those reversals do not exceed the portion of the carrying amount of the loss component that the Company expects to recover from group of reinsurance contracts held.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(j) Reinsurance contracts held (continued)

Reinsurance contracts held measured under the PAA (continued)

These adjustments are calculated and presented in profit or loss.

Under the PAA, the initial measurement of the asset equals the reinsurance premium paid. The Company measures the amount relating to remaining service by allocating the premium paid over the coverage period of the group. The allocation is based on the passage of time or on an appropriate earning pattern.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Company adjusts the carrying amount of the asset for remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on additional loss from a previously recognised onerous group of underlying insurance contracts. The recognition of this gain results in the establishment of a loss recovery component in respect of the group of reinsurance contracts held. This component is subsequently adjusted for any applicable changes.

(k) Modification and derecognition

The Company derecognises the original contracts and recognises the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:

(i) If the modified terms were included at contract inception and the Company would have concluded that the modified contract:

- is outside of the scope of FRS 117;
- results in a different insurance contract due to separating components from the host contract;
- results in a different contract boundary;
- includes in a different group of contracts.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(k) Modification and derecognition (continued)

(ii) The original contract was accounted applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

If the contract modification meets any of the conditions, the Company performs all assessments applicable at initial recognition, derecognises the original contract and recognises the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Company treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying the PAA, the Company adjusts insurance revenue prospectively from the time of the contract modification.

The Company derecognises an insurance contract when, and only when the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- Modified and derecognition criteria are met.

When an insurance contract applying the PAA is derecognised, adjustments to the fulfilment cash flows 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:

- If the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
- 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;
- 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 Company 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.

2. Material accounting policy information (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(l) Presentation

The Company has presented separately in the balance sheet the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Company disaggregates the amounts recognised in the statement of comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

Insurance revenue

As the Company provides insurance services under a group of insurance contracts issued, it reduces its Liability for Remaining Coverage ("LRC") and recognises insurance revenue, which is measured at the amount of consideration the Company expects to be entitled to in exchange for those services.

When applying PAA, the Company recognises insurance revenue for the period based on the passage of time by allocating premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, then premium receipts are allocated based on the expected pattern of incurred reinsurance service expense.

At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence for new and existing groups.

2. **Material accounting policy information** (continued)

2.2 Insurance contracts and reinsurance contracts held (continued)

(l) *Presentation* (continued)

Insurance service expense

Insurance service expense arising from group insurance contracts issued comprises of:

- LIC related to claims and expenses incurred in the period excluding repayment of investment components;
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service);
- Other directly attributable expenses incurred in the period;
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both reinsurance service expense and insurance contract revenue; and
- Loss component of onerous groups of contracts initially recognised in the period.

Income or expenses from reinsurance contracts held

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers; and
- An allocation of the reinsurance premiums paid, provided that together they equal total income or expenses from reinsurance contracts held.

The Company presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurers which is then allocated to profit or loss.

Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk.

The Company has elected to recognise all insurance finance income and expense for the period through profit or loss.

2. Material accounting policy information (continued)

2.3 Revenue recognition

Revenue is recognised as follows:

(a) Insurance revenue (see Note 2.2(l))

(b) Agent fee

The Company is appointed by counterparties as an agent to settle insurance premiums and claim recoveries, as well as to provide support services to other claim counterparties.

Fixed

Agent fees are fixed and billed to counterparties based on pre-agreed contractual terms. Revenue is recognised when the performance obligations associated with the insurance fronting activities are satisfied.

The distinct performance obligation involves handling inwards insurance transactions, which are subsequently ceded as outwards reinsurance to counterparties. This performance obligation is satisfied at a point in time when the Company completes the processing of inwards transactions and issues the corresponding outwards reinsurance slip, indicating the control of the service has been transferred.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) 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 Company, and the amount of the dividend can be reliably measured.

(e) Rental income

Rental income from operating leases (net of any incentives given to the lessees) on investment properties is recognised on a straight-line basis over the lease term.

2. Material accounting policy information (continued)

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Freehold land*

Freehold land is initially recognised at cost and subsequently carried at cost less accumulated impairment losses (Note 2.7).

(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 accumulated impairment losses (Note 2.7).

(iii) *Components of costs*

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. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if such an obligation is incurred as a consequence of acquiring or using the asset.

(b) *Depreciation*

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Buildings	50 years
Plant and machinery	10 years
Motor vehicles	5 years
Furniture and equipment	3 to 5 years

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.

2. **Material accounting policy information** (continued)

2.4 Property, plant and equipment (continued)

(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 Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

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

2.5 Investment properties

Investment properties comprise freehold land and buildings that are held for long-term rental yields and/or for capital appreciation. Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

No depreciation is provided on freehold land. Depreciation on the buildings is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date.

The effects of any revision are included in profit or loss when the changes arise. 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 impairment is recognised in profit or loss when incurred.

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

2. Material accounting policy information (continued)

2.6 Transferable club memberships

Transferable club memberships are stated at the lower of cost and net realisable value. An allowance for impairment is made where, in the opinion of the management, there is a decline in value of such memberships. The amount of the allowance is recognised in profit or loss.

2.7 Impairment of non-financial assets

Property, plant and equipment, investment properties and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

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

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

2. **Material accounting policy information** (continued)

2.8 Financial assets

(a) Classification

The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Company classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through profit or loss ("FVTPL");
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through other comprehensive income with no recycling to profit or loss ("FVOCI designated").

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

A financial asset is measured at amortised cost if the asset is held to collect its contractual cash flows and the asset's contractual cash flows represent solely payments of principal and interest ("SPPI").

A financial asset is measured at FVOCI if the asset is held to achieve an objective by both collecting contractual cash flows and selling financial assets, and the asset's contractual cash flows represent SPPI.

Financial assets should be classified as FVTPL if they do not meet the criteria of FVOCI or amortised cost.

The Company has elected to present fair value changes in other comprehensive income for equity securities acquired for strategic business purposes. Classifying as FVOCI designated in all gains and losses being presented in OCI and never reclassified to profit and loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal, the difference between the carrying amount and the net sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss. However, the cumulative fair value gains or losses of an equity instrument classified at FVOCI is not transferred to profit or loss upon derecognition.

(c) Measurement

Financial assets are initially recognised at fair value plus transaction costs, unless they are measured at FVTPL.

After initial recognition, financial assets shall be measured in accordance to their respective classifications at amortised cost, fair value through other comprehensive income (designated), fair value through other comprehensive income or fair value through profit or loss. The amortised cost financial assets are carried at amortised cost using the effective interest method.

Interest and dividend income on financial assets are recognised separately in profit or loss. Changes in the fair values of financial assets measured at FVOCI are recognised in other comprehensive income and accumulated in the fair value reserve. However, all fair value gains and losses of designated FVOCI being presented in OCI will never reclassified to profit and loss. Changes in the fair values of financial assets measured at FVTPL are recognised in profit or loss. Any foreign exchange gains and losses on financial assets that are monetary items should be recognised in profit or loss.

(d) Impairment

A loss allowance shall be recognised for expected credit losses ("ECL") at each balance sheet date on financial assets that are measured at amortised cost or FVOCI. Impairment assessment is not applicable to equity instruments and financial assets measured at FVTPL. The amount of impairment gain or loss is recognised in profit or loss or other comprehensive income accordingly.

2. Material accounting policy information (continued)

2.8 Financial assets (continued)

(d) Impairment (continued)

At each reporting date, the Company shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. The formula used to calculate ECLs is shown below:

ECL = PD × LGD × Discounted EAD

Probability of default ("PD") is the likelihood that the obligator will default on the obligation.

Loss Given Default ("LGD") is the estimated amount of money loses when the obligator defaults.

Exposure at Default ("EAD") is the expected amount of exposure to a particular obligator at the point of default.

2.9 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.

2.10 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are 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 prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2. Material accounting policy information (continued)

2.11 Other payables

Other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest rate method.

2.12 Leases

(a) *When the Company is the lessee*

At the inception of the contract, the Company 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 assets*

  The Company 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 incentive 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 assets are 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. The average useful life of these right-of-use assets are between 2 to 5 years.

- *Lease liabilities*

  Lease liabilities are initially measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

2. **Material accounting policy information** (continued)

2.12 Leases (continued)

(a) *When the Company is the lessee* (continued)

- *Lease liabilities* (continued)

Lease payments may include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentive receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

For contracts that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Company has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; and
- There are modifications in the scope or the consideration of the lease that was not part of the original terms.

Lease liabilities are 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.

2. Material accounting policy information (continued)

2.12 Leases (continued)

(a) *When the Company is the lessee* (continued)

- *Short-term and low value leases*

  The Company 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 Company is the lessor*

Leases of investment properties where the Company 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 lessees) is recognised in profit or loss on a straight-line basis over the lease term.

2.13 Income taxes

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 periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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 that affects neither accounting nor taxable profit or loss at the time of the 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 deductible temporary differences and tax losses can be utilised.

2. Material accounting policy information (continued)

2.13 Income taxes (continued)

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 will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

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

2.14 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund ("CPF") on a mandatory, contractual or voluntary basis. The Company has no future payment obligation once the contributions have been paid.

(b) Employee leave entitlement

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

2.15 Provisions for other liabilities and charges

Provisions are recognised when the Company 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 a reliable estimate of the amount can be made.

2. Material accounting policy information (continued)

2.16 Currency translation

The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

Transactions in a currency other than Singapore Dollar ("foreign currency") are translated into the Singapore Dollar using the exchange rates at the dates of the transactions. Currency exchange differences resulting 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. Foreign exchange gains and losses impacting profit or loss for items not relating to insurance contracts are presented within "other expenses".

2.17 Cash and cash equivalents

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

2.18 Share capital

Ordinary shares are classified as equity.

2.19 Dividends

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

3. Critical accounting estimates, assumptions and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Critical accounting estimates, assumptions and judgements (continued)

Judgements made by management in the application of FRSs that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the following financial year are discussed below.

Management has assessed the development, selection and disclosure of the critical accounting policies and estimates, and the application of these policies and estimates.

Critical accounting estimates are made by the management in applying accounting policies related to the measurement of insurance contract issued and reinsurance contract held assets and liabilities in accordance with FRS 117.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Application of Premium Allocation Approach

The Company applies the PAA to simplify the measurement as;

(i) the coverage period of each contract in the group is one year or less; or
(ii) where the coverage period is longer than one year, the Company has performed an eligibility assessment and has determined that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model.

In addition to considering PAA on direct and inwards basis, the Company also considered whether the outwards insurance contracts are eligible for measurement under the PAA measurement model.

The vast majority of the internal and external reinsurance agreements are automatically eligible as they are 1-year contracts. For those contracts that are not automatically eligible, a quantitative assessment was performed to prove eligibility.

The Company's policy is to conduct an annual assessment, both qualitative and quantitative if necessary, to ensure continued eligibility for the PAA.

3. Critical accounting estimates, assumptions and judgements (continued)

Liability for remaining coverage

Insurance Acquisition Costs

For contracts measured under the PAA, the Company has made the accounting policy choice to amortise contractual attributable acquisition costs over the coverage period of the contracts in line with premium. However, attributable underwriting costs are to be recognised as an expense immediately as incurred.

The Company applies judgement to allocate insurance acquisition cash flows to groups of insurance contracts as follows:

(i) treat reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the insurance contract; and

(ii) treat amounts the insurer expects to receive that are not contingent on claims of the underlying contracts as a reduction in the premium to be paid to the insurer.

