UOI

Member of the UOB Group

UOI Annual Report 2024

# Building the Future of ASEAN

Our mission is to be a premier insurer in the Asia Pacific region, committed to providing quality products, excellent customer service while upholding strong corporate governance and enhancing shareholders' value.


The cover for this year's Annual Report features one of nine bonsai trees planted around UOB Plaza in Singapore since 2024. These living works of art add a touch of nature to the heart of the Central Business District, allowing visitors to appreciate their beauty in this urban oasis.

Bonsai trees require meticulous nurturing over many years to achieve their optimal form. Cultivating bonsai trees involves discipline and perseverance. With the right maintenance and care, bonsai trees with their strong foundations can flourish for generations.

The qualities associated with the art of bonsai reflect UOB Group's unique culture and values and these will continue to guide us as we work towards our purpose of building the future of ASEAN.

# About United Overseas Insurance Limited

Founded in 1971, United Overseas Insurance Limited (UOI) very quickly made its mark in the business community and in just seven years, UOI was listed on the Singapore Exchange. UOI's profitable growth over the years reflects its financial strength and prudence.

The Company's principal activities are the underwriting of general insurance business and reinsurance. General insurance covers a broad spectrum of classes of insurance, among which are fire, marine, motor, engineering, general accident and liability business.

UOI has received a financial strength rating of A+ (Superior) and an issuer credit rating of 'aa-' from AM Best.

The Company is located at 146 Robinson Road, UOI Building #02-01, Singapore 068909, and its Singapore and international operations are supported by prominent insurance brokers, agents and international reinsurance companies. UOI has a representative office in Yangon, Myanmar.

UOI provides management services for Union (2009) Limited (formerly known as Overseas Union Insurance, Limited).

# Contents



# About this Report

Through the reporting of our financial and non-financial performance in the UOI Annual Report 2024, we explain our business approach, objectives and achievements in the context of the year's operating environment. We also share how we create value for our stakeholders over the short, medium and long term to enable them to make informed decisions.

This report covers the period from 1 January to 31 December 2024 and is published on 26 March 2025. It is available online at www.UOI.com.sg. Printed copies, which are available only on request, are printed on sustainably sourced Forest Stewardship Council-certified paper.

Please scan the QR code to view:

All figures in this Annual Report are in Singapore dollars unless otherwise specified.
Certain figures in this report may not add up to the respective totals due to rounding.

# Chairman's Statement

**"Economic growth in our ASEAN markets has remained resilient in 2024, driven by a growing middle income and recovery of tourism in Singapore, Thailand, Malaysia, Indonesia, and Vietnam. Opportunities in personal lines insurance offer new growth potential for UOI."**

## Introduction

A bonsai tree symbolises harmony, patience and resilience – qualities that mirror UOI's culture and vision. Just like bonsai trees, strong institutions need careful nurturing and a solid foundation to flourish. At UOI, our foundation remains firm as we continue to invest for the long term.

Just as bonsai roots provide stability through changing seasons, a strong culture anchors an organisation, ensuring it thrives amid challenges. Building on the solid foundation laid last year for sustainable growth, our focus this year has been on executing our transformation strategy. We intensified our consumer business expansion, leveraging UOB's recent regional acquisition. We established new retail distribution channels to extend our market reach and boosted efficiencies to scale our business effectively.

In 2024, we welcomed new Directors, Mr Cheo Chai Hong and Mr Andrew Lim, UOI Chief Executive Officer, to our Board. With their extensive expertise and experience, our Board is well positioned to advance our growth strategy and strengthen our presence in our key ASEAN markets.

### Opportunities in ASEAN Markets

Economic growth in our ASEAN markets has remained resilient in 2024, driven by a growing middle income and recovery of tourism in Singapore, Thailand, Malaysia, Indonesia, and Vietnam. Opportunities in personal lines insurance offer new growth potential for UOI. Meanwhile, ongoing investments in regional infrastructure and manufacturing and innovative technologies, drives demand for a broad range of business insurance.

We continue to collaborate with UOB to strengthen general insurance in these key ASEAN markets by leveraging its customer base while exploring opportunities to expand UOI's footprint.

### Positive Results from Early Strategy Execution

We have seen promising results in the early stages of our transformation. Our investments in technology and process efficiencies have boosted insurance revenue and expanded our retail distribution channels. We have deepened our reach among UOB customers in Singapore and the region as we continue to create new distribution opportunities.

Our focus on service enhancements has strengthened customer trust, leading to higher customer satisfaction. We remain committed to customer centricity, ensuring that customers are at the core of everything we do.

This year we have made significant investments in upskilling our workforce and nurturing talent to support our strategic goals.

### Revenue Growth Strengthens Foundation for Future Profitability

In 2024, UOI posted a net profit before tax of $33.9 million, 2% higher from the year before [FY2023: $33.2 million]. Insurance revenue rose 20% year-on-year to $113.5 million in 2024, reflecting positive momentum in the early stages of our strategic execution.

# Chairman's Statement

Net insurance service and financial result fell 14% due to higher claims and commission expenses. Total non-underwriting income increased 35% to $14.4 million [FY2023: $10.7 million] due to higher dividend and interest income from positive investment performance. Management expenses increased modestly in line with our planned investments in technology and talent.

The Board recommends a final one-tier tax-exempt dividend of 8.5 cents per share and a special one-tier tax-exempt dividend of 6 cents per share. Together with the interim dividend of 8.5 cents, the total dividend for FY2024 will be 23 cents per share [FY2023: 21 cents per share].

## Achievements

This year, UOI received commendation from the Singapore Institute of Directors at the Singapore Corporate Awards for its robust risk management. We were accorded the Best Risk Management Award (Silver) for companies with a market capitalisation of $300 million to less than $1 billion for a second year.

UOI maintained its financial strength rating of A+ (Superior), along with an issuer credit rating of 'aa-' and a stable outlook from AM Best. These ratings are the highest awarded by AM Best to general insurance companies in Southeast Asia, reflecting UOI's balance sheet strength, strong operating performance, and appropriate enterprise risk management as we embark on the execution of our transformation strategy.

## Acknowledgements

This year, Mr Chng Hwee Hong stepped down as an Independent Director on 27 January 2025, after serving nine years on the Board. We are grateful for his years of dedicated service and invaluable contributions to the Board.

On behalf of the Board, I wish to thank our clients, partners, reinsurers and shareholders for their unwavering support and to our colleagues for their dedication to do right by our stakeholders. I would also like to thank my fellow Directors for their wise counsel and commitment.

**Wee Ee Cheong**
**Chairman**
February 2025

# Board of Directors

As at 14 February 2025

## Wee Ee Cheong, 72

*Chairman*
*Non-executive and Non-independent*

Appointed as a director: 20 March 1991
Last re-elected as a director: 27 April 2022
Appointed as Chairman: 14 April 2023

**Board Committee positions**
- Nominating Committee (Member)
- Remuneration Committee (Member)

**Current directorships in other listed companies**
- United Overseas Bank (Deputy Chairman and Chief Executive Officer)

**Other principal commitments**
- PT Bank UOB Indonesia (President Commissioner)
- United Overseas Bank (China) (Chairman)
- United Overseas Bank (Thai) Public Company (Chairman)
- United Overseas Bank (Malaysia) (Deputy Chairman)
- The Association of Banks in Singapore (Council Member)
- The Institute of Banking and Finance (Council Member)
- Singapore-China Foundation (Member, Board of Governors)
- Singapore Chinese Chamber of Commerce & Industry (Honorary Council Member)
- Nanyang Academy of Fine Arts (Patron)
- Wee Foundation (Director)

**Past directorships in listed companies held over the preceding three years**
- Nil

**Past major appointments**
- Far Eastern Bank (Director)
- Pan Pacific Hotels Group (Director)
- United International Securities (Director)
- UOL Group (Director)
- Housing & Development Board (Deputy Chairman)
- Port of Singapore Authority (Director)
- Visa Asia Pacific Senior Client Council (Member)

**Education/professional qualifications and achievements**
- Master of Arts (Applied Economics), American University, Washington, DC
- Bachelor of Science (Business Administration), American University, Washington, DC
- Securities Investors Association (Singapore) Investors' Choice Outstanding CEO Award (2024)
- Singapore Corporate Awards, Best CEO (large cap listed companies) (2022)
- *The Asian Banker* CEO Leadership Achievement for Singapore Award (2022)
- *The Business Times* Businessman of the Year (2021/2022)
- Public Service Star (2013)

## Chua Kim Leng, 55

*Non-executive and Independent*

Appointed as a director: 1 February 2020
Last re-elected as a director: 19 April 2024

**Board Committee positions**
- Remuneration Committee (Chairman)
- Audit and Risk Committee (Member)
- Nominating Committee (Member)

**Current directorships in other listed companies**
- Teho International Inc (Director)

**Other principal commitments**
- ICHX Tech (Director)
- Sygnum Bank (Director)
- GXS Bank (Director)
- Nomura Asia Pacific Holdings (Member of Audit and Risk Committee)
- Nomura Financial Investment (Korea) (Director)

**Past directorships in listed companies held over the preceding three years**
- Yangzijiang Financial Holding (Director)

**Past major appointments**
- Monetary Authority of Singapore (Assistant Managing Director of Banking and Insurance Group)
- Gambling Regulatory Authority (Director)

**Education/professional qualifications and achievements**
- Bachelor of Business Administration (Hons), National University of Singapore
- Public Administration Medal (2014)

# Board of Directors

As at 14 February 2025

## Winston Ngan Wan Sing, 63

*Non-executive and Independent*

Appointed as a director: 1 March 2023
Last re-elected as a director: 14 April 2023

**Board Committee positions**
- Audit and Risk Committee (Chairman)
- Remuneration Committee (Member)

**Current directorships in other listed companies**
- PEC (Director)

**Other principal commitments**
- HSBC Bank (Singapore) (Director)
- Public Accountants Oversight Committee (Member)
- SPD (Serving people with disabilities) (Director)
- Kadita GP1 (Director)
- Kadita Partners (Chairman of Audit, Risk and Valuation Committee)
- Singapore Association for Mental Health (Director)

**Past directorships in listed companies held over the preceding three years**
- Vinfast Auto (Director)

**Past major appointments**
- Ernst & Young (Partner, Head of Assurance for Financial Services)
- Azalea Asset Management (Director)

**Education/professional qualifications and achievements**
- Master of Business Administration (Accounting), York University, Canada
- Bachelor of Science (Electronic and Electrical Engineering) (Hons), Loughborough University of Technology, UK
- Chartered Professional Accountant of Ontario (Canada) (Member)
- CPA (Australia) (Member)
- Institute of Singapore Chartered Accountants (Member)
- Singapore Institute of Directors – Accredited Director

## Leong Yung Chee, 52

*Non-executive and Non-independent*

Appointed as a director: 1 March 2023
Last re-elected as a director: 14 April 2023

**Board Committee positions**
- Nil

**Current directorships in other listed companies**
- Nil

**Other principal commitments**
- Group Chief Financial Officer-designate, Head of Group Corporate Banking, Merger and Acquisition Advisor and Head of Blockchain and Digital Assets, United Overseas Bank
- T3 Capital (Director)
- UOB Global Capital LLC (Director)
- UOB Global Capital Private Limited (Director)
- UOB Capital Partners (Director)
- ACIF GP (Director)
- UOB Venture Management (Shanghai) (Director)

**Past directorships in listed companies held over the preceding three years**
- Nil

**Past major appointments**
- Country Head, CEO of Macquarie Capital and Chairman of Macquarie Foundation, Macquarie (Singapore)

**Education/professional qualifications and achievements**
- Master of Science (Electrical Engineering), Stanford University, USA
- Bachelor of Engineering (Electrical and Electronic Engineering) (Hons), Imperial College London
- Singapore Institute of Directors – Accredited Director

## Tan Yian Hua, 69

*Non-executive and Independent*

Appointed as a director: 1 January 2024
Last re-elected as a director: 19 April 2024

**Board Committee positions**
- Audit and Risk Committee (Member)

**Current directorships in other listed companies**
- Nil

**Other principal commitments**
- Now Health International (Singapore) (Director)
- Senior Director, Middle Market, Howden Insurance Brokers (S)

**Past directorships in listed companies held over the preceding three years**
- Nil

**Past major appointments**
- Sompo Insurance Singapore (CEO)

**Education/professional qualifications and achievements**
- Master of Business Administration (Business), Hull University, UK
- Fellowship of The Chartered Insurance Institute UK
- The Institute of Banking and Finance (IBF) Distinguished Fellow, General Insurance

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## Cheo Chai Hong, 72

*Non-executive and Independent*

Appointed as a director: 1 June 2024

**Board Committee positions**
- Nominating Committee (Chairman)
- Audit and Risk Committee (Member)

**Current directorships in other listed companies**
- Low Keng Huat (Singapore) (Lead Independent Director, Chairman of Audit Committee and Member of Nominating Committee)

**Other principal commitments**
- The Anglo-Chinese Schools Foundation (Chairman and Director)
- ACS (International) (Member, Board of Management)
- SingHealth Centralised Institutional Review Board (Member)

**Past directorships in listed companies held over the preceding three years**
- Nil

**Past major appointments**
- Managing Director, Group Credit, Credit Approval, United Overseas Bank

**Education/professional qualifications and achievements**
- Bachelor of Business Administration (Hons), University of Singapore

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## Andrew Lim Chee Hua, 60

*Executive and Non-independent*

Appointed as a director: 1 June 2024
Appointed as Chief Executive Officer: 1 April 2023

**Board Committee positions**
- Nil

**Current directorships in other listed companies**
- Nil

**Other principal commitments**
- Union (2009) (Director)
- United Facilities (Director)
- Financial Industry Disputes Resolution Centre (Director, member of Audit Committee)

**Past directorships in listed companies held over the preceding three years**
- Nil

**Past major appointments**
- General Manager, United Overseas Insurance
- Executive Vice President, Great Eastern General Insurance

**Education/professional qualifications and achievements**
- Bachelor of Arts, National University of Singapore

# Transforming United Overseas Insurance

## Our Strategic Focus

**Grow our business in Singapore and key ASEAN markets**
Build products and services to meet the evolving insurance needs of individuals and businesses and expand our distribution channels to create more accessibility for our customers.

**Ensure customer centricity is at the core of everything we do**
Actively listen to customer needs and create long lasting relationships, making sure that we always do right by them.

**Be the employer of choice for people in Singapore**
Care for our people's wellbeing, provide opportunities to grow and empower our people to make a positive difference.

## Our Core Strengths

People

Business

Process

Technology

## Our Values

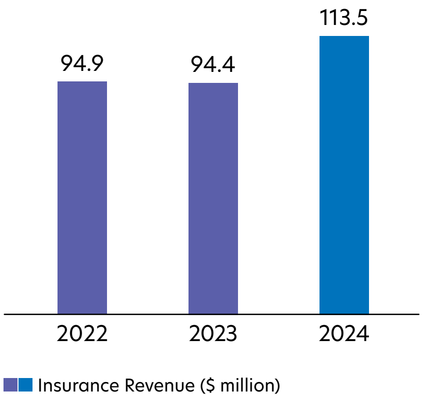
Honourable

Enterprising

United

Committed

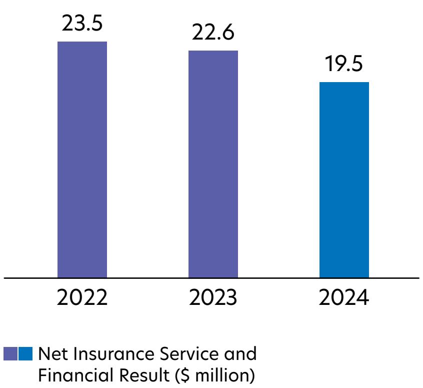
# Financial Highlights




## Insurance Revenue

The Company achieved a strong insurance revenue of $113.5 million, driven by optimisation of current business and transformation initiatives.

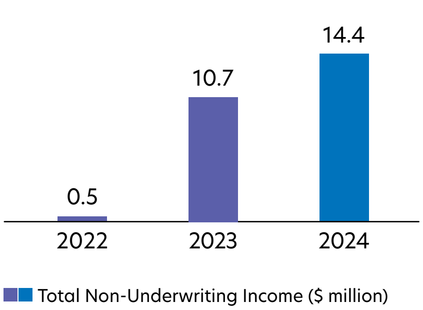
**$113.5 million**
**+ 20.2%**




## Net Insurance Service and Financial Result

The Company achieved a net insurance service and financial result of $19.5 million. This decrease of 13.7% was largely due to an increase in insurance service expense arising from higher incurred claims and acquisition expenses.

**$19.5 million**
**- 13.7%**

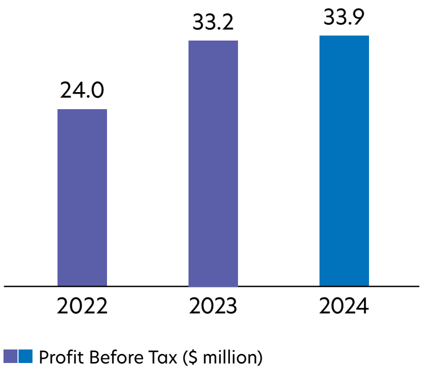



## Total Non-Underwriting Income

Total non-underwriting income increased by $3.7 million to $14.4 million as compared to $10.7 million in the previous period. This was due to favourable gains in both dividend and interest income from investments.

**$14.4 million**
**+ 34.6%**

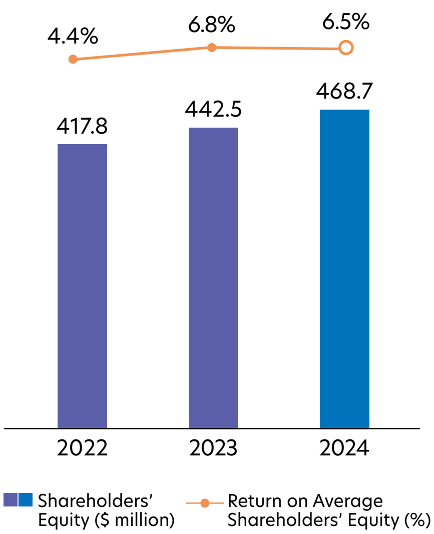
# Financial Highlights




## Profit Before Tax

Profit before tax increased by 2.1% to $33.9 million as a result of higher total non-underwriting income.

**$33.9** million
+ 2.1%

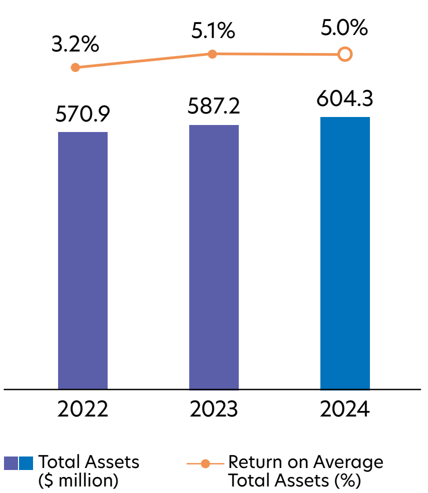



## Shareholders' Equity/Return on Average Shareholders' Equity

The Company's shareholders' equity continued to grow. As at 31 December 2024, it increased by 5.9% to $468.7 million when compared with the preceding year. The increase was due to stable insurance performance and profits from investing activities. Return on average shareholders' equity was 6.5% in 2024.

Shareholders' Equity
**$468.7** million
+ 5.9%

Return on Average Shareholders' Equity
**6.5%**
- 0.3% pt




## Total Assets/Return on Average Total Assets

The total assets of the Company grew by 2.9% to $604.3 million as at 31 December 2024. Return on average total assets was 5.0% in 2024.

Total Assets
**$604.3** million
+ 2.9%

Return on Average Total Assets
**5.0%**
- 0.1% pt

# Company Financial Summary

| Key Indicators | 2022 | 2023 | **2024** |
|---|---|---|---|
| **Profit for the Financial Year ($'000)** | | | |
| Insurance revenue | 94,875 | 94,448 | **113,508** |
| Net insurance service and financial result | 23,520 | 22,552 | **19,507** |
| Total non-underwriting income | 460 | 10,658 | **14,423** |
| Profit before tax | 23,980 | 33,210 | **33,930** |
| **Selected Balance Sheet Items as at Year-end ($'000)** | | | |
| Total assets | 570,942 | 587,221 | **604,250** |
| Insurance contract liabilities | 134,728 | 121,566 | **106,082** |
| Net reinsurance contract assets | 60,620 | 48,426 | **43,256** |
| Shareholders' equity | 417,803 | 442,461 | **468,742** |
| **Financial Ratios** | | | |
| Earnings per share - basic and diluted (cents) | 31.0 | 47.9 | **48.7** |
| Return on average shareholders' equity (ROE) (%) | 4.4 | 6.8 | **6.5** |
| Return on average total assets (ROA) (%) | 3.2 | 5.1 | **5.0** |
| **Declared Dividend Per Share (cents)** | | | |
| Interim | 8.5 | 8.5 | **8.5** |
| Special | 4.0 | 4.0 | **6.0** |
| Final | 8.5 | 8.5 | **8.5** |
| Total | 21.0 | 21.0 | **23.0** |
| Net asset value per share ($) | 6.8 | 7.2 | **7.7** |

# 2024 Year in Review

In 2024, we progressed from the foundation built in 2023 and continued executing our strategy for sustainable growth. This included building our digital platform and establishing new partners. We deepened our collaboration with UOB not only in Singapore but in the region, and increased our retail distribution in non-bancassurance channels, demonstrating our commitment to expanding our market reach.

Continuing our investments in talent and technology, we embraced technologies to enhance operational efficiencies, ensuring scalability with every process. Our focus on service excellence resulted in an improvement in our customer satisfaction scores and increased customer retention, reinforcing our strategic focus on customer centricity.

As we prepare our employees for the future, our learning and development programmes were enhanced in digital areas, as well as underwriting and distribution. We actively integrated established team members with newcomers as well as gave back to the communities that UOI has served for more than 50 years.

## Building Our Retail Business

With the expansion of UOB's customer base in ASEAN markets, we are committed to establishing a world-class bancassurance model to better serve their needs. In 2024, we successfully reached more UOB customers in the region and offered propositions which deliver real value to customers throughout their various life stages through a wide range of channels including digital, branch and telemarketing.

Beyond the Bank, our partnerships have expanded to include domestic helper, motor and travel ecosystems, significantly enhancing our retail offerings. In 2025, we will further diversify these distribution channels as we take strides to become a leading consumer insurer.

Key to our growth is to continue being close to our customers. We set up more ways to obtain customer feedback, which enables us to continuously improve our products and services. This customer-centric approach has enabled us to improve our response times and retention rates, ensuring we consistently deliver to customer expectations.

We intensified our product development, starting with retail offerings. This included the expansion of our Electric Vehicle (EV) insurance products and a comprehensive revamp of travel and motor insurance solutions, to be market leading in these respective categories.

## Technology Transformations

Our transformation efforts progressed as planned. We made strategic investments in new middleware platforms to enhance our speed to market delivery, provide us with the agility to respond to evolving customer demands and scale growth plans in the coming years. With these capabilities in place, we are well-positioned to serve broader ecosystems and partnerships in both Bank and non-Bank areas.

Digital tools to augment internal processes, from internal communications to data dashboards, were reviewed and planned to enable future needs with technology that is relevant and updated.

## Process Innovations

We continue to optimise internal processes in various areas to allocate resources effectively and enhance service delivery. The process improvements include deploying Robotic Process Automation (RPA) on identified processes. Our relentless focus on efficiency and scalability continues to drive improvements across our organisation.

## Empowering Our People

Our people remain at the heart of our success. This year, we prioritised learning and development, such as customer service training and change management. By nurturing a growth mindset among our people and investing in identified talents, we are equipping our team to build the future of UOI.