Onerous groups

The Company is required to assess if facts and circumstances indicate that contracts are onerous at initial recognition. This is completed through an onerous contract test ("OCT"). This assessment determines if the Company expects the contracts to be profitable or loss-making after adjusting pricing data for FRS 117 assumptions, e.g. risk adjustment. Contracts identified as onerous at initial recognition are grouped separately from non-onerous contracts.

Subsequent to initial recognition, the Company is also required to revaluate each group of contracts to ensure that facts and circumstances do not indicate that the group of contracts have become onerous.

If facts and circumstances show contracts are onerous at initial recognition or have become onerous subsequently, then an additional liability for remaining coverage is calculated.

The additional liability for remaining coverage requires the calculation of fulfilment cashflows. The fulfilment cashflows are made up of two components:

- The expected present value of future cashflow ("PVFC"): this is a probability-weighted average of future cash-flows, taking account of the time value of money, using the discount rates. Insurance liabilities are to be valued on a best estimate basis.
- Risk Adjustment ("RA"): this is the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts.

3. Critical accounting estimates, assumptions and judgements (continued)

Liability for incurred claims

If the time to the payment or receipt of cash flows is expected to be 1 year or less from the date that the claims are incurred, then discounting may be ignored for those cash flows in the calculation of the LIC. However, given the time to payment or receipt of cashflows is often greater than 1 year, the Company will discount all best estimate cash flows ("BECFs") in the calculation of the LIC. The BECFs are discounted at the prevailing discount rates at the valuation date.

Expenses

Expense assumptions must be best estimate and reflect all reasonable and supportable evidence available without undue cost or effort. The expenses that form part of the Fulfilment Cash Flows reflect directly attributable expenses only.

Expense assumptions for LIC are set for maintenance expenses such as claims handling fees and other direct attributable expense.

Expense assumptions are expressed in the form of percentages by applying appropriate drivers and variables (e.g. premiums, claims).

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid government securities.

The illiquidity premium is determined by reference to observable market rates of fixed income instruments with durations similar to the liability cashflows e.g. AAA rated covered bond yields. This illiquidity premium can differ by product and the type of reserve. The Company's assets backing the liabilities are generally short-term and highly liquid such as cash, bond and fixed deposit. As such, the Company have chosen to adopt 0% illiquidity adjustment to the risk-free rate.

The tables below set out the yield curves used to discount the cash flows of insurance contracts for major currencies i.e. Singapore Dollars:

	1 year		3 years		5 years		10 years	
%	2024	2023	2024	2023	2024	2023	2024	2023
SGD	2.78	3.75	2.77	2.86	2.82	2.68	2.86	2.71

3. Critical accounting estimates, assumptions and judgements (continued)

Liability for incurred claims (continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount. A risk adjustment for the LIC is developed for use in measuring all contracts under the PAA. A risk adjustment for the LRC is developed for use in measuring onerous contracts only.

The Company has estimated the risk adjustment using a confidence level technique for both the LIC and the LRC, with the risk adjustment being calibrated at 90th percentiles.

The Company's confidence level is estimated by fitting a distribution to the mean and the 90th percentile, which is determined from the internal company policies.

Sensitivity analysis

The purpose of the sensitivity analysis is to address sensitivity of judgements and assumptions used to changes in the actuarial valuation of the Company's insurance contract assets and insurance contract liabilities net of the effect from reinsurance contracts held as at 31 December 2024.

The table below summarises the effect of the Company's insurance contract assets and insurance contract liabilities net of the effect from reinsurance contracts held to key variables affecting insurance risk exposures. This analysis assumes all other variables remain constant. Management believes the sensitivity analysis provided is indicative of the potential variability inherent in the estimation of those parameters. The effects on liabilities are mainly as below:

3. Critical accounting estimates, assumptions and judgements (continued)

Liability for incurred claims (continued)

Sensitivity analysis (continued)

(a) Liability for incurred claims sensitivity analysis

31-Dec-24 $'000	Change in assumptions	Impact on liability +5%	Impact on liability -5%
Gross of reinsurance			
- Initial Expected Loss Ratio/ First Incurred Development Factor		18,034	(18,074)
- Claim Handling Expenses		3,695	(3,695)
- Risk adjustment		5,993	(5,993)
		27,722	**(27,762)**
Net of reinsurance			
- Initial Expected Loss Ratio/ First Incurred Development Factor		7,203	(7,242)
- Claim Handling Expenses		3,643	(3,643)
- Risk adjustment		3,147	(3,147)
		13,993	**(14,032)**

31-Dec-24 $'000	Change in assumptions	Impact on profit and loss before tax +5%	Impact on profit and loss before tax -5%
Net of reinsurance			
- Initial Expected Loss Ratio/ First Incurred Development Factor		(7,203)	7,242
- Claim Handling Expenses		(3,643)	3,643
- Risk adjustment		(3,147)	3,147
		(13,993)	**14,032**

31-Dec-24 $'000	Change in assumptions	Impact on equity +5%	Impact on equity -5%
Net of reinsurance			
- Initial expected loss ratio/ First incurred development factor		(5,979)	6,011
- Claim handling expenses		(3,024)	3,024
- Risk adjustment		(2,612)	2,612
		(11,615)	11,647

31-Dec-23 $'000	Change in assumptions	Impact on liability +5%	Impact on liability -5%
Gross of reinsurance			
- Initial expected loss ratio/ First incurred development factor		15,708	(15,871)
- Claim handling expenses		3,745	(3,745)
- Risk adjustment		4,604	(4,604)
		24,057	**(24,220)**
Net of reinsurance			
- Initial expected loss ratio/ First incurred development factor		6,027	(6,100)
- Claim handling expenses		3,715	(3,715)
- Risk adjustment		3,358	(3,358)
		13,100	**(13,173)**

3. Critical accounting estimates, assumptions and judgements (continued)

Liability for incurred claims (continued)

Sensitivity analysis (continued)

(a) *Liability for incurred claims sensitivity analysis* (continued)

31-Dec-23 $'000	Change in assumptions	Impact on profit and loss before tax +5%	 -5%
Net of reinsurance			
- Initial expected loss ratio/ First incurred development factor		(6,027)	6,100
- Claim handling expenses		(3,715)	3,715
- Risk adjustment		(3,358)	3,358
		(13,100)	**13,173**

31-Dec-23 $'000	Change in assumptions	Impact on equity +5%	 -5%
Net of reinsurance			
- Initial expected loss ratio/ First incurred development factor		(4,973)	5,033
- Claim handling expenses		(3,065)	3,065
- Risk adjustment		(2,770)	2,770
		(10,808)	**10,868**

(b) *Liability for remaining coverage sensitivity analysis*

31-Dec-24 $'000	Change in assumptions	Impact on liability +5%	 -5%
Gross of reinsurance			
- Ultimate loss ratio		2,463	(1,925)
- Management expense ratio		942	(892)
- Risk adjustment		969	(968)
		4,374	**(3,785)**
Net of reinsurance			
- Ultimate Loss Ratio		1,663	(1,251)
- Management expense ratio		833	(741)
- Risk adjustment		518	(481)
		3,014	**(2,473)**

31-Dec-24 $'000	Change in assumptions	Impact on profit and loss before tax +5%	 -5%
Net of reinsurance			
- Ultimate loss ratio		(1,663)	1,251
- Management expense ratio		(833)	741
- Risk adjustment		(518)	481
		(3,014)	**2,473**

3. Critical accounting estimates, assumptions and judgements (continued)

Liability for incurred claims (continued)

Sensitivity analysis (continued)

(b) Liability for remaining coverage sensitivity analysis (continued)

31-Dec-24 $'000	Change in assumptions	Impact on equity +5%	 -5%
Net of reinsurance			
- Ultimate loss ratio		(1,380)	1,038
- Management expense ratio		(691)	615
- Risk adjustment		(430)	399
		(2,501)	**2,052**

31-Dec-23 $'000	Change in assumptions	Impact on liability +5%	 -5%
Gross of reinsurance			
- Ultimate loss ratio		3,429	-
- Management expense ratio		641	-
- Risk adjustment		941	(68)
		5,011	**(68)**
Net of reinsurance			
- Ultimate loss ratio		5,997	(1,826)
- Management expense ratio		3,005	(1,826)
- Risk adjustment		2,191	(1,894)
		11,193	**(5,546)**

31-Dec-23 $'000	Change in assumptions	Impact on profit and loss before tax +5%	 -5%
Net of reinsurance			
- Ultimate loss ratio		(5,997)	1,826
- Management expense ratio		(3,005)	1,826
- Risk adjustment		(2,191)	1,894
		(11,193)	**5,546**

31-Dec-23 $'000	Change in assumptions	Impact on equity +5%	 -5%
Net of reinsurance			
- Ultimate loss ratio		(4,948)	1,507
- Management expense ratio		(2,479)	1,507
- Risk adjustment		(1,808)	1,563
		(9,235)	**4,577**

(c) Interest rate on liability for incurred claims sensitivity analysis

31-Dec-24 $'000	Change in assumptions	Impact on liability +1%	 -1%
Gross of reinsurance			
- Change in risk free rate		(2,088)	2,164
Net of reinsurance			
- Change in risk free rate		(1,321)	1,369

3. Critical accounting estimates, assumptions and judgements (continued)

Liability for incurred claims (continued)

Sensitivity analysis (continued)

(c) Interest rate on liability for incurred claims sensitivity analysis (continued)

31-Dec-24 $'000	Change in assumptions	Impact on profit and loss before tax +1%	-1%
Net of reinsurance			
- Change in risk free rate		1,321	(1,369)

31-Dec-24 $'000	Change in assumptions	Impact on equity +1%	-1%
Net of reinsurance			
- Change in risk free rate		1,096	(1,136)

31-Dec-23 $'000	Change in assumptions	Impact on liability +1%	-1%
Gross of reinsurance			
- Change in risk free rate		(1,796)	1,836
Net of reinsurance			
- Change in risk free rate		(892)	908

31-Dec-23 $'000	Change in assumptions	Impact on profit and loss before tax +1%	-1%
Net of reinsurance			
- Change in risk free rate		892	(908)

31-Dec-23 $'000	Change in assumptions	Impact on equity +1%	-1%
Net of reinsurance			
- Change in risk free rate		740	(754)

(d) Interest rate on liability for remaining coverage sensitivity analysis

31-Dec-24 $'000	Change in assumptions	Impact on liability +1%	-1%
Gross of reinsurance			
- Change in risk free rate		(199)	206
Net of reinsurance			
- Change in risk free rate		(111)	115

3. Critical accounting estimates, assumptions and judgements (continued)

Liability for incurred claims (continued)

Sensitivity analysis (continued)

(d) Interest rate on liability for remaining coverage sensitivity analysis (continued)

31-Dec-24 $'000	Change in assumptions	Impact on profit and loss before tax +1%	 -1%
Net of reinsurance			
- Change in risk free rate		111	(115)

31-Dec-24 $'000	Change in assumptions	Impact on equity +1%	 -1%
Net of reinsurance			
- Change in risk free rate		92	(95)

31-Dec-23 $'000	Change in assumptions	Impact on liability +1%	 -1%
Gross of reinsurance			
- Change in risk free rate		(201)	205
Net of reinsurance			
- Change in risk free rate		(374)	535

31-Dec-23 $'000	Change in assumptions	Impact on profit and loss before tax +1%	 -1%
Net of reinsurance			
- Change in risk free rate		374	(535)

31-Dec-23 $'000	Change in assumptions	Impact on equity +1%	 -1%
Net of reinsurance			
- Change in risk free rate		311	(444)

3.1 Impairment losses on financial assets

The measurement of impairment losses under FRS 109 across relevant financial assets requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk.