In addition to our operational goals, we channelled our corporate social responsibility (CSR) efforts towards children and communities. This included partnering with Food from the Heart, where our colleagues donated and packed

# 2024 Year in Review



food rations for disadvantaged children and their families. We once again rallied our friends and families for the 2024 UOB Heartbeat Run/Walk which raised more than $2.4 million for the UOB Heartbeat fund, supporting children in need and their families from 25 charities globally. These initiatives reflect our unwavering commitment to creating a positive societal impact.

## Moving into 2025

2024 was a transformative year for UOI as we embraced process optimisation, employee development and technology adoption, to serve our customers better. These have resulted in early fruits in our plans to grow our business. As we move forward, we remain dedicated to building sustainable growth to enhance value for our customers and stakeholders while preparing for exciting opportunities that lie ahead in our key ASEAN markets.

Our vision to place our customers at the core of our business remains unchanged. This is something we have committed to for more than 50 years and which we will continue to focus on as we enlarge our scope to serve customers across the region.

# Governance

# Corporate Governance

## Introduction

Built upon our values of Honour, Enterprise, Unity and Commitment, and supported by the strong leadership of our Board and Management, United Overseas Insurance Limited (UOI or the Company) is fully committed to upholding high standards of corporate governance.

This report sets out UOI's corporate governance processes and activities for the financial year ended 31 December 2024 (FY2024) with reference to the various regulations, rules and guidelines:

- the Insurance (Corporate Governance) Regulations (Insurance Regulations) that are applicable to UOI as a Tier 2 insurer;
- the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST); and
- the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued by the Monetary Authority of Singapore on 9 November 2021 (MAS Guidelines), which comprises the Code of Corporate Governance that was issued on 6 August 2018 (2018 Code) and additional guidelines from the MAS.

Our Board is pleased to report that we have complied with the principles of the 2018 Code and the MAS Guidelines, and substantially with the provisions and guidelines of the 2018 Code and MAS Guidelines. Any deviation from the provisions or guidelines is explained in this report.

We also provide a summary disclosure on our compliance with the MAS Guidelines on pages 34 and 35.

## Board matters

### Board duties

Directors are fiduciaries who act objectively in the best interests of the Company. They work with Management to ensure the long-term success of the Company. Our Board is responsible for:

- providing entrepreneurial leadership, approving and overseeing the implementation of the Company's strategic direction and overall business objectives;
- approving business plans, annual budgets, capital and debt structures, material investments, acquisitions and disposals;
- setting the tone from the top, desired organisational culture, standards of ethical behaviour and values of the Company, and ensuring accountability;
- promoting a strong system of risk management and internal controls;
- determining the overall risk profile and appetite;
- approving financial statements;
- overseeing Management's performance;
- establishing a remuneration framework for key management personnel, which is consistent with the Company's long-term strategic objectives and does not create incentives for excessive risk-taking;
- establishing a remuneration framework for our Board;
- considering sustainability issues, and overseeing the monitoring and management of the material environmental, social and governance (ESG) factors;
- performing succession planning for our Board and Management; and
- promoting regular and effective communication with shareholders and overseeing relationships with material stakeholders.

### Matters requiring Board approval

The key matters requiring our Board's approval are set out in its Terms of Reference and communicated to Management in writing. These include:

- overall business strategy and direction;
- annual budgets, capital and operating expenditures;
- major investments and divestments;
- announcements of financial results;
- dividend policy, declaration and distribution; and
- significant policies and plans governing the operation of the Company and the organisational structure.

## Highlights from 2024

### Awards & Accolades

Best Risk Management Award (Silver) – for companies between $300 million and $1 billion in market capitalisation.

Financial Strength Rating of "A+" (Superior) and Long-Term Issuer Credit Rating of "aa-" (Superior) from AM Best, a leading independent international credit rating agency for the insurance industry.

Ranked 42 out of 477 Singapore-listed companies in the Singapore Governance and Transparency Index (General Category).

### Board Succession Planning and Diversity

Board succession planning is facilitated by a skills matrix. Our Board reviewed each Director's skills and experience to ensure that the composition of our Board is of an appropriate mix of relevant skills, knowledge, experience, gender and age, which supports the Company in its strategic and business goals. Our Board continued to maintain a majority of independent directors and at least one female director in 2024.

The following changes took place as part of our ongoing Board succession planning:

- Mr David Chan Mun Wai retired as a non-executive and non-independent Director at the close of our Annual General Meeting (AGM) held on 19 April 2024;

- Professor Ho Yew Kee stepped down as an independent Director, Chairman of the Remuneration Committee (RC) and a member of the Audit and Risk Committee (ARC) after nine years of service on 31 May 2024;

- Mr Cheo Chai Hong was appointed as an independent Director, a member of the ARC and a member of the Nominating Committee (NC) on 1 June 2024. He was subsequently appointed as the Chairman of the NC on 28 January 2025;

- The Chief Executive Officer (CEO), Mr Andrew Lim Chee Hua was appointed as an Executive Director on 1 June 2024; and

- Mr Chng Hwee Hong stepped down as an independent Director, Chairman of the NC and a member of the ARC after nine years of service on 27 January 2025.

### Management Succession Planning

Our Board and CEO continued to guide and support leadership renewal, building on last year's momentum to develop a cohesive and dynamic leadership team that fosters innovation and collaboration across the Company.

### Strategy

Our Board reinforces its commitment to overseeing the growth of UOI's business in Singapore and the ASEAN region and monitors the progress of the Company's strategic initiatives. These include implementing initiatives to improve customer service standards, enhance technology infrastructure, improve operational efficiency and streamline internal processes.

### Sustainability

Our Board is committed to building a sustainable insurance business. It reviewed and approved the material ESG factors and maintained effective oversight of ESG issues. Guided by our Board and CEO, the Management Committee, consisting of senior executives from various key divisions, is responsible for the execution of the sustainability strategy.

Recognising the significant impact of climate change on the global insurance business, our Board acknowledges that the insurance sector must effectively assess and manage climate-related risks and opportunities. The Company collaborated with reinsurance partners to support our parent UOB's ESG proposals in the ASEAN region, contributing to net zero carbon emissions goals.

# Corporate Governance

## Delegation to Board Committees and Management

Our Board is supported by three Board Committees, namely, the Audit and Risk Committee, Nominating Committee and Remuneration Committee.

Annually, our Board reviews the written terms of reference of the respective Board Committees to ensure that they remain relevant and appropriate.

Our Board has determined that it is not necessary to establish an executive committee as the Company's current scope of business and scale of operations can be overseen by our Board directly. In addition, all the Directors reside in Singapore and are easily available for consultation and decision-making, when required.

The minutes and summary reports of all Board Committee meetings are circulated to all Directors except where there is a conflict of interests.

Under the leadership of our CEO, Management is responsible for the day-to-day operations of the Company and implementing the decisions of our Board. Where a matter has been reserved for the approval of our Board or a Board Committee in its terms of reference, its approval must be obtained before the matter is acted upon.

## Key Features of Board Processes

Our Board and Board Committee meetings and the AGM are scheduled in advance yearly. Additional meetings are convened when necessary.

A Director who is unable to attend a meeting in person may participate via telephone and/or video conference or convey his[1] views through another Director or the Company Secretary.

Decisions of Board and Board Committees are made by consensus or a majority vote at meetings or through written resolutions circulated to all members (except where there is a conflict of interests, in which case, the conflicted Director would recuse himself). In the event of a divergence in views, the views are duly minuted.

After each Board Committee meeting, the chair of the relevant Board Committee issues a short report to our Board on the matters discussed and decisions made.

Minutes of the meetings are circulated to our Board except where there is a conflict of interests. In such situations, the relevant sections of the minutes of meeting are redacted for the conflicted Director(s). Minutes of all meetings and written resolutions, in particular records of discussions on key deliberations and decisions taken, are maintained by the Company.

All meeting materials are sent to our Directors well in advance of each meeting by way of a secure portal accessible from tablet devices provided by the Company. In appropriate situations, Directors may also be consulted ahead of the meetings to ensure a more directed discussion during meetings. Subject matter experts may also be invited to the meetings. Between meetings, Management updates Directors and seeks their counsel on matters requiring their attention. Directors also hold discussions among themselves or with Management to ensure they have the relevant information to guide Management and to make informed decisions.

1 A reference to one gender includes other genders.

## Board Attendance

The record of Directors' attendance at meetings in 2024 is as follows:

| Name of Director | Status | Number of meetings attended in 2024 AGM | Board | NC | RC | ARC |
|---|---|---|---|---|---|---|
| David Chan Mun Wai[1] | Non-Independent, Non-executive | 1 | 1 | – | – | – |
| Wee Ee Cheong | Non-Independent, Non-executive | 1 | • 4 | 1 | 1 | – |
| Ho Yew Kee[2] | Independent | 1 | 2 | – | 1 | 2 |
| Chng Hwee Hong[3] | Independent | 1 | 4 | 1 | – | 5 |
| Chua Kim Leng[4] | Independent | 1 | 4 | 1 | • 1 | 5 |
| Winston Ngan Wan Sing[5] | Independent | 1 | 4 | – | – | • 5 |
| Leong Yung Chee | Non-Independent, Non-executive | 1 | 4 | – | – | – |
| Tan Yian Hua[6] | Independent | 1 | 4 | – | – | 3 |
| Andrew Lim Chee Hua[7] | Non-Independent, Executive | – | 2 | – | – | – |
| Cheo Chai Hong[8] | Independent | – | 2 | •– | – | 3 |
| Number of meetings held in 2024 | | 1 | 4 | 1 | 1 | 5 |

- Denotes chairman.

1. Mr David Chan Mun Wai retired as a Director on 19 April 2024.
2. Professor Ho Yew Kee stepped down as a Director, Chairman of the RC, and a member of the ARC on 31 May 2024.
3. Mr Chng Hwee Hong stepped down as a Director , Chairman of the NC and a member of the ARC on 27 January 2025.
4. Mr Chua Kim Leng was appointed as the Chairman of the RC on 1 June 2024.
5. Mr Winston Ngan Wan Sing was appointed as the Chairman of the ARC and a member of the RC on 1 June 2024. The RC did not hold any meeting after his appointment in 2024.
6. Ms Tan Yian Hua was appointed as a member of the ARC on 1 June 2024. She has attended all the ARC meetings held since her appointment.
7. Mr Andrew Lim Chee Hua was appointed as an executive Director on 1 June 2024. He has attended all Board meetings held since his appointment. He attended the 2024 AGM as the CEO.
8. Mr Cheo Chai Hong was appointed as an independent Director, a member of the ARC and a member of the NC on 1 June 2024. He has attended all Board and ARC meetings held since his appointment. The NC did not hold any meeting after his appointment in 2024. He was appointed as the Chairman of the NC on 28 January 2025.

### Managing potential conflicts of interests

A Director who has an interest in a matter that may conflict with his duties to the Company must disclose such interests, and recuse himself from the discussions and decisions involving the issues of conflict. Directors must notify the Company in a timely manner of any change in their interests and appointments. Directors notify the NC of new appointments, and the NC assesses whether the proposed appointment will give rise to any conflict of interests or hamper the Director in the discharge of his duties to the Company.

### Access to information, Management and Company Secretary

Our Directors have separate, independent and unfettered access to information, Management, the internal and external auditors and external advisers (where necessary). Comprehensive reports on the Company's operations and financial position are given to Directors in advance and on an ongoing basis, with ample time for them to prepare for meetings and to enable them to make informed decisions and discharge their duties and responsibilities.

Senior executives of the Company may be invited to Board meetings to provide additional information or clarification as needed. Similarly, professional advisers may be invited to brief our Board or Board Committees. The Directors' common memberships in our Board Committees facilitate information sharing between our Board Committees, contributing to a holistic view of matters under the purview of different Board Committees.

Directors may seek independent professional advice at the Company's expense should they need advice on any matter in order to discharge their duties.

Directors have separate and independent access to the Company Secretary, who assists them in the discharge of their duties, attends all Board and Board Committee meetings, advises on governance matters and applicable

# Corporate Governance

laws, coordinates the induction of new Directors and supports Directors in their continuous professional development.

The appointment and removal of the Company Secretary is subject to our Board's approval. The Company Secretary is legally trained.

## Board Composition and Directors

### Chairman and Chief Executive Officer

To ensure an appropriate balance of power, increased accountability and greater capacity of our Board for independent decision-making, our Chairman and our CEO are separate persons. They are not related to each other by family ties.

Mr Wee Ee Cheong, our Chairman, leads our Board with a focus on effectiveness and ethical conduct. He sets the agenda and chairs all Board and general meetings, ensuring that Directors receive timely and comprehensive information to make informed decisions. He fosters open and candid discussions, upholds high standards of corporate governance, and encourages constructive dialogue with shareholders at general meetings.

Our CEO, Mr Andrew Lim, leads the Management team in seeking business opportunities and implementing strategies, policies, and business plans approved by our Board. He provides guidance and leadership to key management personnel, oversees the Company's operations, and ensures that the Company operates effectively within its risk appetite and system of risk management and internal controls. He also fosters an environment that is conducive for our colleagues to achieve our organisational and their personal goals.

### Lead independent director

A majority of our Board is independent and all Directors other than the CEO are non-executive. A shareholder or stakeholder may reach any independent Director through various established channels. For these reasons, our Board is of the view that there is no need to appoint a lead independent Director.

### Nominating Committee

Please refer to page 22 for the composition of our NC. The main responsibilities of our NC are:

- assessing the independence of Directors;
- recommending the appointment and re-election of Directors;
- reviewing the size and composition of our Board and Board Committees;
- assessing the performance of our Board, Board Committees and each Director, including recommending the process and criteria for evaluation;
- establishing and maintaining a board diversity policy that suits the Company and meets the requirements under the prevailing relevant regulations and guidelines;
- implementing a programme for the continuous development of our Directors;
- reviewing the nominations and reasons for resignations of our key management personnel;
- performing succession planning for our Directors, our CEO and other key management personnel; and
- establishing a performance assessment framework and appraising the performance of our CEO and other key management personnel.

The main activities of our NC are set out on pages 20 to 24.

### Board independence

When assessing the independence of each Director, our NC is guided by the criteria in the Insurance Regulations, the SGX-ST Listing Rules and the MAS Guidelines.

In addition to the regulatory requirements, our NC also takes into account the Director's conduct and contributions during and outside meetings. Account is also taken of the Director's other appointments, relationships with the Company's Management and self-assessment on matters relating to his independence, fitness and propriety.

Our NC's assessment of the independence status of our Directors and the bases of its assessment are as follows:

- Mr Wee Ee Cheong is a non-independent Director. He is the Deputy Chairman and CEO of UOB, the holding company of UOI;
- Mr Leong Yung Chee is a non-independent Director. He is the CFO-designate of UOB and will take office on 22 April 2025;
- Mr Andrew Lim, our CEO, is a non-independent Director; and

- Mr Chua Kim Leng, Mr Winston Ngan Wan Sing, Ms Tan Yian Hua and Mr Cheo Chai Hong are independent. They have each served less than nine years on our Board and none has any management or business relationship with, or connection to, UOI, its related corporations, Directors or officers that could interfere or be reasonably perceived to interfere with the exercise of their independent business judgement. None of them has family members in the employ of UOI or its related corporations in the current or past three financial years. The independent Directors have demonstrated independence in conduct, character and judgement in their participation at Board meetings and on occasions outside Board meetings.

## Fitness for office

Our NC assesses if our Directors remain fit and proper for office based on the MAS Guidelines on Fit and Proper Criteria and any other relevant information that comes to its attention. Each Director is required to make an annual declaration based on these guidelines. In addition, our NC reviews the performance of each Director every year. Our NC has determined that all Directors remain fit and proper for office. None of our Directors has appointed an alternate director.

## Board diversity

Our Board Diversity Policy sets out the Company's approach and framework for ensuring the diversity of our Board. Its objectives are to achieve a range of insights from a broader perspective in decision-making, avoid groupthink, share country/industry peculiarities and ensure continuity in Board succession. The dimensions of diversity considered by our Board include functional and domain skills, industry experience, regional exposure, age, gender, ethnicity and culture, tenure and independence.

Our NC reviews our Board's size, composition and skill sets regularly to ensure it has the appropriate mix and balance of skills, experience, independence and knowledge, and that, collectively, the expertise of our Directors is appropriate for the strategies and aspirations of the Company and developments in the markets in which the Company operates.

Our Board is satisfied that a board size of seven directors is appropriate, given the size of the Company, its operations and aspirations. Our Board is also of the view that it is sufficiently diverse to meet the needs of the Company and to ensure the effective oversight of the Company's affairs. Collectively, the Directors have skills, expertise and experience from different industries, markets, professions and the public and private sectors. Their core competencies include insurance, banking, strategy and transformation, accounting and finance, audit, human resources, investment, risk management, technology and digitalisation, business and management, policy and regulatory matters, customer services, marketing and corporate governance, which are essential to the business of the Company. Our NC maintains a board skills matrix of the skills and experience of the incumbent directors. To ensure that the composition of our Board remains appropriately diverse, our Board targets to maintain a board with a majority of independent directors and at least one female director. Four out of seven Directors are independent, hence the Board has met its independence target. Our Board has also met its gender diversity target with Ms Tan Yian Hua as an independent Director.

## Board Committee composition

Our NC reviews the composition of each Board Committee at least once annually to ensure that the composition of each Board Committee and collective expertise of our Board Committee members are relevant and appropriate for the strategies of the Company. Our NC recommends the distribution of the workload among the Directors, taking into consideration their respective expertise and time availability. New Directors bring fresh perspectives while Directors with longer tenure ensure stability and continuity. The balanced approach of always having Directors of different tenures has kept our Board renewal process smooth.

# Corporate Governance

The current composition of our Board Committees is set out below:

| | |
|---|---|
| **Audit and Risk Committee** | • Four members.<br>• All members are independent.<br>• All members have recent and relevant accounting or related financial experience or expertise:<br><br>o Audit and Risk Committee (ARC) chair, Mr Winston Ngan Wan Sing is a Chartered Accountant of the Institute of Singapore Chartered Accountants and had led the Financial Services Assurance practice at Ernst & Young LLP (EY) Singapore until his retirement in 2020.<br><br>o Mr Chua Kim Leng graduated with a degree in Business Administration. While he was a senior officer at the MAS, his duties included supervising banks, insurance and finance companies. He was also a member of its Executive Committee, which was responsible for the overall management of the MAS.<br><br>o Ms Tan Yian Hua is a Fellow Chartered Insurer of the Chartered Insurance Institute UK. She has more than 40 years' experience in the insurance industry and had managed both local and foreign-owned insurance companies.<br><br>o Mr Cheo Chai Hong graduated with a degree in Business Administration. He has extensive experience in the finance sector from working with local and international banks.<br><br>None of the members is a former partner or director of the Company's existing auditing firm EY within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm. None of the members has any financial interest in EY. |
| **Nominating Committee** | • Three members: Mr Cheo Chai Hong (chairman), Mr Wee Ee Cheong and Mr Chua Kim Leng.<br>• Majority of the members, including the chair, are independent.<br>• All the members are non-executive. |
| **Remuneration Committee** | • Three members: Mr Chua Kim Leng (chairman), Mr Wee Ee Cheong and Mr Winston Ngan Wan Sing.<br>• Majority of the members, including the chair, are independent.<br>• All the members are non-executive. |

## Board and Board Committees' performance

Our Board undertakes a formal annual assessment of the effectiveness of our Board as a whole and each of its Board Committees. Objective performance criteria are used to assess the Board's performance and evaluate the effectiveness of our Board.

Our NC was satisfied that the Directors, both individually and collectively, had contributed to the effectiveness of our Board, and agreed that the respective Board Committees had discharged their duties conscientiously and effectively. Our NC was further satisfied that our Board and Board Committees remain effective.

## Directors' performance

The performance of individual Directors is also assessed annually. At the end of each year, each Director performs a confidential self-assessment and an assessment of the work performed by our Board and Board Committees by completing questionnaires prepared under the guidance of our NC. No Director is involved in his own assessment. Directors are required to declare their fitness and propriety based on the MAS Guidelines on Fit and Proper Criteria, which include factors such as their qualification for office, honesty, integrity and reputation, competency and capability, and financial soundness. Our NC also takes into account Directors' competency, independence, dynamics with other Directors, commitment, attendance, preparedness, participation, contribution, candour at meetings, clarity in communications, insight on strategies, knowledge, business judgement and individual awareness of accountability as a Director.

The evaluation process is designed to maintain the confidentiality of the Directors and encourage open and honest feedback. Once completed, the assessments are submitted to the Company Secretary, who compiles the results for our NC's evaluation.

Our NC also reviews any additional information that might suggest that a Director may be disqualified from office. When the performance of a particular Director is being considered, that Director recuses himself from the discussions to avoid any conflict of interests.

Our NC is of the view that it is not necessary to engage an external facilitator for the assessment as all Directors are able to speak freely and respond candidly throughout the process.

Our NC observed that each Director has consistently demonstrated his dedication to the Company's affairs by actively participating in meetings and offering valuable insights. Furthermore, our NC is not aware of any information that would hinder any Director from holding office.

Our NC is therefore satisfied that each Director remains fit and proper and qualified for office.

## Time commitment

When assessing each Director, our NC considers whether the Director is able to commit sufficient time to the affairs of the Company, with regard to factors such as the Director's number of directorships, the complexity of the companies' business, the frequency of meetings and the Director's other principal commitments.

A Director who wishes to accept a new appointment at any organisation is required to inform our NC, which will assess whether the new appointment will give rise to any conflict of interests or impair the Director's ability to discharge his duties in respect of the Company. This process ensures that our NC chairman has the opportunity to make enquiries about any potential conflict of interest and the time commitment of the proposed new appointment, if necessary. Nonetheless, our Board has adopted advisory guidelines on the number of directorships that each Director may hold. The guidelines differentiate between Directors who are employed full-time and those who are not.

## Appointment and re-election of Directors

The appointment of Directors is based on the needs of the Company and on the merits of the candidate. Directors are appointed primarily on merit, taking into consideration the candidate's qualification for office, personal attributes, fitness and propriety for office, and current commitments. Our NC will refer to our Board Diversity Policy in its assessment of the candidates. Any Director may nominate candidates for appointment.

At least one-third of the Directors will retire from office by rotation at the AGM every year. The Directors to retire shall be those who have been in office longest since their last election. All Directors are subject to retirement and re-election at least once every three years.

# Corporate Governance

Pursuant to the one-third rotation rule, Mr Wee Ee Cheong and Mr Leong Yung Chee will retire at the forthcoming AGM. Mr Wee Ee Cheong and Mr Leong Yung Chee have offered themselves for re-election. Please refer to the Additional Information on Directors Seeking Re-election on pages 165 to 172, the UOI website (www.UOI.com.sg) and SGXNet.

Professor Ho Yew Kee and Mr Chng Hwee Hong stepped down as Directors after nine years of service on our Board on 31 May 2024 and 27 January 2025 respectively.

In anticipation of the retirement of Professor Ho Yew Kee and Mr Chng Hwee Hong, our NC reviewed candidates for appointment to our Board. After a rigorous process of review, our Board appointed Mr Cheo Chai Hong and CEO Mr Andrew Lim as Directors on 1 June 2024.

New Directors have to stand for re-election at the first AGM following their appointments. Accordingly, Mr Cheo Chai Hong and Mr Andrew Lim, who were appointed to our Board on 1 June 2024, will retire and offer themselves for re-election at the upcoming AGM.

The appointments of Directors and the Chairman are subject to the approval of the MAS.

## Induction of new Directors

New Directors will receive the Constitution of the Company, the terms of reference of our Board and Board Committees, Articles of Directorship, Code of Conduct and extracts of applicable laws and regulations. The Articles of Directorship set out a Director's term of office, duties, responsibilities, remuneration and disclosure obligations. The Articles and any subsequent amendments are approved by our Board and apply to all Directors irrespective of when they were appointed. New Directors also receive an induction soon after they join our Board. The induction includes a meeting with key management personnel and briefings on the Company's corporate development, culture, values, organisational structure, business, operations and financial performance.