3. Critical accounting estimates, assumptions and judgements (continued)

3.2 Determining the fair value of unquoted investments

The Company holds financial assets which are not quoted on active markets, particularly its unlisted equities. The fair value of these unlisted equities are estimated using a variety of valuation techniques, including the use of recent arm's length transactions or reference to instruments that are substantially the same or at cost if these are not available. The assumption for valuation at cost will be affected by change in credit risk and interest rate and may have a negative impact on the financial statements.

3.3 Uncertain tax positions

In determining the income tax liabilities, management has estimated the amount of capital allowances and the taxability/deductibility of certain income/expense ("uncertain tax positions"). At the balance sheet date, the Company has several open tax assessments with the tax authority. The Company has recognised the tax liability on these uncertain tax positions.

4. Segment information

Segment information may be reconciled to the income statement as shown below:

S$'000 Year ended 31 December 2024	Singapore Insurance Fund ("SIF")	Offshore Insurance Fund ("OIF")	Brunei Fund ("BF")	Offshore Insurance Fund ("OG")	Shareholder's Fund ("NF")	Total
Insurance revenue	194,419	46,405	12,970	-	-	253,794
Insurance service expenses	(121,957)	(13,465)	(8,232)	-	-	(143,654)
Net expenses from reinsurance contracts held	(44,618)	(29,921)	(3,272)	-	-	(77,811)
Insurance service result	27,844	3,019	1,466	-	-	32,329
Investment return on:						
Financial assets not measured at fair value through profit or loss	9,408	1,215	527	607	2,293	14,050
Financial assets measured at fair value through profit or loss	3,005	403	-	-	700	4,108
Net reversal/(provision) impairment loss on financial assets	2	3	(9)	-	7	3
Net Investment result	12,415	1,621	518	607	3,000	18,161
Net finance expenses from reinsurance contracts held	853	(83)	(5)	-	-	765
Net finance income from insurance contracts	105	99	389	-	-	593
Net insurance finance income	958	16	384	-	-	1,358
Fee income	-	-	-	4,568	-	4,568
Other operating income	1,562	1	1	-	7,241	8,805
Other expenses	(1,533)	(210)	(108)	(2,185)	(3,889)	(7,925)
Profit before tax	41,246	4,447	2,261	2,990	6,352	57,296

4. Segment information (continued)

Segment information may be reconciled to the income statement as shown below:

S$'000 Year ended 31 December 2023	Singapore Insurance Fund ("SIF")	Offshore Insurance Fund ("OIF")	Brunel Fund ("BF")	Offshore Insurance Fund ("OG")	Shareholder's Fund ("NF")	Total
Insurance revenue	177,175	41,760	12,499	-	-	231,434
Insurance service expenses	(159,883)	(18,176)	(10,885)	-	-	(188,944)
Net expenses from reinsurance contracts held	6,309	(21,616)	(1,309)	-	-	(16,616)
Insurance service result	**23,601**	**1,968**	**305**	-	-	**25,874**
Investment return on:						
Financial assets not measured at fair value through profit or loss	8,475	1,061	483	415	1,763	12,197
Financial assets measured at fair value through profit or loss	4,062	603	-	-	1,230	5,895
Net credit impairment loss on financial assets	(16)	(2)	37	-	19	38
Net investment result	**12,521**	**1,662**	**520**	**415**	**3,012**	**18,130**
Net finance expenses from reinsurance contracts held	(1,556)	(248)	(2)	-	-	(1,806)
Net finance income from insurance contracts	1,200	196	(19)	-	-	1,377
Net insurance finance expenses	**(356)**	**(52)**	**(21)**	-	-	**(429)**
Fee income	-	-	-	4,738	-	4,738
Other operating income	1,506	-	-	-	7,164	8,670
Other expenses	(1,405)	(62)	(111)	(2,803)	(3,747)	(8,128)
Profit before tax	**35,867**	**3,516**	**693**	**2,350**	**6,429**	**48,855**

5. Insurance revenue and insurance service result

	2024 $'000	2023 $'000
Insurance revenue:		
- Insurance revenue from contracts measured under the PAA	**253,794**	231,434
	253,794	231,434
Insurance service expenses:		
- Incurred claims	**(99,181)**	(81,999)
- Other directly attributable expenses (Note 8 (d))	**(10,397)**	(9,673)
- Changes that relate to current service - adjustments to LIC	**(31,941)**	(69,809)
- Changes that relate to past service - adjustments to LIC	**58,115**	24,635
- (Losses) on onerous contracts/reversal of those losses	**(1,767)**	1,341
- Insurance acquisition cash flows amortisation (Note 8 (d))	**(58,483)**	(53,439)
	(143,654)	(188,944)
Net expenses from reinsurance contracts held		
- Reinsurance expenses from contracts measured under the PAA	**(124,164)**	(113,114)
- Claims recovered and benefits covered from reinsurers	**67,031**	50,322
- Changes that relate to current service - adjustments to AIC	**2,892**	40,690
- Changes that relate to past service - adjustments to AIC	**(25,423)**	6,595
- Effect of changes in non-performance risk for reinsurers	**-**	(70)
- Reinsurance share of losses/(reversal) on onerous contracts	**1,853**	(1,039)
	(77,811)	(16,616)
Total insurance service result	**32,329**	25,874

6. Net investment result and insurance finance income/ (expenses)

	2024 $'000	2023 $'000
Net gains on financial assets measured at FVTPL		
- Dividend income from equity securities	**2,160**	2,366
- Net change in fair value from equity securities measured at FVTPL (Note 12)	**1,948**	3,529
	4,108	5,895
Dividend income from financial assets not measured at FVTPL:		
- Equity Investment	**29**	-
Interest income from financial assets not measured at FVTPL:		
- Government and public authority securities	**4,219**	4,146
- Debt securities issued by corporations	**4,734**	4,813
	8,953	8,959
- Fixed deposits with financial institutions	**5,135**	3,480
	14,088	12,439
Net gain/(losses) on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal:		
- Government and public authority securities	**74**	25
- Debt securities issued by corporations	**(141)**	(267)
	(67)	(242)
	14,050	12,197
Net credit impairment reversal:		
- Government and public authority securities	**23**	(51)
- Debt securities issued by corporations	**(28)**	93
	(5)	42
- Fixed deposits with financial institutions	**8**	(4)
	3	38
Total net investment income	**18,161**	18,130
Net finance income/(expenses) from reinsurance contracts	**765**	(1,806)
Net finance income from insurance contracts	**593**	1,377
Net insurance finance income/(expenses)	**1,358**	(429)
Summary of the amounts recognised in profit or loss:		
- Net investment income	**18,161**	18,130
- Net insurance finance income/(expenses)	**1,358**	(429)
	19,519	17,701

7. Other income

(a) *Agent fees*

	2024 $'000	2023 $'000
Agent fees – Fixed	**4,568**	4,738

Other assets from contracts with customers

	2024 $'000	2023 $'000
Other assets:		
Current		
- Fellow subsidiaries (Note 11)	**30,301**	24,355

(b) *Other operating income*

	2024 $'000	2023 $'000
Rental income from investment properties (Note 14):		
- Ultimate holding corporation	**-**	36
- Fellow subsidiaries	**980**	980
- Non-related parties	**6,910**	6,800
	7,890	7,816
Gain on disposal of property, plant and equipment	**1**	-
Claim management fee paid by intermediate holding corporation	**82**	96
Service fee paid by immediate holding company	**60**	64
Property management fee paid by a fellow subsidiary	**27**	35
Facilities charges paid by fellow subsidiaries	**403**	344
Sundry income	**342**	315
	8,805	8,670

8. Expenses by nature

(a) *Employee compensation*

	2024 $'000	2023 $'000
Wages and salaries	**20,492**	19,138
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	**1,885**	1,757
	22,377	20,895
Deferred acquisition cost - Employee compensation	**(337)**	(454)
	22,040	20,441
Employee compensation charged to:		
- Amount attributable to insurance acquisition cash flows	**12,538**	11,527
- Other directly attributable expenses	**7,494**	6,996
Insurance service expenses	**20,032**	18,523
Other expenses	**2,008**	1,918
	22,040	20,441

(b) *Depreciation expenses*

	2024 $'000	2023 $'000
Depreciation of property, plant and equipment (Note 15):		
- Buildings	**373**	369
- Motor vehicles	**154**	154
- Furniture and equipment	**915**	1,045
	1,442	1,568
Depreciation of investment properties (Note 14): Buildings	**732**	736
Depreciation of right-of-use assets (Note 16(a)): Property	**783**	600
	2,957	2,904
Deferred acquisition cost - Depreciation	**(10)**	(137)
	2,947	2,767
Depreciation expenses charged to:		
- Amount attributed to insurance acquisition cash flows	**1,194**	1,021
- Other directly attributable expenses	**557**	563
Insurance service expenses	**1,751**	1,584
Other expenses	**1,196**	1,183
	2,947	2,767

(c) *Commissions*

	2024 $'000	2023 $'000
Commissions charged to Amount attributable to insurance acquisition cash flows	**39,654**	36,154

8. Expenses by nature (continued)

(d) Other operating expenses

	2024 $'000	2023 $'000
Computer services and expenses	**3,051**	3,107
Building maintenance expenses	**2,497**	2,091
Management fee to a fellow subsidiary	**1,134**	1,188
Investment management fee to a fellow subsidiary	**499**	504
Directors' fee	**159**	161
Internal audit fee to a fellow subsidiary	**199**	183
Professional fee	**2,706**	1,713
Professional fee to a fellow subsidiary	**177**	133
Risk engineering survey fee to fellow subsidiaries	**117**	117
Consultancy fee to a fellow subsidiary	**-**	41
Distribution and marketing expenses	**612**	508
Lease expense - short-term leases (Note 16(c))	**185**	244
Printing and stationery	**130**	170
Postage, telephone and telex charges	**263**	279
Bank charges	**393**	338
Gain on lease modification	**(7)**	-
(Gain)/loss on currency exchange loss	**(215)**	599
Interest expense on lease liabilities (Note 16(b))	**53**	44
Other expenses	**354**	590
	12,307	12,010
Deferred acquisition cost - other operating expenses	**(143)**	(132)
	12,164	11,878
Other operating expenses charged to:		
- Amount attributed to insurance acquisition cash flows	**5,097**	4,737
- Other directly attributable expenses	**2,346**	2,114
Insurance service expenses	**7,443**	6,851
Other expenses	**4,721**	5,027
	12,164	11,878
Summary of expenses charged to:		
- Amount attributed to insurance acquisition cash flows	**58,483**	53,439
- Other directly attributable expenses	**10,397**	9,673
Insurance service expenses (Note 5)	**68,880**	63,112
Other expenses	**7,925**	8,128
	76,805	71,240

9. Income taxes

(a) Income tax expense

	2024	2023
	$'000	$'000
Tax expense attributable to profit is made up of:		
- Current income tax (Note 9(b))		
- Singapore	**2,559**	9,011
- Foreign	**245**	146
	2,804	9,157
- Deferred income tax (Note 19)	**5,138**	426
	7,942	9,583
- Over/(under) provision in prior financial years		
- Current income tax (Note 9(b))		
- Singapore	**187**	(710)
- Foreign	**(6)**	-
	181	(710)
	8,123	8,873

The tax on profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2024	2023
	$'000	$'000
Profit before tax	**57,296**	48,855
Tax calculated at a tax rate of 17% (2023: 17%)	**9,740**	8,305
Effects of:		
- Different tax rates in other countries	**22**	6
- Tax incentives	**(1,698)**	(1,842)
- Different tax basis	**(601)**	2,618
- Expenses not deductible for tax purposes	**230**	214
- Income not subject to tax	**(155)**	(181)
- Over/(under) provision of tax in prior financial years	**181**	(710)
- Others	**404**	463
Tax charge	**8,123**	8,873

(b) Movement in current income tax liabilities

	2024	2023
	$'000	$'000
Beginning of financial year	**11,223**	8,844
Income tax paid	**(3,914)**	(6,068)
Tax expense (Note 9(a))	**2,804**	9,157
Under/(over) provision in prior years (Note 9(a))	**181**	(710)
End of financial year	**10,294**	11,223

9. Income taxes (continued)

Pillar Two model rules

On 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 Two Globe model rules are expected to apply to the Constituent Entities of the Group located in Singapore from 1 January 2025.