If a new Director has no prior experience as a listed company director, the Company ensures that he attends the training programmes stipulated by SGX-ST and undergoes training in areas as appropriate, taking into account his background, skill set and experience. Ms Tan Yian Hua has attended the requisite courses and Mr Andrew Lim will attend the requisite courses within one year of his appointment.

## Directors' continuous development

Our NC oversees the training programme and budget for Directors' continuous development.

In 2024, the in-house training included IFRS17, reinsurance management strategy, interested person transactions and related party transactions. Directors also attended training programmes conducted by external organisations including the Singapore Institute of Directors, ACRA, SGX and the Institute of Singapore Chartered Accountants.

## Succession planning for key management

Our NC is responsible for the succession planning for the CEO and other key management personnel. The CEO, in turn, assists our NC in identifying and preparing suitable candidates for key management personnel. We believe in growing our own timber by developing a pipeline of leaders from among our colleagues to support our long-term strategy and growth. Colleagues with the appropriate competencies and aptitude will receive training on the job, mentorship and job rotation, where appropriate. If no suitable internal candidate is available to fill a needed role, the Company will seek external candidates. Our NC guides Management in its succession planning, monitors the progress made in grooming these talents, meets with them regularly and ensures a pipeline of talents for the long-term success of the Company.

## Remuneration

Our RC seeks to ensure that our remuneration framework and policy set out the principles and philosophies adopted to provide competitive remuneration terms that would attract, motivate and retain directors and employees, and do not create incentives for excessive risk-taking. To ensure that the Company's employee remuneration structure remains relevant and competitive, the Company engaged the services of Willis Towers Watson (WTW), an independent human resource consultant. Assisted by WTW, the Company benchmarked employee compensation against relevant comparable local and regional organisations

## Remuneration Committee

The composition of our RC can be found on page 22.

Our RC's main responsibilities are:

- reviewing and recommending a remuneration framework and policy that are in line with the Company's strategic objectives, corporate values and prudent risk-taking;
- determining the level and structure of remuneration that are appropriate and proportionate to the sustained performance of and value creation by the Company and to promote the long-term success of the Company; and
- reviewing and recommending all aspects of remuneration terms, including termination terms of key management personnel (including the CEO) and executive officers as it may consider appropriate.

## Directors' remuneration

In recommending the fees to be paid to Directors, our RC considers the Directors' responsibilities as well as the Company's size, scope of business and its financial performance relative to industry peers in that year. Fees paid by comparable companies also serve as a guide. The Company believes that fees should be set at an appropriate level to attract, retain and motivate suitably qualified persons as Directors of the Company. In its review in February 2025, our RC took into consideration the fees paid to directors by companies comparable in size listed on the SGX-ST, as well as companies in the same industry. It has been observed that the fees paid to the Directors are below the market benchmark. However, in support of the Company's ongoing transformation initiatives, our RC has recommended, and our Board has agreed, not to revise Directors' fees in the year under review, except for the ARC in recognition of its contributions in assisting our Board in overseeing both audit and risk management matters. The fees for the ARC Chairman and member will be increased by $5,000 and $3,000 respectively.

Non-executive Directors are paid a basic fee for service on our Board and additional allowances for serving on Board Committees.

At the forthcoming AGM, the Company will seek shareholders' approval for the proposed Directors' fees which are calculated based on the fee structure for our Board and Board Committees set out below:

| Fee Structure | Chairman | Member |
|---|---|---|
| Basic retainer | $45,000 | $35,000 |
| Audit and Risk Committee | $20,000 | $15,000 |
| Nominating Committee | $12,000 | $7,000 |
| Remuneration Committee | $12,000 | $7,000 |

# Corporate Governance

Subject to shareholders' approval, the total fees and other remuneration payable by the Company to the Directors for the financial year ended 31 December 2024 are set out in the table below. The fees for Directors who have served for less than a year will be pro-rated based on the number of days of service:

| | Directors' Fees ($) | Base or fixed salary ($) | Variable performance bonus ($) | Benefits-in-kind and others ($) | Total ($) |
|---|---|---|---|---|---|
| Andrew Lim Chee Hua | – | 397,200 | 230,000 | 58,392 | 685,592 |
| Wee Ee Cheong[1] | 59,000 | – | – | – | 59,000 |
| Chng Hwee Hong | 62,000 | – | – | – | 62,000 |
| Chua Kim Leng | 68,999 | – | – | – | 68,999 |
| Winston Ngan Wan Sing | 57,017 | – | – | – | 57,017 |
| Leong Yung Chee[1] | 35,000 | – | – | – | 35,000 |
| Tan Yian Hua | 43,770 | – | – | – | 43,770 |
| Cheo Chai Hong | 33,327 | – | – | – | 33,327 |
| David Chan Mun Wai | 10,519 | – | – | – | 10,519 |
| Ho Yew Kee | 25,750 | – | – | – | 25,750 |
| Total Directors' Fees | 395,382 | 397,200 | 230,000 | 58,392 | 1,080,974 |

1 Director's fees payable to Mr Wee Ee Cheong and Mr Leong Yung Chee will be paid to UOB.

No Director was involved in the deliberation or determination of his own remuneration.

## Employee remuneration

UOI's remuneration framework is designed to encourage sustained performance and value creation for the Company in the long term. Value creation is measured based on metrics, including financial performance, dividend yield, net asset value and shareholder fund over a five-to-ten-year period.

Remuneration structures are designed to support the Company's business strategy and objectives and are aligned to a pay-for-performance philosophy. This is achieved by linking remuneration to financial, non-financial and individual performance. The remuneration package comprises fixed salaries, variable bonuses and benefits. To ensure salaries are appropriate and proportionate to performance, they are benchmarked against comparable roles in the insurance industry. Variable bonuses are granted based on the performance of the Company and the individual. Care is taken to ensure that employees are not rewarded for short-term gains that are made through taking excessive or undue risks.

Our RC has carefully considered whether a deferral of variable pay mechanism would be appropriate for UOI and concluded that it is not appropriate because:

- the Company does not reward employees based on their individual performance in generating top line revenue or profit; and
- the Company has established risk management practices that neither allow nor incentivise employees to take excessive or undue risks, or engage in misconduct that can harm the Company, its customers and other stakeholders.

Our Board has accepted our RC's recommendation and agreed that the Company's current remuneration philosophy and framework remain relevant and appropriate.

The key management personnel of the Company are our CEO and ten senior executives with direct reporting to the CEO. The performance of the key management personnel was measured against the Balanced Scorecard, which includes achievement of performance objectives, leadership competencies and behaviour in alignment with our values. Our RC reviews the performance of our key management personnel annually before recommending/ approving their remuneration packages. Our CEO's remuneration is subject to Board approval. Our RC approves the variable performance bonus pool for our key management personnel and executives taking into consideration the performance of the Company and each individual's performance, while the performance bonuses for the other employees are based on a formula agreed with the Singapore Insurance Employees' Union.

The Company does not have any employee share option or share-based incentive scheme or plan.

### Top five non-director executives

The Company has decided it will not disclose the remuneration of the top five non-director key management personnel, whether individually or in the aggregate. This is because the Company operates in a highly competitive environment as the skills required in the insurance industry are highly specialised, and competition for talent remains intense.

### Remuneration of immediate family members of Director, CEO or substantial shareholder

No employee of the Company is a substantial shareholder of UOI or an immediate family member of any Director, CEO or substantial shareholder of UOI.

## Accountability and audit

### Audit and Risk Committee

The composition of the ARC can be found on page 22.

Our ARC's duties include reviewing and, where appropriate, approving:

- financial statements and quality of, and any significant change in, accounting policies and practices;
- adequacy and effectiveness of internal accounting control systems and internal controls;
- appointment, reappointment, removal (if necessary), evaluation, remuneration and terms of engagement of the internal and external auditors;
- internal and external audit plans and reports;
- effectiveness, independence, knowledge, competence and objectivity of the external auditor and internal auditor;
- policies and procedures for handling fraud and whistle-blowing cases;
- interested person transactions and material related party transactions;
- risk management policies, frameworks and systems and adequacy of measures taken in relation to material risks;
- nature and extent of the significant risks that the Company is willing to take in achieving its strategic objectives and value creation;
- approach in identifying, measuring and monitoring the Company's key and emerging risks and the governance and measurement of these risks;
- the adequacy and effectiveness of the Company's system of risk management and internal control; and
- performance and appointment of the certifying actuary.

Our ARC has authority to investigate any matter within its terms of reference. It receives the full cooperation of all employees, Management, the internal auditor and the external auditor to discharge its functions. It meets with the internal and external auditors every quarter, in each case, without the presence of Management.

In 2024, our ARC continued to maintain close oversight of the financials under SFRS(I) 17. The change was a significant event affecting the entire insurance industry. Management and the external auditor provided regular updates to the ARC, which in turn reported to the Board, on the progress made. The Company continued to report its half- and full-year performance to shareholders based on the new accounting standard. Assurances were also received from our CEO and the Assistant General Manager (Corporate Services) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

# Corporate Governance

## External Auditor

Ernst & Young LLP is the Company's external auditor and it is registered with the Accounting and Corporate Regulatory Authority (ACRA). In accordance with the SGX-ST Listing Rules, the partner in charge of auditing the Company is rotated every five financial years.

Before recommending the reappointment of the external auditor to the Board, the ARC assesses all relationships between the Company and the external auditor (including the provision of non-audit services) that could adversely affect the external auditor's actual or perceived independence and objectivity. The ARC also assesses the effectiveness, knowledge and competence of the external auditor.

In performing its assessment, the ARC is guided by three evaluation guides, namely, the Guidance to Audit Committees on Evaluation of Quality of Work Performed by External Auditors (ACRA/SGX, dated July 2010), the Guidance to Audit Committees on ACRA's Audit Quality Indicators Disclosure Framework (revised in January 2020) and the Guidebook for Audit Committees in Singapore (MAS/ACRA/SGX-ST, dated August 2014).

The external auditor is also required to perform a self assessment based on the criteria used or recommended in the evaluation guides. Management also provides its assessment of the external auditor to the ARC. The ARC considers the responses in both assessments in its evaluation of the external auditor.

The ARC also considers the quality of the external auditor's work, the quarterly affirmation of independence and relationships with the Company, as well as the audit and non-audit fees paid to the external auditor. The ARC was of the view that the non-audit fee paid to the external auditor did not affect its independence. Particulars of the audit and non-audit fees for the financial year are disclosed in Note 9 to the Financial Statements.

Having satisfied itself that our external auditor was independent, objective and effective in its audit of the Company in 2024, the ARC has recommended Ernst & Young LLP for reappointment at the forthcoming AGM. The Company has complied with Rule 712 of the SGX-ST Listing Rules with regard to the appointment of the auditing firm.

## Key Audit Matters

The table below sets out the key audit matter (KAM) identified by the external auditor for the year under review, and the ARC's comments on the KAM. More information on the KAM can be found in the Independent Auditor's report on pages 79 and 80.

| Area of Focus | ARC's comments |
|---|---|
| Valuation of Insurance Contract Liabilities and Assets | The external auditor has evaluated and tested management's data validation, reconciliations, and data transformation processes and controls related to the calculation and valuation of insurance contracts.<br><br>The external auditor's internal actuarial specialist conducted an independent analysis to assess the appropriateness and reasonableness of key assumptions, models, and valuation methodologies. They also reviewed the Company's disclosures to ensure compliance with SFRS(I) 17.<br><br>The ARC has assessed and reviewed the external auditor's findings and results. |

Our ARC was satisfied that the KAM was appropriately addressed in the Company's financial statements.

For the financial year ended 31 December 2024, the external auditor has given an unqualified opinion on the Company's financial statements.

## Internal auditor

The Company's internal auditor is PricewaterhouseCoopers Risk Services Pte. Ltd.

The internal auditor performs its duties in accordance with the Internal Audit Charter, the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors and other relevant market practices. The internal auditor has confirmed that it has received appropriate access to information and cooperation from Management to perform its duties. There was no factor that adversely affected the internal audit function's independence, objectivity or effectiveness.

In carrying out its responsibilities, the internal auditor adopts a risk-based approach. It:

- evaluates the reliability, adequacy and effectiveness of the internal controls and risk management processes by assessing if business and risk management units are operating according to the risk appetite framework, keeping pace with industry trends and are aligned with market practices;
- reviews the internal controls of the Company to ensure prompt and accurate recording of transactions and proper safeguarding of assets;
- ensures that recommendations raised in internal audit reports are dealt with in a timely manner, with outstanding exceptions or recommendations closely monitored and reported to the ARC; and
- reviews whether the Company complies with laws and regulations and adheres to established policies, and whether Management is taking the appropriate steps to address control deficiencies.

The internal auditor develops its audit workplan independently after meeting with Management. The final audit plan, together with information on the personnel involved in the audit, is reviewed and approved by the ARC annually. The internal auditor thereafter reports to the ARC quarterly on the progress on the audit, any significant findings and progress on remedial work to address audit findings. The ARC may also request the internal auditor to assist in the review of specific topics, such as whistle-blowing cases.

The Company has also engaged the internal auditor to conduct an internal review of its sustainability reporting process for the year ended 31 December 2024. The Sustainability Report can be found on pages 36 to 69.

Each year, the internal auditor performs a self-assessment of its performance, which is reviewed by the ARC. The ARC also considers the interaction between the internal auditor and Management, its conduct of audits and the quality of the reports submitted in its assessment of the internal auditor. The ARC was satisfied that the internal auditor is independent, effective and has adequate resources, including suitably qualified and experienced staff, to perform the internal audit function for the financial year ended 31 December 2024.

## Risk management and internal controls

Our Board is of the view that the Company does not need to establish a separate board risk management committee as risk management and internal controls are closely related, and the ARC has been assisting our Board in its oversight of risk management matters. The Company has not appointed a Chief Risk Officer as risk management at management level is performed by a dedicated Risk Management and Compliance Committee (RMCC) chaired by the CEO, who reports directly to the ARC. In addition, the Company has hired a specialised risk officer to report to the RMCC for the risk related matters.

The ARC ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the Company and its shareholders. The ARC reviews risk issues with reference to the enterprise risk by determining the nature and extent of the significant risks that the Company is willing to take in achieving its strategic objectives and value creation. Given the greater emphasis on risk management in recent years, the ARC has increased the amount of time spent in reviewing risk management matters.

The Company has an Enterprise Risk Management Framework (ERMF), which provides a holistic and structured approach for managing risks related to the business of the Company. It sets out, among other things, the risk tolerance framework that commensurates with the Company's level of activity, type of business and risk profile, risk strategy, risk governance organisation and structure, as well as risk management processes. Management

# Corporate Governance

reviews the ERMF and risk tolerance limits annually. Proposed changes are reviewed and endorsed by the ARC before they are submitted to our Board for approval. The CEO and management committees are responsible for the continual development of risk management practices and the implementation of systems and controls for managing material risks effectively.

More information on the Company's risk management practices can be found in the Risk Management section on pages 70 to 73.

### Adequacy and effectiveness

Self-assessment tools are used to evaluate the Company's compliance with internal controls and risk management processes annually. Management performs an assessment of the Company's system of risk management and internal controls, including financial, operational, compliance, sanctions-related and information technology controls. The result of the assessment is then reviewed by the ARC.

Our Board reviews the adequacy and effectiveness of the Company's system of risk management and internal controls annually. In its review, our Board takes into account the work performed by the internal and external auditors, and the opinions of the internal and external auditors and the ARC. Assurances were also received from the CEO and the Assistant General Manager (Corporate Services) that the system of risk management and internal controls, including financial, operational, compliance, sanctions-related and information technology controls, is adequate and effective to address risks which the Company considers relevant and material to its operations.

Following its review and with the concurrence of the ARC, our Board is of the opinion that the Company's system of risk management and internal controls (including financial, operational, compliance, sanctions-related and information technology controls) was adequate and effective as at 31 December 2024. As no system of risk management and internal controls can provide absolute assurance against error, loss or fraud, our system of risk management and internal controls provides reasonable but not absolute assurance that UOI will not be affected by any adverse event which may be reasonably foreseen.

## Shareholder rights and engagement

### Shareholder rights and conduct of shareholder meetings

Material information on the Company's financial performance and business are disclosed on SGXNet and the UOI website (www.UOI.com.sg) so that shareholders can make informed decisions on their investment in UOI shares.

All shareholders are entitled to attend and participate in the proceedings at general meetings. The notice of general meeting (Notice), related information and a proxy form are sent to shareholders at least 14 days before the meeting. The Notice is also published in a local newspaper, on SGXNet and on the UOI website. Each substantial matter is proposed as a separate and distinct resolution at the general meeting. Explanatory notes to the resolutions to be voted on are provided in the Notice.

All Directors attend general meetings of shareholders, and the external auditor is also present to address shareholders' questions about the conduct of audit and the preparation and content of the auditor's report.

The annual report is made available to all registered shareholders at least 14 days before the AGM, which is held within four months from the financial year end. The annual report is also available on SGXNet and the Company's website, as are the Notice and proxy form.

Shareholders may attend and vote at general meetings in person or by proxy. The rules for the appointment of proxies are set out in the Notice and proxy form. Shareholders who are not relevant intermediaries as defined in the Companies Act may appoint up to two proxies to attend, speak and vote at general meetings in their place. Nominee companies and custodian banks which are relevant intermediaries may appoint more than two proxies. Investors who hold shares through such nominee companies and custodian banks may attend and vote as proxies of the nominee companies or custodian banks. The completed proxy forms must be deposited at the place specified in the Notice at least 72 hours before the time set for holding the general meeting.

The Company currently does not implement voting in absentia by mail or electronic means as our Board is of the opinion that authentication of shareholder identity, errors, fraud and other related security and integrity issues are still a concern.

At each general meeting, each ordinary share carries one vote and electronic poll-voting services are provided by an independent contractor. Shareholders and proxies are briefed on the procedures before voting commences. The votes cast for or against each resolution are tallied and displayed immediately at the close of voting. An independent scrutineer is also present to validate the voting results before they are announced on SGXNet on the same day as the general meeting.

Shareholders who are present at a general meeting will be given time to ask questions relating to the resolutions to be passed at the meeting. The minutes of general meetings, which record substantial and relevant comments or questions from shareholders relating to the agenda of the general meeting, and responses from our Board and Management, are posted on the UOI website within one month after the AGM.

The forthcoming 2025 AGM on 17 April 2025 will be held, in a wholly physical format, at Parkroyal Collection, Marina Bay, 6 Raffles Boulevard, Singapore, 039594. There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the 2025 AGM, submission of questions to the Chairman of the Meeting in advance of, or at, the 2025 AGM, and voting at the 2025 AGM by shareholders or their duly appointed proxy(ies), are published with the Notice.

We invite shareholders to submit their questions by email or post, and we will respond to the relevant and substantial questions prior to the deadline for the submission of proxy forms. Any relevant and substantial question not answered before the proxy submission deadline will be answered during the AGM.

## Engagement with shareholders

To ensure equal access to information by all shareholders and other stakeholders, all pertinent information relating to the Company is disclosed in a timely manner via SGXNet and the Investor Relations webpage on the UOI website (https://www.UOI.com.sg/investor-relations.page). The latest financial highlights, financial results, annual report and other corporate information may also be found on the website.

The Company announces its financial highlights for the first and third quarters and financial results for the second quarter (half-year) within 45 days from the end of the quarter. The full-year financial results are announced within 60 days from the end of the financial year.

Shareholders, analysts and other stakeholders may provide feedback to the Directors through the Company's Investor Relations team whose contact details are in the Corporate Information section of the Annual Report and on the UOI website.

## Dividend

We have a dividend policy that aims to pay sustainable dividends to shareholders over the long term by balancing the Company's sustainable growth with prudent capital management. Our goal is to maintain and deliver a dividend target payout ratio of 50 per cent of our net profit after tax annually, after considering our assessment of the macroeconomic outlook and business environment across the region.

Dividends recommended or declared for payment are announced on SGXNet. Interim dividends are paid within 30 days after they are declared and final dividends are paid within 30 days after they are approved by shareholders at the AGM.

# Corporate Governance

## Managing stakeholder relationships

### Engagement with stakeholders

We have a stakeholder engagement policy to assist us in identifying our primary stakeholders, addressing their concerns, and engaging with them.

Details of our communications and engagement efforts with our stakeholders can be found in the Sustainability Report and the UOI website.

### Related party transactions and interested person transactions

We have established policies, processes and guidelines for the approval and management of related party and interested person transactions. These polices, processes and guidelines are based on regulatory requirements including Insurance Act 1966, MAS guidelines and notices, and the SGX-ST Listing Rules.

Our Board has delegated the review of all interested person transactions and material related party transactions to the ARC. The ARC reviews the transactions to assess if they are undertaken in the ordinary course of business, on normal commercial terms and at arm's length, and are not more favourable than transactions conducted with unrelated parties under similar circumstances.

All Directors must declare any interest that could conflict with UOI's interest and abstain from voting on matters in which they have an interest. The ARC keeps our Board informed of the transactions and the findings and conclusions from its review. Information on related party transactions is also disclosed in the Notes to the Financial Statements.

The particulars of interested person transactions conducted in 2024 are disclosed in the table below.

### Interested Person Transactions

| Name of interested person | Nature of relationship | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) |
|---|---|---|---|
| United Overseas Bank Limited | Controlling shareholder | UOB provided telemarketing services to UOI valued at approximately $4.19 million. | Nil |

### Material contracts

Save as disclosed on SGXNet or in this report, no material contract involving the interest of the CEO, any Director or controlling shareholder of UOI has been entered into by the Company since the end of the previous financial year, and no such contract subsisted as at 31 December 2024.

## Ethical standards

### Code of Conduct

We have a written Code of Conduct that lays down the principles of personal and professional integrity and behaviour expected of all our employees. The principles covered in the Code include:

- fair dealing with customers in the conduct of business;
- maintaining confidentiality of customer information;
- protection of personal data and customer information;
- equal opportunity for employees on the basis of merit; zero tolerance of any kind of discrimination, bullying, harassment or other forms of degrading behaviour that is inimical to the existence of a safe and harmonious working environment;
- maintaining professional independence and objectivity;
- compliance with applicable laws and regulations, including competition and anti-trust law;
- zero tolerance of bribery, corruption and illegal or unethical dealings, including insider trading and facilitation payments; and
- whistle-blowing.

Employees are required to familiarise themselves with the Code of Conduct when they join the Company and whenever the Code of Conduct is revised. All employees are required to refresh their knowledge of the Code of Conduct annually through an e-learning course.

### Whistle-blowing

Our whistle-blowing policy is designed to foster a culture of openness, accountability and transparency, and it is guided by best practices and regulatory guidelines. Available on the Company's intranet, it provides for any person to report in confidence, anonymously or otherwise, any impropriety in financial or other matters. The policy also sets out the procedures by which whistle-blowing cases are investigated.

Whistle-blowing reports may be sent to the ARC chairman (c/o Company Secretary, 80 Raffles Place, UOB Plaza 2, Singapore 048624). All whistle-blowing reports received are investigated independently by the ARC with the assistance of the internal auditor or an external independent consultant firm, where appropriate. Reprisal in any form against whistle-blowers who have acted in good faith is prohibited.

### Fair dealing

Treating clients fairly and respectfully and ensuring transparency in selling and marketing practices is key to building client trust and underpins our strong and client-centric culture. We take steps to understand our clients' needs, providing tailored advice and clear explanations to assist them in making informed decisions when purchasing insurance products. We ensure that our advertising, promotional materials and products information are transparent and easily understood. Our agents are trained to explain the key features of our products and services.

Customers and general public may provide their feedback via the customer service hotline and our claims executives are available to address any queries our clients may have during the claim process.

More information on Fair Dealing can be found in the Sustainability Report.