FRS 12 has been amended to introduce a mandatory temporary exception to recognising and disclosing information about deferred tax assets and liabilities that are related to the Pillar 2 taxes. The Company has applied the temporary exception.

Since Pillar Two legislation was not effective at the reporting date, the Company has no related current tax exposure. The Company will continue to follow Pillar Two legislative developments to evaluate the potential future impact on its operations, financial position and cash flows.

10. Cash and cash equivalents

	2024 **$'000**	2023 $'000
Cash at bank and on hand	**11,838**	14,521
Fixed deposits with financial institutions		
- Maturing within 12 months	**187,364**	106,096
Less: credit impairment	**(286)**	(294)
Fixed deposits net of impairment	**187,078**	105,802
Cash and cash equivalents	**198,916**	120,323

Cash and cash equivalents were denominated in the following currencies:

	2024 **$'000**	2023 $'000
Singapore Dollar	**164,281**	73,543
Brunei Dollar	**16,221**	16,172
United States Dollar	**15,080**	27,688
Australian Dollar	**2,828**	2,685
Malaysian Ringgit	**45**	80
New Zealand Dollar	**148**	122
Euro	**313**	33
	198,916	120,323

10. Cash and cash equivalents (continued)

The Company has fixed deposits with financial institutions with an average maturity of 64 days (2023: 90 days) from the end of the financial year with the following weighted average effective interest rates:

	2024	2023
	%	%
Singapore Dollar	**2.65**	3.81
Brunei Dollar	**2.56**	2.59
United States Dollar	**4.22**	5.03
Australian Dollar	**3.79**	2.58

The exposure of cash and cash equivalents to interest rate risks is disclosed in Note 22(g).

11. Other assets

	2024	2023
	$'000	$'000
Other assets:		
Current		
- Agency related trade receivables due from Intermediate holding corporation (Note 7(b))	**624**	-
- Agency related trade receivables due from fellow subsidiaries (Note 7(b))	**29,677**	24,355
- Deposits	**329**	296
- Interest receivable from non-related parties	**3,518**	3,402
- Claim management fee due from intermediate holding corporation	**-**	32
- Sundry expenses due from fellow subsidiaries	**22**	35
- Sundry debtors	**1,298**	1,252
- Prepayments	**434**	436
- Miscellaneous receivables	**-**	54
	35,902	29,862
Non-current		
- Transferable club membership	**877**	936
	36,779	30,798

Other assets due from related companies are non-interest bearing and have no specific credit terms. Balances are typically settled after 90 days. Non-trade receivables assets from related companies are unsecured, interest-free and repayable on demand. Other assets comprise mainly interest income receivable, receivables from sale of financial assets, transferable club membership and miscellaneous deposits.

The exposures to interest rate risk and credit risk are disclosed in Note 22(g) and Note 22(j) respectively.

11. Other assets (continued)

Other assets were denominated in the following currencies at the balance sheet date:

	2024 $'000	2023 $'000
Thai Baht	**14,051**	14,149
United States Dollar	**7,121**	4,278
Malaysian Ringgit	**4,928**	3,573
Singapore Dollar	**3,417**	291
Philippine Peso	**2,538**	2,580
Australian Dollar	**1,957**	1,125
Others	**2,767**	4,802
	36,779	30,798

12. Investment assets

	2024 $'000	2023 $'000
Beginning of financial year	**357,505**	345,565
Additions	**33,471**	18,036
Disposals	**(63,068)**	(25,191)
Amortisation	**(115)**	(193)
Net FV gain recognised in profit and loss – FVTPL (Note 6)	**1,948**	3,529
Net FV gain recognised in OCI – designated at FVOCI	**155**	133
Net FV gain recognised in OCI – FVOCI	**6,794**	15,626
End of financial year	**336,690**	357,505
Current	**66,696**	79,292
Non-current	**269,994**	278,213
	336,690	357,505

At the balance sheet date, investment assets included the following:

	2024 $'000	2023 $'000
Equity securities:		
- Measured at FVTPL	**40,875**	59,425
- Designated at FVOCI	**2,079**	1,924
	42,954	61,349
Fixed Income Securities:		
Measured at FVOCI:		
- Government and public authority securities	**160,718**	156,597
- Debt securities issued by corporations	**133,018**	139,559
	293,736	296,156
Balance at end of financial year	**336,690**	357,505

12. Investment assets (continued)

The weighted average effective interest rates for the interest-bearing financial assets are as follows:

	2024 %	2023 %
Government and public authority securities	**2.57**	2.54
Debt securities issued by corporations	**3.39**	3.36

The maturity of the interest-bearing financial assets is as follows:

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	More than 5 years $'000	Total $'000
2024					
Government and public authority securities	**8,912**	**15,664**	**33,520**	**102,622**	**160,718**
Debt securities issued by corporations	**16,909**	**19,864**	**56,455**	**39,790**	**133,018**
	25,821	**35,528**	**89,975**	**142,412**	**293,736**
2023					
Government and public authority securities	6,718	7,797	35,062	107,020	156,597
Debt securities issued by corporations	13,148	20,959	63,960	41,492	139,559
	19,866	28,756	99,022	148,512	296,156

Investment assets were denominated in the following currencies at the balance sheet date.

	2024 **$'000**	2023 $'000
Singapore Dollar	**334,611**	355,581
Philippine Peso	**2,079**	1,924
	336,690	357,505

13. Insurance contracts and reinsurance contracts held

(a) *Analysis by remaining coverage and incurred claims of insurance contracts measured under the PAA*

		Year ended 31 December 2024				
		Liabilities for remaining coverage		Liabilities for incurred claims		
$'000	***Notes***	**Excluding loss component**	**Loss component**	**Estimate of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening assets		-	-	-	-	-
Opening liabilities		73,791	5,561	161,333	34,299	274,984
Net opening balance		**73,791**	**5,561**	**161,333**	**34,299**	**274,984**
Insurance revenue	5	**(253,794)**	-	-	-	**(253,794)**
Insurance service expenses	5					
Incurred claims and other insurance service expenses		-	-	109,578	-	109,578
Amortisation of insurance acquisition cash flows		58,483	-	-	-	58,483
Losses and reversal of losses on onerous contracts		-	1,767	-	-	1,767
Changes that relate to current service - adjustments to LIC		-	-	38,157	(6,216)	31,941
Changes that relate to past service - adjustments to LIC		-	-	(58,115)	-	(58,115)
Total insurance service expenses		**58,483**	**1,767**	**89,620**	**(6,216)**	**143,654**
Insurance service result		**(195,311)**	**1,767**	**89,620**	**(6,216)**	**(110,140)**
Net finance (income)/expenses from insurance contracts	6	-	(598)	(80)	85	(593)
Total changes in the income statement and statement of comprehensive income		**(195,311)**	**1,169**	**89,540**	**(6,131)**	**(110,733)**
Cash flows						
Premiums received		263,128	-	-	-	263,128
Claims and other insurance service expenses paid, including investment components		-	-	(109,578)	-	(109,578)
Insurance acquisition cash flows paid		(62,428)	-	-	-	(62,428)
Total cash flows		**200,700**	**-**	**(109,578)**	**-**	**91,122**
Closing assets		-	-	-	-	-
Closing liabilities		79,180	6,730	141,295	28,168	255,373
Net closing balance		**79,180**	**6,730**	**141,295**	**28,168**	**255,373**

13. Insurance contracts and reinsurance contracts held (continued)

(a) Analysis by remaining coverage and incurred claims of insurance contracts measured under the PAA (continued)

		Year ended 31 December 2023				
		Liabilities for remaining coverage		Liabilities for incurred claims		
$'000	***Notes***	**Excluding loss component**	**Loss component**	**Estimate of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Opening assets		-	-	-	-	-
Opening liabilities		70,132	6,902	131,873	19,961	228,868
Net opening balance		**70,132**	**6,902**	**131,873**	**19,961**	**228,868**
Insurance revenue	5	**(231,434)**	-	-	-	**(231,434)**
Insurance service expenses	5					
Incurred claims and other insurance service expenses		-	-	91,672	-	91,672
Amortisation of insurance acquisition cash flows		53,439	-	-	-	53,439
Losses and reversal of losses on onerous contracts		-	(1,341)	-	-	(1,341)
Changes that relate to current service - adjustments to LIC		-	-	55,100	14,709	69,809
Changes that relate to past service - adjustments to LIC		-	-	(24,635)	-	(24,635)
Total insurance service expenses		**53,439**	**(1,341)**	**122,137**	**14,709**	**188,944**
Insurance service result		**(177,995)**	**(1,341)**	**122,137**	**14,709**	**(42,490)**
Net finance income from insurance contracts	6	-	-	(1,006)	(371)	(1,377)
Total changes in the income statement and statement of comprehensive income		**(177,995)**	**(1,341)**	**121,131**	**14,338**	**(43,867)**
Cash flows						
Premiums received		237,452	-	-	-	237,452
Claims and other insurance service expenses paid, including investment components		-	-	(91,671)	-	(91,671)
Insurance acquisition cash flows paid		(55,798)	-	-	-	(55,798)
Total cash flows		**181,654**	-	**(91,671)**	-	**89,983**
Closing assets		-	-	-	-	-
Closing liabilities		73,791	5,561	161,333	34,299	274,984
Net closing balance		**73,791**	**5,561**	**161,333**	**34,299**	**274,984**

13. Insurance contracts and reinsurance contracts held (continued)

(b) Analysis by remaining coverage and incurred claims of reinsurance contracts measured under the PAA

		Year ended 31 December 2024				
		Asset for remaining coverage		Asset for incurred claims		
$'000	Notes	Excluding loss-recovery component	Loss-recovery component	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening assets		(28,769)	(2,438)	(86,926)	(19,039)	(137,172)
Opening liabilities		-	-	-	-	-
Net opening balance		(28,769)	(2,438)	(86,926)	(19,039)	(137,172)
Insurance contract revenue ceded to reinsurers	5	124,164	-	-	-	124,164
Amounts recoverable from reinsurers	5					
Claims recovered and benefits covered from reinsurers		-	-	(67,031)	-	(67,031)
Changes that relate to current service - adjustments to LIC		-	-	(8,303)	5,411	(2,892)
Changes that relate to past service - adjustments to LIC		-	-	25,423	-	25,423
Changes in fulfilment cash flows which relates to onerous underlying contracts		-	(1,853)	-	-	(1,853)
Effect of changes in the risk of reinsurers non-performance		-	-	-	-	-
Total amounts recoverable from reinsurers		-	(1,853)	(49,911)	5,411	(46,353)
Net expense/(income) from reinsurance contract held		124,164	(1,853)	(49,911)	5,411	77,811
Net finance expense/(income) from reinsurance contracts	6	-	256	(758)	(263)	(765)
Total changes in the income statement and statement of comprehensive income		124,164	(1,597)	(50,669)	5,148	77,046
Reinsurance investment components cash flows		310	-	(310)	-	-
Premiums paid net of ceding commissions and other directly attributable expenses paid		(121,438)	-	-	-	(121,438)
Recoveries from reinsurance		-	-	64,352	-	64,352
Total cash flows		(121,438)	-	64,352	-	(57,086)
Closing assets		(25,733)	(4,035)	(73,553)	(13,891)	(117,212)
Closing liabilities		-	-	-	-	-
Net closing balance		(25,733)	(4,035)	(73,553)	(13,891)	(117,212)

13. Insurance contracts and reinsurance contracts held (continued)

(b) *Analysis by remaining coverage and incurred claims of reinsurance contracts measured under the PAA* (continued)

		Year ended 31 December 2023				
		Asset for remaining coverage		Asset for incurred claims		
$'000	*Notes*	Excluding loss-recovery component	Loss-recovery component	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening assets		(27,843)	(3,477)	(56,059)	(8,225)	(95,604)
Opening liabilities		-	-	-	-	-
Net opening balance		**(27,843)**	**(3,477)**	**(56,059)**	**(8,225)**	**(95,604)**
Insurance contract revenue ceded to reinsurers	5	**113,114**	-	-	-	**113,114**
Amounts recoverable from reinsurers	5					
Claims recovered and benefits covered from reinsurers		-	-	(50,322)	-	(50,322)
Changes that relate to current service - adjustments to LIC		-	-	(29,448)	(11,242)	(40,690)
Changes that relate to past service - adjustments to LIC		-	-	(6,595)	-	(6,595)
Changes in fulfilment cash flows which relates to onerous underlying contracts		-	1,039	-	-	1,039
Effect of changes in the risk of reinsurers non-performance		70	-	-	-	70
Total amounts recoverable from reinsurers		**70**	**1,039**	**(86,365)**	**(11,242)**	**(96,498)**
Net expense/(income) from reinsurance contract held		**113,184**	**1,039**	**(86,365)**	**(11,242)**	**16,616**
Net finance expense from reinsurance contracts	6	-	-	1,378	428	1,806
Total changes in the income statement and statement of comprehensive income		**113,184**	**1,039**	**(84,987)**	**(10,814)**	**18,422**
Reinsurance investment components cash flows		**1,045**	-	**(1,045)**	-	-
Premiums paid net of ceding commissions and other directly attributable expenses paid		(115,155)	-	-	-	(115,155)
Recoveries from reinsurance		-	-	55,165	-	55,165
Total cash flows		**(115,155)**	-	**55,165**	-	**(59,990)**
Closing assets		(28,769)	(2,438)	(86,926)	(19,039)	(137,172)
Closing liabilities		-	-	-	-	-
Net closing balance		**(28,769)**	**(2,438)**	**(86,926)**	**(19,039)**	**(137,172)**

14. Investment properties

	Freehold land $'000	Buildings $'000	Total $'000
2024			
Cost			
Beginning and end of financial year	13,907	36,638	50,545
Accumulated depreciation			
Beginning of financial year	-	11,321	11,321
Depreciation charge (Note 8(b))	-	732	732
End of financial year	-	12,053	12,053
Net book value at end of financial year	**13,907**	**24,585**	**38,492**
2023			
Cost			
Beginning of financial year	13,988	36,916	50,904
Transfer to Property, plant and equipment (Note 15)	(81)	(278)	(359)
End of financial year	13,907	36,638	50,545
Accumulated depreciation			
Beginning of financial year	-	10,661	10,661
Transfer to Property, plant and equipment (Note 15)	-	(76)	(76)
Depreciation charge (Note 8(b))	-	736	736
End of financial year	-	11,321	11,321
Net book value at end of financial year	**13,907**	**25,317**	**39,224**

At the balance sheet date, the Company has considered the valuation of similar properties provided by an independent professional valuer as an indicative desktop valuation of the investment properties. The fair value of its investment properties was determined to be $328,550,000 (2023: $290,910,000).

The investment properties of the Company are registered as Level 3 of the fair value measurement hierarchy. Under the sales comparison approach, the recent sales prices of properties in close proximity are adjusted for differences in key attributes such as tenure, location, condition of the properties. The most significant input into this valuation approach is selling price per square foot.

14. Investment properties (continued)

The following amounts in relation to investment properties are recognised in profit or loss:

	2024 **$'000**	2023 $'000
Rental income (Note 7(b))	7,890	7,816
Direct operating expenses arising from investment properties that generate rental income	(2,849)	(2,483)

15. Property, plant and equipment

	Freehold land $'000	Buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and equipment $'000	Total $'000
2024						
Cost						
Beginning of financial year	3,540	18,634	21,916	1,277	13,386	58,753
Additions	-	-	-	-	391	391
Disposals	-	-	-	-	(240)	(240)
End of financial year	3,540	18,634	21,916	1,277	13,537	58,904
Accumulated depreciation						
Beginning of financial year	-	5,543	21,916	913	12,060	40,432
Depreciation charge (Note 8(b))	-	373	-	154	915	1,442
Disposals	-	-	-	-	(240)	(240)
End of financial year	-	5,916	21,916	1,067	12,735	41,634
Net book value at end of financial year	**3,540**	**12,718**	**-**	**210**	**802**	**17,270**
2023						
Cost						
Beginning of financial year	3,459	18,356	21,916	1,277	12,349	57,357
Transfer from Investment properties (Note 14)	81	278	-	-	-	359
Additions	-	-	-	-	1,464	1,464
Disposals	-	-	-	-	(427)	(427)
End of financial year	3,540	18,634	21,916	1,277	13,386	58,753
Accumulated depreciation						
Beginning of financial year	-	5,098	21,916	759	11,442	39,215
Transfer from Investment properties (Note 14)	-	76	-	-	-	76
Depreciation charge (Note 8(b))		369	-	154	1,045	1,568
Disposals	-	-	-	-	(427)	(427)
End of financial year	-	5,543	21,916	913	12,060	40,432
Net book value at end of financial year	**3,540**	**13,091**	**-**	**364**	**1,326**	**18,321**

16. Leases – The Company as a lessee

Nature of the Company's leasing activity - Property

The Company leases office and residential space for the purpose of business operations and staff accommodation respectively

(a) Right-of-use assets

	2024 $'000	2023 $'000
Property		
Cost		
Beginning of financial year	**1,661**	1,054
Additions	**968**	1,106
Disposals	**(715)**	(499)
End of financial year	**1,914**	1,661
Accumulated depreciation		
Beginning of financial year	**889**	774
Depreciation charge (Note 8(b))	**783**	600
Disposals	**(555)**	(485)
End of financial year	**1,117**	889
Net book value at end of financial year	**797**	772

(b) Lease liabilities

	2024 $'000	2023 $'000
Current	**553**	611
Non-current	**210**	147
	763	758

Movements in lease liabilities are as follows:

	2024 $'000	2023 $'000
Beginning of financial year	**758**	265
Additions	**964**	1,101
Modifications of lease liabilities	**(167)**	(14)
Principal and interest payment of lease liabilities	**(845)**	(638)
Interest expense on lease liabilities (Note 8(d))	**53**	44
End of financial year	**763**	758

16. Leases – the Company as a lessee (continued)

(c) *Lease expense not capitalised in lease liabilities*

	2024 $'000	2023 $'000
Lease expenses – short term leases (Note 8(d))	**185**	244

(d) Total cash outflow for all the leases (including short-term leases) in 2024 was $1,030,000 (2023: $882,000).

17. Leases – the Company as a lessor

Nature of the Company's leasing activity - Property

The Company has leased out its investment properties for monthly lease payments. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties is disclosed in Note 7.

Maturity analysis of lease payments

The table below discloses the undiscounted lease payments to be received after the reporting date as follows:

	2024 $'000	2023 $'000
Not later than one year	**6,934**	6,548
Between one and five years	**5,306**	4,018
Total undiscounted lease payments	**12,240**	10,566

18. Other payables

	2024 $'000	2023 $'000
Other payables:		
Current		
- Agency related trade payables due to intermediate holding corporation	**34,458**	33,941
- Agency related trade payables due to fellow subsidiaries	**23**	22
- Cash collaterals held on bond business	**27,993**	26,018
- Other creditors and accrued operating expenses	**18,681**	19,906
- Rental deposit received from fellow subsidiaries	**245**	-
- Management and professional fees due to fellow subsidiaries	**408**	376
	81,808	80,263
Non-current		
- Other creditors and accrued operating expenses	**781**	837
- Rental deposit received from fellow subsidiaries	**-**	245
	781	1,082
	82,589	81,345

Other payables due to related companies are non-interest bearing and have no specific credit terms. Balances are typically settled after 90 days. Non-trade payables due to related companies are unsecured, interest-free and repayable on demand.

Other payables were denominated in the following currencies:

	2024 $'000	2023 $'000
Singapore Dollar	**46,512**	46,666
Thai Baht	**15,704**	15,712
Malaysian Ringgit	**5,430**	4,274
Philippine Peso	**5,028**	5,098
United States Dollar	**4,115**	4,288
Australian Dollar	**1,839**	1,029
Others	**3,961**	4,278
	82,589	81,345

19. Deferred income taxes

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

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	2024 **$'000**	2023 $'000
Deferred tax assets	**(2,031)**	(4,610)
Deferred tax liabilities	**4,024**	321
Net deferred tax liabilities/(assets)	**1,993**	(4,289)

The movement in the net deferred income tax account is as follows:

	2024 **$'000**	2023 $'000
Beginning of financial year	**(4,289)**	(7,435)
Tax charged/(credited) to (Note 9(a)):		
- Effect of change in adoption of FRS109 adoption	**-**	1,031
- Profit or loss	**5,138**	(605)
- Other comprehensive income	**1,144**	2,720
End of financial year	**1,993**	(4,289)

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

Deferred income tax assets

	Fair value loss - net $'000	Other $'000	Total $'000
2024			
Beginning of financial year	**(2,174)**	**(2,436)**	**(4,610)**
Charged to profit or loss	**1,030**	**405**	**1,435**
Credited to other comprehensive income	**1,144**	**-**	**1,144**
End of financial year	**-**	**(2,031)**	**(2,031)**
2023			
Beginning of financial year	(5,925)	(1,689)	(7,614)
Adoption of FRS 109	1,031	-	1,031
Charged to profit or loss	-	(747)	(747)
Credited to other comprehensive income	2,720	-	2,720
End of financial year	(2,174)	(2,436)	(4,610)

19. Deferred income taxes (continued)

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Others $'000	Total $'000
2024			
Beginning of financial year	**190**	**131**	**321**
(Credited)/charged to profit or loss	**(73)**	**3,776**	**3,703**
End of financial year	**117**	**3,907**	**4,024**
2023			
Beginning of financial year	131	48	179
Charged to profit or loss	59	83	142
End of financial year	190	131	321

20. Share capital

The Company's share capital comprise 10,000,000 (2023: 10,000,000) fully paid-up ordinary shares with no par value, amounting to a total of $100,000,000 (2023: $100,000,000).