### Securities dealing

Directors, employees and UOB personnel involved in providing services to the Company must observe a code on dealing in securities. The code requires them to adhere to applicable laws on insider dealings at all times and prohibits dealings in the Company's securities in the following situations:

- on short-term considerations; and
- during the period commencing two weeks before the announcement of the Company's financial highlights for each of the first and third quarters and second quarter/half-year financial results of the financial year, and one month before the announcement of the Company's full-year financial results. We refrain from dealing in our securities and advise Directors and employees to do the same during the prohibited dealing periods and whenever they are in possession of price-sensitive information.

Directors and the CEO must notify the Company of their interests in the securities of the Company and its related corporations within two business days after they acquire or dispose of such interests or become aware of any change in interests so that the Company can announce it on SGXNet, where applicable.

# Corporate Governance

## Summary of disclosures

Express disclosure requirements in the MAS Guidelines

| Provisions and Additional Guidelines – Express disclosure requirements | Page reference |
|---|---|
| Provision 1.2<br>The induction, training and development provided to new and existing directors. | 24 |
| Provision 1.3<br>Matters that require board approval. | 16 |
| Provision 1.4<br>Names of the members of the board committees, terms of reference, any delegation of the board's authority to make decisions, and a summary of each board committee's activities. | 20 to 28 |
| Provision 1.5<br>The number of meetings of the Board and board committees held in the year, as well as the attendance of every Board member at these meetings. | 19 |
| Additional Guideline 1.17<br>How the induction, orientation and training provided to new and existing directors meet the requirements as set out by the NC to equip the board and respective board committees with relevant knowledge and skills in order to perform their roles effectively. | 24 |
| Provision 2.4<br>The board diversity policy and progress made towards implementing the board diversity policy, including objectives. | 21 |
| Provision 4.3<br>Process for the selection, appointment and re-appointment of directors to the board, including criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates. | 23 and 24 |
| Provision 4.4<br>Where the board considers a director to be independent notwithstanding the existence of a relationship between the director with the company, its related corporation, its substantial shareholders or its officers, which may affect his or her independence, such relationship and the reasons for considering him as independent. | not applicable |
| Provision 4.5<br>The listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, the NC and board's reasoned assessment of the ability of the director to diligently discharge his or her duties. | 5 to 7, 23 |
| Additional Guideline 4.11<br>Resignation or dismissal of key appointment holders. | not applicable |
| Additional Guideline 4.12<br>Identification of all directors, including their designations (i.e., independent, non-executive, executive, etc.) and roles (as members or chairmen of the board or board committees). | 5 to 7, 19 to 22 |
| Provision 5.2<br>How the assessment of the board, its board committees and each director has been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors. | 22 and 23 |
| Provision 6.4<br>The engagement of any remuneration consultants and their independence. | 25 |

| Provisions and Additional Guidelines – Express disclosure requirements | Page reference |
|---|---|
| Provision 8.1<br>The policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director and the CEO; and (b) at least top five key management personnel (who are not directors or the CEO) in bands no wider than $250,000 and in aggregate the total remuneration paid to these key management personnel. | 25 to 27 |
| Provision 8.2<br>Names and remuneration of employees who are substantial shareholders of the company, or are immediate family member of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds $100,000 during the year, in bands no wider than $100,000. The disclosure should state clearly the employee's relationship with the relevant director or the CEO or substantial shareholder. | 27 |
| Provision 8.3<br>All forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company, including the details of employee share schemes. | 26 and 27 |
| Provision 9.2<br>Whether the Board has received assurance from: (a) the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems. | 27 and 30 |
| Additional Guideline 9.9<br>Whether a non-director member has been appointed to the BRMC. | not applicable |
| Additional Guideline 9.11<br>The Board's comments on the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls, and risk management systems) and a statement on whether the AC concurs with the Board's comment. Where material weaknesses are identified by the Board or AC, they are disclosed together with the steps taken to address them. | 30 |
| Provision 10.1(f)<br>Whether the existence of a whistle-blowing policy and procedures for raising concerns has been publicly disclosed, and clearly communicated to employees. | 33 |
| Additional Guideline 10.19<br>The Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced. | 29 |
| Provision 11.3<br>Directors' attendance at general meetings of shareholders held during the financial year. | 19 |
| Provision 12.1<br>The steps to solicit and understand the views of shareholders. | 30 and 31 |
| Provision 13.2<br>The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period. | 31 and 32 |
| Additional Guideline 14.5<br>Material related party transactions. | 32 |

# Sustainability

## Our Commitment to Sustainability

Established in 1971, UOI has been providing insurance products and services for more than 50 years. Our core business revolves around underwriting a wide range of general insurance types, including fire, marine, motor, engineering, general accident, liability business, and reinsurance. The Company is committed to creating sustainable value for its stakeholders and providing financial services responsibly. We are guided by our values of Honourable, Enterprising, United, and Committed in the conduct of our business.

Over the years, we have achieved consistent growth, enhanced shareholder value, and upheld our responsibilities as a responsible corporate entity. UOI is the only home-grown general insurer listed on SGX-ST.

As a trustee of a mutual fund, UOI operates on the principle that the losses of a few are shared among many. This process involves pooling premiums together, deducting claims, and accumulating surpluses. These surpluses are then either invested in business capital requirements or deployed into investments. Through prudent management of this mutual fund, UOI plays a critical role in risk transfer for the insured, supports economic activities, contributes to government revenues through taxation, creates employment opportunities, and provides essential funding for investments and corporate finance.

In line with the Singapore government's vision for a green economy, we address climate-related risks and opportunities in accordance with the Guidelines on Environmental Risk Management (ERM) for Insurers issued by the Monetary Authority of Singapore (MAS) in December 2020. Additionally, we align our material sustainability topics with the United Nations Sustainable Development Goals (SDGs).

Our approach to sustainability, along with our actions, achievements, and targets, is comprehensively detailed in this report.

## About This Report

This report is UOI's eighth annual sustainability report, published on 26 March 2025.

It is published as part of our Annual Report and provides details of our performance relating to material Environmental, Social, and Governance (ESG) topics, including impacts, risks and opportunities. The performance data in the report covers the financial year ended on 31 December 2024.

### Reporting Scope and Boundary

This report covers the entire operations of UOI in Singapore and all related business activities.

### Reporting Standards and Frameworks

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. We use the GRI Standards for our sustainability reporting due to their international recognition and their focus on identifying and prioritising material sustainability impacts. We have referred to the Sustainability Accounting Standards Board (SASB) Standards for the Insurance Industry to report on some of the metrics where reliable data is available. We plan to report on the remaining SASB metrics in a progressive manner in the coming years.

This report complies with the SGX-ST Listing Rules (711A and 711B) on Sustainability Reporting and includes the six primary components required for reporting: material ESG factors, policies, practices and performance, targets, the sustainability reporting framework adopted, and the Board's statement on the oversight and management of sustainability matters. Additionally, it outlines UOI's contributions to the SDGs. The report also incorporates references to the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and adheres to the Guidelines on ERM for Insurers issued by the MAS.

### Reporting Principles

In preparing this report, we have adhered to the GRI reporting principles, which include accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. The topics covered in this report were selected through the GRI materiality assessment process, enabling us to identify UOI's actual and potential impacts—both negative and positive—on the economy, environment, and people, including their human rights, across UOI's activities and business relationships.

## Restatement

The carbon emissions data has been restated for FY2023 from the previously reported figure of 207 $tCO_2$ to 204 $tCO_2$. The change is due to the revision of the emission factor by the Energy Market Authority, Singapore from 0.417 to 0.412.

## External Assurance

UOI's current practice is to rely on internal checks and verifications for data presented in its sustainability report instead of seeking external assurance. Additionally, the Internal Audit function conducts an internal review of the reporting process to strengthen the robustness of disclosures.

## Availability

As part of our Annual Report, this report is available on UOI's website (www.UOI.com.sg) in PDF format for viewing and download.

## Feedback

We welcome any questions or feedback relating to this report which may be sent to contactus@uoi.com.sg.

| ESG Performance Summary | | | | |
|---|---|---|---|---|
| **ESG Factors** | **Unit** | **2024** | **2023** | **2022** |
| **Environmental** | | | | |
| Electricity consumption | kWh | 496,176 | 496,252 | 471,723 |
| Energy intensity (per employee) | kWh | 3,759 | 4,315 | 4,717 |
| $CO_2$ emissions – Scope 2 | $tCO_2$ | 204 | 204 | 197 |
| $CO_2$ emissions intensity – Scope 2 (per employee) | $tCO_2$ | 1.55 | 1.78 | 1.97 |
| Office paper use | kg | 10,250 | 12,053 | 13,695 |
| Office paper use intensity (per employee) | kg | 78 | 105 | 137 |
| Non-hazardous waste | kg | 4,756 | 4,039 | 5,250 |
| Non-hazardous waste intensity (per employee) | kg | 36 | 35 | 53 |
| Hazardous waste (e-waste) | kg | 26 | 18 | NA |
| Hazardous waste recycled (e-waste) | % | 100% | 100% | NA |
| Note: Energy and emissions refer to purchased electricity. | | | | |
| **Social** | | | | |
| **Employees** | | | | |
| Total number of employees | Number | 132 | 115 | 100 |
| New hires | Number | 41 | 39 | 23 |
| Female employees | % | 74 | 79 | 86 |
| Female managers and supervisors | % | 71 | 76 | 85 |
| Female division heads | % | 64 | 75 | 57 |
| Average hours of training per employee | Hours | 25 | 24 | 33 |
| Annual employee turnover rate | % | 13 | 14 | 12 |
| **Customers** | | | | |
| Incidents of non-compliance concerning product and service information | Number | 0 | 0 | 0 |

# Sustainability

| ESG Performance Summary | | | | |
|---|---|---|---|---|
| **ESG Factors** | **Unit** | **2024** | **2023** | **2022** |
| **Governance** | | | | |
| Incidents of corruption | Number | 0 | 0 | 0 |
| Incidents of customer privacy breach | Number | 0 | 0 | 0 |
| Incidents of regulatory non-compliance | Number | 0 | 0 | 0 |
| Compliance with the Insurance (Corporate Governance) Regulations (Insurance Regulations) | NA | ✔ | ✔ | ✔ |
| Compliance with the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST) | NA | ✔ | ✔ | ✔ |
| Compliance with all material aspects of the Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore (MAS Guidelines) issued by the Monetary Authority of Singapore (MAS) in 2021 | NA | ✔ | ✔ | ✔ |
| Compliance with the MAS Guidelines on ERM | NA | ✔ | ✔ | ✔ |
| Compliance with the Code of Corporate Governance 2018 issued on 6 August 2018 (2018 Code) | NA | ✔ | ✔ | ✔ |

## Board Statement

At UOI, the Board is committed to building a sustainable and resilient business. It regularly assesses, determines, and addresses material ESG impacts, risks, and opportunities. The Board seeks to align UOI's policies with broader sustainable development goals and stakeholder expectations. When developing and reviewing business strategy, it considers material sustainability topics and provides Management with strategic guidance on sustainability issues.

Working alongside the Management Committee (MC), the Board identifies material ESG factors, including impacts, risks, and opportunities across short, medium, and long-term horizons. The Board maintains effective oversight of the management and monitoring of these material ESG issues, as outlined in our sustainability reporting. It holds ultimate responsibility for sustainability reporting and has reviewed and endorsed this sustainability report.

Recognising the significant impact of climate change on the global insurance industry, the Board acknowledges the necessity for the sector to effectively assess and manage climate-related risks and opportunities. At UOI, the Board oversees these climate-related risks and opportunities as part of overall risk management and business strategy, while Management, under the Board's guidance, is actively involved in their assessment and management as part of its overall approach to material sustainability issues.

## Highlights

- UOI continues to enjoy a financial strength rating of A+ (Superior), a Long-Term Issuer credit rating of 'aa-' and a stable outlook from AM Best, a leading independent international credit rating agency for the insurance industry.
- In 2024, UOI proudly received the Best Risk Management Award (Silver) for companies with a market capitalisation of $300 million to less than $1 billion. This recognition underscores our unwavering commitment to maintaining robust risk management practices as we prepare to scale our growth in the coming years.
- Absence of any significant adverse finding in internal and external audits.
- Absence of any significant complaint by customers and claimants.