21. Dividends

	2024 $'000	2023 $'000
Ordinary dividends		
Final dividend paid in respect of the previous financial year of NIL (2023: $3.93) per share	**-**	39,300

At the next Annual General Meeting, a final dividend of $6.75 per share amounting to a total of $67,500,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholder's equity as an appropriation of retained profits in the financial year ending 31 December 2025.

22. Management of insurance and financial risk

Risk management is an integral part of the internal control system of the Company's business operations. The Company being a member of the Tokio Marine Group of companies (the "Tokio Marine Group") takes into consideration the risk management philosophy and business strategy of the Tokio Marine Group when managing the risk of the Company. A Risk Management Framework is in place under the supervision of the Board of Directors who is committed to maintain sound, robust and effective risk management processes as part of good business practice to safeguard the Company's assets and investments as well as to protect the shareholder's and policyholders' interests.

22. Management of insurance and financial risk (continued)

The Company manages and monitors the risk management process, plans and runs its operations in accordance with the Risk Policy Statement, "Sustainable Profitable Growth", taking into consideration the Singapore market environment and practice, business specialty and domain, size of business operations and capacity, degree of management's commitment, probabilities and impact of risks, and costs. It complies with regulatory principles, recommendations and requirements on risk management in its risk management processes.

The Management Committee comprising the Chief Executive and senior management staff, assists the Board of Directors in identifying different types of risk and categorises them into relevant risk groups, including establishing appropriate Crisis Management and Business Continuity Plans. The Management Committee formulates appropriate risk management policies and guidelines and conducts periodic risk management assessment exercises. Results are reviewed and evaluated by the Management Committee and they will make the necessary recommendations to manage risks.

Some of the main risk groups are as follows:

a. Business risks

Risks which may arise from failure to achieve strategic targets, inadequate planning or research, slow response to business environmental changes, lack of credit control and unsuitable claims or reserve management.

b. Underwriting risks

Risks arising from unsuitable underwriting, economic/market changes and unexpected increases in the occurrence of insured events or arising from inadequate reinsurance management policies.

Under each risk group, the various risks exposures are identified and classified based on their frequency and severity of the losses.

The Company issues all lines of general insurance contracts that transfer insurance risk. The main classes of insurance are motor, fire, general accident, work injury compensation and marine.

A key corporate objective of the Company is to improve the earnings from its general insurance business. To this end, the Company targets personal lines business and small/medium commercial business and maintains discipline in its risk underwriting. Through underwriting discipline, the Company strives to reduce cyclical volatility, achieve more stable results and to increase value for its shareholder.

22. Management of insurance and financial risk (continued)

(a) *Insurance risk*

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The Company faces the possibility of incurring higher claims costs than expected owing to the nature of the claim, their frequency and severity and the risk of change in legal or economic conditions or behavioural patterns affecting pricing and conditions of insurance or reinsurance cover.

The Company seeks to minimise and manage these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The Company's underwriting policy supports the seeking of risks in the preferred market of personal and small/medium commercial business and adequate pricing commensurate with the risk profiles and claims experience.

The underwriting strategy attempts to ensure that there are appropriate risk selection criteria. There are underwriting policies setting the Company's risk appetite, risk management and control. Also in place are underwriting and claims authority limits for each level of responsibility. The Company's strategy limits the total exposure to any one client or location for certain risks. Where applicable, the Company has the right not to renew any policy, impose deductibles and reject payment of any fraudulent claim. Insurance contracts also entitle the Company to pursue recoveries from tortfeasors who may be third parties or insurance companies.

(i) *Motor and work injury compensation policies*

In terms of liability reserves, the Company has two significant business classes – motor and work injury compensation.

In the case of motor insurance, the Company provides insurance cover for both personal and commercial vehicles. The terms and conditions of the Company's motor insurance are generally in line with the market. Insurance covers range from comprehensive level covering own damage and third party liability to compulsory third party bodily injury and third party property damage.

The Company's premium pricing is monitored closely based on loss experience. The policyholder can opt for a cheaper product, which requires repairs for own damage claims to be done at the Company's authorised workshops. There is no limit to the claim amount for bodily injury. However, the limit set for commercial vehicle liability for third party property damage is generally $500,000 and the limit set for private car liability for third party property damage is $5,000,000.

22. Management of insurance and financial risk (continued)

(a) Insurance risk (continued)

(i) Motor and work injury compensation policies (continued)

Similar to any liability class of insurance, the claims cost for motor insurance depends on the litigious climate of the insuring community.

The Company's work injury compensation insurance compensates the insured's workers in the event of work-related injury or death. The claims cost of this business class moves in tandem with any change in the legislative compensation scale and is affected by the litigious climate of the insuring community. One of the important premium control tool is to ensure that wages declared under work injury compensation policies are adequate.

(ii) Loss reserves

Liability for incurred claims ("LIC") include unpaid losses, loss adjustment expenses and estimates for ultimate reserves for losses incurred but not reported ("IBNR") as well as losses incurred but not enough reported ("IBNER"). The LIC represent estimates of future payments of reported and unreported claims for losses and related expenses with respect to insured events that have occurred.

Reserving is a complex process, which deals with uncertainty, and requires the use of informed estimates and judgements. Significant delays may occur in the notification of claims and a substantial measure of experience and judgement is involved in assessing LIC, the ultimate cost of which cannot be known with certainty as of the balance sheet date.

The reserves for losses and loss adjustment expenses are determined based on information currently available. However, it is inherent in the nature of the business written that the ultimate insurance contract liabilities may vary as a result of subsequent developments. The ultimate insurance contract liabilities are estimated and certified by the Certifying Actuary of the Company in accordance with the local regulatory requirements. Any changes in overall estimates are reflected in results of operations in the period in which estimates change.

(iii) Reinsurance

The Company cedes insurance premiums and risk in the normal course of its business in order to limit the potential for single large loss or losses arising from a single event or longer exposures. Reinsurance does not, however, relieve the originating insurer of its liability. Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses and loss adjustment expenses, ceded premiums for the remaining coverage and ceded future policy benefits.

22. Management of insurance and financial risk (continued)

(a) *Insurance risk* (continued)

(iii) *Reinsurance* (continued)

Amounts recoverable from reinsurers are estimated in a manner consistent with the claims liability associated with the reinsured policy. Reinsurance is recorded gross in the balance sheet unless a right of offset exists.

(b) *Concentration of insurance risk*

The Company has two significant business classes – motor and work injury compensation ("WICA"). The concentration of insurance risk before and after reinsurance by territory in relation to the type of insurance risk accepted by the Company is summarised below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from insurance contracts:

		Type of risk			
		Motor	**WICA**[1]	**Others**	**Total**
		$'000	**$'000**	**$'000**	**$'000**
Territory					
Year ended 31 December 2024					
Singapore	Gross	76,877	34,952	139,315	251,144
	Net	71,660	31,722	39,389	142,771
Others	Gross	4,610	5,112	51,016	60,738
	Net	4,144	5,012	8,323	17,479
Total	**Gross**	**81,487**	**40,064**	**190,331**	**311,882**
	Net	**75,804**	**36,734**	**47,712**	**160,250**
Year ended 31 December 2023					
Singapore	Gross	70,990	31,624	154,124	256,738
	Net	68,363	29,852	38,778	136,993
Others	Gross	5,944	5,455	51,615	63,014
	Net	5,381	5,401	9,456	20,238
Total	**Gross**	76,934	37,079	205,739	319,752
	Net	73,744	35,253	48,234	157,231

[1] WICA refers to work injury compensation policies.

The concentration of insurance risk primarily reflects the exposure related to incurred but not reported (IBNR) claims, unearned premium reserves (UPR), and deferred acquisition (DAC). This disclosure does not incorporate FRS 117 accounting adjustment such as discounting.

The exposure of liquidity risk of insurance liabilities is disclosed in Note 22(c).

22. Management of insurance and financial risk (continued)

(c) Liquidity Risk

Liquidity risk is the risk where the Company is unable to meet its obligations on a timely basis especially so when the investment portfolio is largely made up of illiquid assets. Under normal circumstances, the liquidity demands of an insurance company are met through ongoing operations, continuous premium income, sale of disposable assets and borrowings.

The projected cash flows from the insurance contract liabilities consist of premiums, commissions and claims. Premiums, commissions and claims are generally stable and predictable. However, companies may be subjected 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.

As part of its Risk Management Framework, the Company manages its investment assets held for the insurance liabilities in accordance with its asset-liability management framework. This framework does not require complete matching of its assets and liabilities in terms of duration and currency. The Company is required to manage the gap between its assets and liabilities.

As part of managing the gap between assets and liabilities under the Asset and Liability framework, the Company adopts a prudent liquidity management by regularly monitoring its operating liquidity, actual and projected cash inflows and outflows movements to ensure liquidity is available and cash is employed optimally. It aims to generate positive cash inflow from its insurance operations through stringent credit control policy and prompt collection of outstanding premium balances. It also ensures that a reasonably high percentage of its assets are invested in highly liquid assets at all times, such as fixed deposits, government and statutory bonds. The Company held cash and cash equivalents of $198,916,000 (2023: $120,323,000) to meet its liquidity requirements.

22. Management of insurance and financial risk (continued)

(c) *Liquidity Risk* (continued)

The following table shows the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 3 years $'000	Between 3 and 4 years $'000	Between 4 and 5 years $'000	More than 5 years $'000	Total $'000
Year ended 31 December 2024							
LIC - Insurance	117,124	35,663	13,600	6,088	2,560	725	175,760
AIC - Reinsurance	(60,823)	(18,929)	(6,470)	(2,543)	(718)	(180)	(89,663)
	56,301	16,734	7,130	3,545	1,842	545	86,097
Other payables	81,808	781	-	-	-	-	82,589
Lease Liabilities	580	217	-	-	-	-	797
	138,689	**17,732**	**7,130**	**3,545**	**1,842**	**545**	**169,483**

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 3 years $'000	Between 3 and 4 years $'000	Between 4 and 5 years $'000	More than 5 years $'000	Total $'000
Year ended 31 December 2023							
LIC - Insurance	130,619	40,513	18,112	7,712	3,663	1,315	201,934
AIC - Reinsurance	(68,572)	(23,492)	(10,505)	(3,859)	(2,001)	(777)	(109,206)
	62,047	**17,021**	**7,607**	**3,853**	**1,662**	**538**	**92,728**
Other payables	80,263	1,082	-	-	-	-	81,345
Lease Liabilities	639	148	-	-	-	-	787
	142,949	**18,251**	**7,607**	**3,853**	**1,662**	**538**	**174,860**

(d) *Development of claim liabilities*

The following tables set out the Company's development of claim liabilities for all classes of business except the marine classes by accident year (accident year basis) with reference to the actual date of the event that caused the claim. For the marine classes, the basis used for claims development is by reference to the year in which the business was underwritten (underwriting year basis).

22. Management of insurance and financial risk (continued)

(d) *Development of claim liabilities* (continued)

(i) Insurance claims (gross)

Accident Year	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	2024 $'000	Total $'000
- at end of accident year	73,185	83,473	84,046	77,983	74,722	107,510	95,202	
- one year later	71,308	80,865	74,658	75,185	71,637	90,198		
- two years later	72,694	79,245	76,494	79,160	69,287			
- three years later	72,422	81,142	76,486	76,550				
- four years later	71,860	80,442	77,046					
- five years later	71,642	79,733						
- six years later	71,041							
Current estimate of ultimate claims	71,041	79,733	77,046	76,550	69,287	90,198	95,202	559,057
Cumulative payments	(70,285)	(74,743)	(73,581)	(61,631)	(51,344)	(68,484)	(37,129)	(437,197)
Gross liabilities for incurred claims	756	4,990	3,465	14,919	17,943	21,714	58,073	121,860
Best estimate for incurred claims liability including other attributable expenses	786	5,153	3,611	15,185	18,387	22,814	61,305	127,241
Reserve for prior years								4,411
Reserve for marine and treaty classes (see following table)								16,744
Fulfilment cash flows								(804)
Discounting impact								(6,297)
Risk adjustment								28,168
Gross liabilities for incurred claims in financial statements								**169,463**

22. Management of insurance and financial risk (continued)

(d) *Development of claim liabilities* (continued)

(i) Insurance claims (gross) (continued)

The reserves for marine and treaty classes for the Company were calculated on an underwriting year basis as follows:

Underwriting Year	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	2024 $'000	Total $'000
- at end of underwriting year	8,655	10,838	11,036	10,640	16,550	10,708	10,288	
- one year later	12,822	13,800	14,798	7,275	10,172	8,409		
- two years later	12,875	12,468	14,252	8,184	9,769			
- three years later	13,087	12,412	14,675	8,849				
- four years later	12,177	11,899	14,589					
- five years later	11,850	12,008						
- six years later	11,826							
Current estimate of ultimate claims	11,826	12,008	14,589	8,849	9,769	8,409	10,288	75,738
Cumulative payments	(9,010)	(11,740)	(14,256)	(7,832)	(7,261)	(5,313)	(1,487)	(56,899)
Gross liabilities for incurred claims	2,816	268	333	1,017	2,508	3,096	8,801	18,839
Best estimate for incurred claims liability including other attributable expenses	2,827	274	336	1,037	2,557	3,166	6,491	16,688
Reserve for prior years								56
Reserve for marine and treaty classes								**16,744**

22. Management of insurance and financial risk (continued)

(d) *Development of claim liabilities* (continued)

(ii) Insurance claims (net)

Accident Year	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	2024 $'000	Total $'000
- at end of accident year	56,779	70,940	55,766	55,038	58,342	59,184	63,697	
- one year later	53,111	66,157	48,375	49,462	51,865	57,752		
- two years later	53,013	65,355	46,936	47,107	48,549			
- three years later	53,277	65,181	46,024	45,462				
- four years later	52,809	64,829	45,829					
- five years later	52,928	64,346						
- six years later	52,764							
Current estimate of ultimate claims	52,764	64,346	45,829	45,642	48,549	57,752	63,697	378,579
Cumulative payments	(52,404)	(62,365)	(44,049)	(42,407)	(43,124)	(44,343)	(24,280)	(312,972)
Net outstanding claim liabilities	360	1,981	1,780	3,235	5,425	13,409	39,417	65,607
Best estimate for claims liability including other attributable expenses	389	2,144	1,925	3,501	5,870	14,508	42,649	70,986
Reserve for prior years								635
Reserve for marine and treaty classes (see following table)								3,797
Fulfilment cash flows								(3,598)
Discounting								(4,078)
Risk adjustment								14,277
Gross liabilities for incurred claims in financial statements								**82,019**

22. Management of insurance and financial risk (continued)

(d) *Development of claim liabilities* (continued)

(ii) Insurance claims (net) (continued)

The reserves for marine and treaty classes for the Company were calculated on an underwriting year basis as follows:

Underwriting Year	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	2024 $'000	Total $'000
- at end of underwriting year	2,737	3,041	2,115	2,145	2,948	2,897	2,519	
- one year later	3,393	2,403	1,655	2,498	2,941	3,366		
- two years later	3,324	2,218	1,531	2,625	3,123			
- three years later	3,351	2,188	1,623	2,747				
- four years later	3,250	2,086	1,627					
- five years later	2,963	2,097						
- six years later	2,943							
Current estimate of ultimate claims	-	-	-	-	-	-	2,519	2,519
Cumulative payments	(2,801)	(2,022)	(1,595)	(2,513)	(2,520)	(2,515)	(782)	(14,748)
Gross liabilities for incurred claims	(2,801)	(2,022)	(1,595)	(2,513)	(2,520)	(2,515)	1,737	(12,229)
Best estimate for incurred claims liability including other attributable expenses	153	81	35	253	653	921	1,646	3,742
Reserve for prior years								55
Reserve for marine and treaty classes								**3,797**

22. Management of insurance and financial risk (continued)

(d) *Development of claim liabilities* (continued)

(iii) Insurance claims (gross)

Accident Year	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	Total $'000
- at end of accident year	68,684	73,185	83,474	84,046	77,983	74,722	107,510	
- one year later	68,073	71,308	80,865	74,658	75,185	71,637		
- two years later	69,115	72,694	79,245	76,494	79,160			
- three years later	76,373	72,422	81,142	76,486				
- four years later	76,137	71,860	80,442					
- five years later	83,273	71,642						
- six years later	83,056							
Current estimate of ultimate claims	83,056	71,642	80,442	76,486	79,160	71,637	107,510	569,933
Cumulative payments	(76,912)	(69,386)	(73,618)	(71,285)	(56,683)	(45,346)	(34,396)	(427,626)
Gross liabilities for incurred claims	6,144	2,256	6,824	5,201	22,477	26,291	73,114	142,307
Best estimate for incurred claims liability including other attributable expenses	6,222	2,390	7,140	5,491	23,066	27,480	76,278	148,067
Reserve for prior years								1,194
Reserve for marine and treaty classes (see following table)								209,580
Intragroup and Fulfilment cash flows								(191,207)
Discounting impact								(6,301)
Risk adjustment								34,299
Gross liabilities for incurred claims in financial statements								**195,632**

22. Management of insurance and financial risk (continued)

(d) Development of claim liabilities (continued)

(iii) Insurance claims (gross) (continued)

The reserves for marine and treaty classes for the Company were calculated on an underwriting year basis as follows:

Underwriting Year	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	Total $'000
- at end of underwriting year	80,920	42,483	47,567	59,239	66,777	64,411	64,745	
- one year later	72,142	42,562	61,326	57,442	72,934	102,696		
- two years later	73,581	38,282	55,252	51,387	56,201			
- three years later	70,753	34,739	48,632	48,115				
- four years later	68,525	32,236	44,383					
- five years later	63,548	32,429						
- six years later	64,175							
Current estimate of ultimate claims	64,175	32,429	44,383	48,115	56,201	102,696	64,745	412,744
Cumulative payments	(53,978)	(28,634)	(42,116)	(40,485)	(46,093)	(22,026)	5,147	(228,185)
Gross liabilities for incurred claims	10,197	3,795	2,267	7,630	10,108	80,670	69,892	184,559
Best estimate for incurred claims liability including other attributable expenses	10,396	3,792	2,242	7,661	10,077	81,897	51,681	167,746
Reserve for prior years								41,834
Reserve for marine and treaty classes								209,580

22. Management of insurance and financial risk (continued)

(d) Development of claim liabilities (continued)

(iv) Insurance claims (net)

Accident Year	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	Total $'000
- at end of accident year	58,305	56,779	70,940	55,766	55,038	58,342	59,184	
- one year later	55,771	53,111	66,157	48,375	49,642	51,865		
- two years later	54,592	53,013	65,355	46,936	47,107			
- three years later	55,701	53,227	65,181	46,024				
- four years later	55,532	52,809	64,829					
- five years later	55,889	52,928						
- six years later	56,035							
Current estimate of ultimate claims	56,035	52,928	64,829	46,024	47,107	51,865	59,184	377,972
Cumulative payments	(55,149)	(51,398)	(61,231)	(42,718)	(40,384)	(38,278)	(23,015)	(312,173)
Net outstanding claim liabilities	886	1,530	3,598	3,306	6,723	13,587	36,169	65,799
Best estimate for claims liability including other attributable expenses	964	1,664	3,913	3,596	7,311	14,776	39,333	71,557
Reserve for prior years								1,098
Reserve for marine and treaty classes (see following table)								3,424
Fulfilment cash flows								1,389
Discounting								(3,061)
Risk adjustment								15,260
Gross liabilities for incurred claims in financial statements								**89,667**

22. Management of insurance and financial risk (continued)

(d) *Development of claim liabilities* (continued)

(iv) Insurance claims (net) (continued)

The reserves for marine and treaty classes for the Company were calculated on an underwriting year basis as follows:

Underwriting Year	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	Total $'000
- at end of underwriting year	3,011	2,737	3,041	2,115	2,145	2,948	2,897	
- one year later	2,119	3.393	2,403	1,655	2,498	2,941		
- two years later	2,513	3,324	2,218	1,531	2,625			
- three years later	2,491	3,351	2,188	1,623				
- four years later	2,445	3,250	2,086					
- five years later	2,447	2,963						
- six years later	2,412							
Current estimate of ultimate claims	2,412	2,963	2,086	1,623	2,625	2,941	2,897	17,547
Cumulative payments	(2,349)	(2,801)	(2,024)	(1,591)	(2,176)	(2,312)	(935)	(14,188)
Gross liabilities for incurred claims	63	162	62	32	449	629	1,962	3,359
Best estimate for incurred claims liability including other attributable expenses	69	177	67	35	488	684	1,890	3,410
Reserve for prior years								14
Reserve for marine and treaty classes								3,424

22. Management of insurance and financial risk (continued)

(e) Investment market risk

The Company's investment objective is to maintain its net asset value and steadily improve its investment return in order to increase the enterprise value of the Tokio Marine Group.

The Company's Investment Committee, which comprises some directors and senior management staff, is responsible for managing the Company's investment activities. The Company outsourced substantially all its investment activities to a Fund Manager, a fellow subsidiary, Tokio Marine Life Insurance Singapore Ltd., to manage its investment activities, based on an Investment Management Agreement ("IMA"). The Investment Committee is responsible for the formulation of company-wide investment strategies, principles, policies and procedures. The Investment Committee sets the limits and approves new counterparties such as banks and securities broking houses, which form part of the credit policy and procedure, to manage the risks faced by the Company.

The Company is exposed to market risks arising from its investments in debt securities, equities and properties. Changes in interest rates, foreign exchange rates and equity prices will impact the financial position of the Company as any reaction to market changes will affect the present and future earnings of the Company for its general insurance operations and shareholder's equity.

The Investment Committee is responsible for and has oversight over the Fund Manager through the IMA to actively manage market risk through setting of investment policies and strategic asset allocation.

(f) Foreign currency risk

The Company has limited exposure to foreign exchange risks arising from its insurance and investment activities. Exposures to foreign currency risks are monitored on an on-going basis through setting of limits. The directors do not consider the Company's exposure to foreign currency exchange fluctuations to be significant and, therefore the Company does not enter into derivative contracts to manage this risk.

(g) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

22. Management of insurance and financial risk (continued)

(g) Cash flow and fair value interest rate risks (continued)

The Company's core insurance and investment activities are inherently exposed to interest rate risk which arises principally from different maturity profile as well as repricing of interest bearing assets. In dealing with this risk, the Company adopts an approach of focusing on achieving a desired overall interest rate profile, which may change over time, based on management's longer term view of interest rates and economic conditions. Quarterly updates are provided by the Fund Manager to the Investment Committee on the Company's exposure to interest rates as part of the fixed income review.

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

	Variable rates $'000	Fixed rates $'000	Non-interest bearing $'000	Total $'000
At 31 December 2024				
Financial Assets				
Cash and cash equivalents	-	187,078	11,838	198,916
Equity securities at FVTPL	-	40,875	-	40,875
Debt securities at FVOCI	-	293,736	-	293,736
Equity securities designated at FVOCI	-	-	2,079	2,079
Other assets (exclude transferable club membership and prepayments)	-	-	35,468	35,468
	-	**521,689**	**49,385**	**571,074**
Financial Liabilities				
Other payables	-	-	82,589	82,589
Lease liabilities	-	763	-	763
	-	**763**	**82,589**	**83,352**

	Variable rates $'000	Fixed rates $'000	Non-interest bearing $'000	Total $'000
At 31 December 2023				
Financial Assets				
Cash and cash equivalents	-	105,802	14,521	120,323
Equity securities at FVTPL	-	59,425	-	59,425
Debt securities at FVOCI	-	296,156	-	296,156
Equity securities designated at FVOCI	-	-	1,924	1,924
Other assets (exclude transferable club membership and prepayments)	-	-	29,426	29,426
	-	**461,383**	**45,871**	**507,254**
Financial Liabilities				
Other payables	-	-	81,345	81,345
Lease liabilities	-	758	-	758
	-	**758**	**81,345**	**82,103**

22. Management of insurance and financial risk (continued)

(g) Cash flow and fair value interest rate risks (continued)

The Company's interest rate risk sensitivity analysis is disclosed in Note 22(k).

(h) Equity price risk

The Company is exposed to equity securities price risk arising from its investment in equity securities, which comprises mainly preference shares and perpetual bonds. The table below summarises the Company's exposure to equity securities across different markets.

	2024	2023
Market		
Singapore Stock Exchange ("SGX")	**85%**	89%
Others including unlisted equities	**15%**	11%

(i) Alternative investment risk

The Company is exposed to alternative investment risk through investments in direct real estate that it owns in Singapore and through debt securities issued by real estate investment trusts.

(j) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. Key balances where the Company is exposed to credit risk are:

- Reinsurers' share of insurance liabilities;
- Other assets; and
- Counterparty risk with respect to debt securities, equity securities, government and public authority securities and bank deposits.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength through published credit ratings and other publicly available financial information prior to the finalisation of any contract.

22. Management of insurance and financial risk (continued)

(j) *Credit risk* (continued)

For investments in debt securities, financial losses may also materialise as a result of the widening of credit spread or a downgrade of credit rating that causes a default by the issuer on coupon payment or even the principal amount.

For bonds and bank deposits, the Company has internal limits by issuer or counterparty and by investment grades. These limits are actively monitored and reviewed on a regular basis by the Investment Committee to manage the credit and concentration risk.

Receivables due from related companies of the Company are non-interest bearing and are generally on a 3-month credit term. The Company considers balances that are outstanding for more than 3 months as past due. It is the Company's policy to review the credit standing or rating and business potential of each counterparty and set appropriate credit terms to minimise credit risk exposure.

The following table provides information regarding the credit risk exposure for financial assets with external credit ratings of the Company.

	Neither past due nor impaired					
	Investment grade (AAA to A-)	Investment grade (BBB+ to BBB-)	Non-investment grade (BB+ to C)	Not rated	Past due or impaired	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2024						
Equity securities	4,169	27,741	-	11,044	-	42,954
Government and public authority securities	99,787	-	-	60,931	-	160,718
Debt securities issued by corporations	49,044	27,958	-	56,016	-	133,018
Cash and cash equivalents	160,421	19,747	-	18,748	-	198,916
Reinsurance assets	115,517	32	-	1,824	(161)	117,212
Other assets (exclude transferable club membership and prepayments)	24,895	2,630	-	7,943	-	35,468
	453,833	78,108	-	156,506	(161)	688,286
At 31 December 2023						
Equity securities	5,111	34,510	-	21,728	-	61,349
Government and public authority securities	102,888	-	-	53,709	-	156,597
Debt securities issued by corporations	39,801	33,147	-	66,611	-	139,559
Cash and cash equivalents	98,645	12,048	-	9,630	-	120,323
Reinsurance assets	134,741	470	-	2,122	(161)	137,172
Other assets (exclude transferable club membership and prepayments)	20,890	2,843	-	5,693	-	29,426
	402,076	83,018	-	159,493	(161)	644,426

22. Management of insurance and financial risk (continued)

(j) Credit risk (continued)

The loss allowance provision for debt securities at FVOCI and fixed deposits as at 31 December 2024 reconciles to the opening loss allowance for that provision as follows:

	Fixed deposit S$'000	Debt securities at FVOCI S$'000	Total S$'000
At 1 January 2024	294	188	482
Loss allowance measured at:			-
- 12-month ECL	(8)	-	(8)
- Life-time ECL	-	5	5
At 31 December 2024	286	193	479
At 1 January 2023	290	230	520
Loss allowance measured at:			-
- 12-month ECL	4	1	5
- Life-time ECL	-	(43)	(43)
At 31 December 2023	**294**	**188**	**482**

The financial assets, which are not rated, comprise mainly debt securities issued by statutory authorities or companies listed on SGX. The issues were not rated as the issuers did not obtain any credit rating from the respective rating agencies during the launch. Such issues although not rated are issued by these companies which are financially sound and are of high credit worthiness. The credit worthiness is monitored by the Fund Manager through Bloomberg alerts on any downgrade news related to any debt securities in the Company's portfolio.

(k) Interest rate sensitivity analysis

The analysis below is performed for reasonable possible movements in key variables with all other variables constant. In practice, the estimated future change may not be accurate, particularly in periods of market turmoil. Actual results may differ substantially from these estimates.

As the Company invests in fixed income securities, a study of the movement in risk-free rate is undertaken for all the fixed income securities held on the balance sheet date. A study of a 1%-yield movement across relevant curves has been undertaken on the fair value of fixed income securities for Singapore operation and this is considered to be a reasonable basis for interest rate sensitivity analysis. The table below summarises the impact on profit after tax and equity based on a 1% parallel shift in the yield curve for Singapore:

22. Management of insurance and financial risk (continued)

(k) Interest rate sensitivity analysis (continued)

	Impact on profit after tax		Impact on equity	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Change in interest rate				
+ (2023: +100 bps)	**(978)**	(1,567)	**(21,065)**	(20,832)
- (2023: -100 bps)	**978**	1,567	**21,065**	20,832

Note: Fixed income securities in this sensitivity analysis include preference shares and perpetual bonds.

(l) Capital risk

The Company's capital management objective is to maintain a strong capital position with optimum buffer to meet its obligations towards policyholders and to comply with the required capital requirements.

The Company has put in place a documented process to obtain capital injection from its immediate holding company, Asia General Holdings Limited, should the need arise.

The Company defines capital as regulatory capital under the Risk-based Capital Framework ("RBC 2") regulated by the Monetary Authority of Singapore ("MAS"). Regulatory capital is the minimum amount of assets that must be held to meet statutory solvency requirements. The Company monitors its capital position to ensure that the statutory solvency requirements are met at all times.

Under RBC 2, the prescribed capital requirement is 100%. The capital adequacy ratio of the Company under RBC 2 as at 31 December 2024 is 362% (2023: 331%).

(m) Fair value measurements

The table below presents assets measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

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

22. Management of insurance and financial risk (continued)

(m) *Fair value measurements* (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2024				
Investment assets				
- Equity securities designated at FVOCI	-	-	2,079	2,079
- Equity securities at FVTPL	-	40,875	-	40,875
- Debt securities at FVOCI	37,025	256,711	-	293,736
	37,025	**297,586**	**2,079**	**336,690**
2023				
Available-for-sale financial assets				
- Equity securities designated at FVOCI	-	-	1,924	1,924
- Equity securities at FVTPL	-	59,425	-	59,425
- Debt securities at FVOCI	36,415	259,741	-	296,156
	36,415	**319,166**	**1,924**	**357,505**

There were no transfers between levels 1 and 2 during the year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. These instruments are classified as Level 2. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

As at 31 December 2024 and 31 December 2023, the Company's Level 3 financial instruments consists of investments in unlisted companies. The fair value of these instruments are estimated using the net asset values of the companies.

The following table presents the changes in Level 3 instruments:

	2024 $'000	2023 $'000
Investment assets		
Beginning of financial year	**1,924**	1,791
Fair value gains recognised in other comprehensive income (designated) - net	**155**	133
End of financial year	**2,079**	1,924

23. Holding corporations

The Company's immediate holding company is Asia General Holdings Limited, incorporated in Singapore. The intermediate holding corporation is Tokio Marine & Nichido Fire Insurance Co., Ltd., incorporated in Japan. The ultimate holding corporation is Tokio Marine Holdings, Inc., incorporated in Japan.

24. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Company and related parties at terms agreed between the parties:

(a) Income

	2024 $'000	2023 $'000
Premiums received from fellow subsidiaries	**266**	282
Reinsurance premiums received from intermediate holding corporation	**486**	584
Reinsurance premiums received from fellow subsidiaries	**8,955**	7,319
Reinsurance premiums received from other related parties	**375**	952
Reinsurance commissions received from intermediate holding corporation	**5,793**	6,725
Reinsurance commissions received from fellow subsidiaries	**6,721**	6,267
Reinsurance claims recovered from intermediate holding corporation	**16,314**	6,355
Reinsurance claims recovered from fellow subsidiaries	**5,220**	4,954
Agent fees received from intermediate holding corporation	**4,441**	4,563

24. Related party transactions (continued)

(b) *Expenses*

	2024 **$'000**	2023 $'000
Reinsurance premiums ceded to intermediate holding corporation	**31,714**	33,523
Reinsurance premiums ceded to fellow subsidiaries	**28,906**	25,345
Reinsurance commissions paid to intermediate holding corporation	**108**	126
Reinsurance commissions paid to fellow subsidiaries	**1,229**	1,075
Reinsurance commissions paid to other related parties	**44**	171
Reinsurance claims paid to fellow subsidiaries	**2,340**	914
Reinsurance claims paid to other related parties	**742**	-
Miscellaneous claim expenses paid to fellow subsidiaries	**134**	132
Miscellaneous reinsurance expenses paid to intermediate holding corporation	**17**	15
Miscellaneous reinsurance expenses paid to fellow subsidiaries	**35**	29
Amount paid on behalf of intermediate holding corporation	**-**	-

(c) *Key management personnel compensation*

Key management personnel compensation is as follows:

	2024 **$'000**	2023 $'000
Salaries and other short-term employee benefits	**2,265**	2,315
Employer's contribution to defined contribution plans including CPF	**8**	9
Directors' fees	**159**	161
	2,432	2,485

Key management personnel compensation represents compensation to directors of the Company.

25. New or revised accounting standards and interpretations

The following are the new or amended Standards and Interpretations that are not yet applicable but may be early adopted for the current financial year.

Description	Effective for annual periods beginning on or after
Effects of changes in foreign exchange rates (FRS 21 and FRS 101)	1 January 2025
Classification and measurement of financial instruments (FRS 109, FRS 107)	1 January 2026
Annual Improvement to FRSs – Volume 11	1 January 2026
Presentation and disclosure in financial statements (FRS 118)	1 January 2027

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 Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

26. Events after the reporting date

Subsequent to the reporting date, on 16 January 2025, the Company entered into an agreement to acquire three floors of Tokio Marine Center from Tokio Marine Life Insurance Singapore (a related company) for a total transaction price of SGD 73,607,700, comprising the purchase price of SGD 67,530,000 and GST of SGD 6,077,700.

These financial statements do not reflect this transaction, which will be accounted for in the balance sheet in the financial year ending 31 December 2025.

27. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Tokio Marine Insurance Singapore Ltd. on 29 April 2025.