## Sustainability Governance

At UOI, sustainability governance is a Board-level responsibility. The Board is actively involved in shaping and executing the sustainability strategy, as well as guiding Management in managing environmental risks and upholding corporate governance standards.

Under the Board's guidance, Management has established a comprehensive system of internal controls and risk management. This system ensures that UOI's operations and interactions with stakeholders adhere to high standards of professionalism, ethics, and social and environmental responsibility.

The **Management Committee (MC)**, comprising senior executives from various key divisions and led by the Chief Executive Officer, is responsible for executing the sustainability strategy and preparing the sustainability report under the Board's direction.

The MC's broader sustainability mandate includes developing and implementing an environmental risk management framework, along with policies, tools, and metrics to manage climate-related risks and opportunities. It also regularly evaluates these risks and opportunities, providing updates to the Board on significant developments.

The MC is tasked with reviewing and assessing the sustainability context, material ESG factors, and environmental and climate-related risks and opportunities, as well as determining the content and scope of the report and topics for disclosure. The Board reviews and approves the material ESG factors and sustainability reports.

Additionally, we have a cross-functional project team entrusted with collecting and verifying ESG performance data for reporting purposes.

## Sustainability Management

At UOI, several executive committees play a crucial role in integrating sustainability strategies across the organisation. The responsibilities and structure of these committees are detailed below:

**Risk Management and Compliance Committee (RMCC):** examines all risk management, corporate governance and compliance issues affecting the Company, including ESG risks which also cover climate-related risks.

**Underwriting and Claims Committee (UCC):** establishes underwriting and claims policies, procedures, and monitors the compliance of such policies and procedures by all operational units. The UCC monitors underwriting risks and oversees the development of any environmental and climate-related risks.

**Investment Committee (IC):** monitors and manages the Company's investment portfolios, ensuring sound and responsible economic performance. The IC also considers ESG risks in general and climate-related risks more specifically to minimise overall risk to our investment portfolio.

More information about the functions of various committees is available in the Risk Management section of this Annual Report.

## Sustainability Strategy

At the heart of UOI's operations and stakeholder engagements are our values: Honourable, Enterprising, United, and Committed. We aim to consistently deliver outstanding client experiences through our commitment to high ethical standards, integrity, professionalism, transparency, and good governance.

In terms of practices, we address our material ESG impacts, risks, and opportunities by our culture of compliance, fair dealing practices and personal data protection. In our direct operations, we are dedicated to mitigating negative impacts and taking corrective actions where necessary.

We work closely with our asset managers to monitor climate-related risks and opportunities relating to our investments.

Our sustainability strategy is built on four pillars: monitoring and understanding current and emerging trends relevant to our industry, identifying and mitigating associated risks, exploring growth opportunities, and developing actionable plans.

# Sustainability

## ESG Developments and Trends

As an insurance business, it is essential for us to be well-prepared to both manage and mitigate upcoming risks and to capitalise on future opportunities that benefit all our stakeholders, ensuring our financial sustainability is fundamental to fulfilling our broader role in making significant contributions to society. Below, we have highlighted some key developments and ongoing ESG trends that have the potential to influence our activities in the future:

1. **Climate Change**

   The IPCC's Sixth Assessment Report (AR6) Synthesis Report[1], published in March 2023, highlighted that human activities, especially fossil fuel combustion and deforestation, are unequivocally driving global warming, which has already increased temperatures by 1.1°C above pre-industrial levels. Climate impacts, including extreme weather events, sea level rise, and biodiversity loss, are escalating and disproportionately affect vulnerable populations. Without deep and immediate greenhouse gas emission reductions, the world is likely to exceed 1.5°C warming, leading to irreversible and catastrophic impacts on ecosystems, human systems, and livelihoods. The report underscores the urgency of transformational adaptation and equitable climate action, ensuring support for the most affected regions and communities.

   Limiting warming to 1.5°C or well below 2°C requires rapid transitions to renewable energy, electrification, sustainable practices, and enhanced climate financing. While current adaptation efforts are insufficient, ambitious climate actions can provide co-benefits, including improved public health, energy security, and economic resilience. The report concludes that although the window to secure a sustainable and habitable future is rapidly closing, coordinated, equitable, and decisive global action can still mitigate the worst outcomes and pave the way for a more sustainable future.

   Swiss Re Institute[2] estimates that global insured losses from natural catastrophes reached USD 108 billion in 2023, marking the fourth consecutive year with losses exceeding USD 100 billion. This was driven by a record 142 insured-loss events, including severe convective storms that accounted for USD 64 billion of the total. For 2024, insured losses are projected to surpass USD 135 billion, with significant contributions from Hurricanes Helene and Milton in the U.S. (nearly USD 50 billion) and severe flooding in Europe and the UAE (close to USD 13 billion). These figures highlight the growing financial burden of natural disasters on the insurance industry, underscoring the critical need for improved risk management and climate adaptation strategies.

   At UOI, we are progressively adopting the TCFD Recommendations and constantly monitoring the climate related risks. Included in this report is our TCFD Report, which elaborates on how we are tackling climate-related issues that are significant to our business.

2. **Technology and Digitalisation**

   The past years have witnessed the acceleration of digitalisation of economies and businesses, rise in remote work and shifts in consumer behaviour towards transactions on digital devices. As an insurance provider, we have responded by updating our customer journeys to meet the evolving needs of our customers. Additionally, we have plans to leverage on technological advancements in areas of data analytics and Artificial Intelligence (AI), as we constantly look to serve our clients better. Digitalisation has become a key area of our long-term transformation strategy.

3. **Other Trends**

   Other ongoing trends of significance to the insurance industry include the increasing complexity of regulatory requirements, which add compliance and operational considerations; the persistent threat of terrorism, which creates uncertainty in risk modelling and underwriting for property and casualty insurance; and generational shifts that are reshaping customer expectations, product preferences, and digital engagement. Additionally, rising healthcare costs put pressure on health insurers, impacting pricing, claims management, and policy design. Geopolitical conflicts challenging multilateralism may disrupt trade, supply chains, and investments, increasing volatility in insurers' risk exposure and operations.

1 IPCC's Sixth Assessment Report (AR6) Synthesis Report, Summary for Policymakers (SPM.A.1).
2 Swiss Re Institute's report titled "Natural catastrophes in 2023: gearing up for today's and tomorrow's weather risks."

## Our Response

**Strong Governance**
UOI's Audit and Risk Committee (ARC) is responsible for reviewing financial statements, transactions involving interested persons, internal control systems, and risk management policies. It appoints the internal auditors and recommends the appointment of the external auditors. Its responsibilities include approving audit plans and reviewing reports from both internal and external auditors.

In line with these responsibilities, both the Board and MC aim to adopt the MAS Guidelines on ERM. These guidelines are designed to enhance the governance, oversight, and management of climate-related risks and opportunities. The management team remains committed to regularly updating UOI's environmental risk management framework, and systematically assessing, and managing environmental risk exposures in alignment with the Board's policies.

A detailed explanation of the Company's governance can be found in the Corporate Governance section in this Annual Report.

**Judicious Underwriting**
Effective risk management is central to UOI's operations, given the inherent high risks of the insurance industry and the need to always meet regulatory solvency requirements. UOI is committed to careful underwriting, especially in light of emerging challenges mentioned above. We maintain a vigilant approach in monitoring risk accumulation and the sustainability of UOI's value chain, including our reinsurers.

**Digital Capabilities**
UOI is investing in enhancing our digital capabilities to improve customer experience and operational efficiency. Securing our IT infrastructure is a top priority, and we are continually upgrading our data protection and cybersecurity measures. We are also investing in ongoing training of our people to build a digitally savvy workforce.

Please read more about digital transformation projects in the Marketplace section of this report.

**Responsible Investing**
ESG considerations are integrated into our investment decisions. Our fund manager, UOB Asset Management (UOBAM), incorporates ESG evaluations across all investment asset classes. As a signatory of the UN Principles for Responsible Investment (UNPRI), UOBAM employs tools like sustainability ratings to assess ESG performance of portfolio companies.

Read more about our Responsible Investment in the TCFD Report section of this report.

**Green Insurance**
UOI remains committed to exploring opportunities in green insurance solutions to support eco-friendly lifestyles, products, and projects. We are also monitoring rapid technological advancements and their implications for risk assessment and underwriting.

One example of our green insurance products is InsureDrive, whereby we offer a motor insurance policy catering to electric cars.

Learn more about our Sustainable Insurance solutions in the TCFD Report section of this document.

**Green Building**
UOI Building, our headquarters, has been awarded the Green Mark Certification by Singapore's Building and Construction Authority (BCA). The building incorporates energy- and water-efficient systems, including an upgraded cooling system, energy-saving LED lighting, and water-efficient fixtures.

# Sustainability

## Our Stakeholders

We maintain continuous dialogue with a wide range of stakeholders to understand their needs, concerns, and expectations. These valuable insights inform internal management discussions, enabling us to develop tailored insurance plans and solutions for our customers.

We engage stakeholders through various methods, including surveys, meetings, focus groups , and participation in industry forums. The frequency of engagement varies based on stakeholder groups and their specific needs.

Our key stakeholders include individuals and groups whose interests are directly or indirectly impacted by UOI's business operations. Through regular engagement as part of our daily activities, we aim to address their legitimate concerns and expectations. Our approach emphasises active listening and constructive dialogue, fostering trust and facilitating meaningful conversations.

The following table provides an overview of our stakeholder engagement activities:

| Our Stakeholders | What They Expect | How We Engage | How We Respond |
|---|---|---|---|
| **Customers** | • Adequate cover<br>• Affordable premiums<br>• Clarity in policy terms and conditions<br>• Respect and fair treatment<br>• Products tailored to their needs<br>• Fast claim settlements | • Product brochures and communications<br>• Web portal<br>• Customer services<br>• Through the sales process<br>• Through the claims process | • Customer-centric business approach<br>• Hiring of skilled personnel<br>• Adherence to industry code of practice<br>• Adherence to our Code of Conduct<br>• Behavioural service standards for employees<br>• Product training for employees and sales personnel<br>• Product development that aligns with customers' needs<br>• Product review committee to assess all new products<br>• Annual review of agents to ensure their suitability in serving our customers |

| Our Stakeholders | What They Expect | How We Engage | How We Respond |
|---|---|---|---|
| **Employees** | • Conducive work environment<br>• Trust and respect<br>• Skills training<br>• Career advancement<br>• Safe workplace<br>• Fair remuneration and benefits<br>• Channel for feedback | • Communication tools and regular meetings<br>• Team bonding activities and events<br>• Performance appraisal<br>• Regular workplace safety assessments<br>• Employee survey | • Compliance with applicable laws and regulations, including Workplace Safety and Health Act<br>• Employment policies and practices that promote inclusivity, diversity, fair treatment, safe working conditions, reward and recognition for performance, teamwork, work-life balance, and career growth<br>• Flexi-work arrangements<br>• Annual training plan |
| **Agents and Brokers** | • Competitive sales commission and incentives<br>• Product training and development<br>• After-sales support<br>• Prompt claims settlements<br>• Competitive products and pricing<br>• Comprehensive coverage<br>• Underwriting expertise | • Regular meetings with Agents and Brokers<br>• Dedicated Account Relationship Managers<br>• Product briefings<br>• Networking sessions with Brokers | • Agency agreement with clear terms and conditions<br>• Regular training opportunities<br>• Agency management framework |
| **Regulators** | • Compliance with applicable regulations<br>• Adherence to various sector-specific guidelines<br>• Fair dealing | • Participate in briefings and consultations organised by regulatory agencies<br>• Communication through emails and letters | • Compliance with applicable rules and guidelines<br>• Robust management of risks<br>• Sound underwriting policy and strategies<br>• Promptly responding to requests for information<br>• Timely submission of reports |

# Sustainability

| Our Stakeholders | What They Expect | How We Engage | How We Respond |
|---|---|---|---|
| **Trade Associations** | • Support through membership subscriptions | • Participate in industry seminars and conferences | • Membership of relevant associations such as the General Insurance Association of Singapore (GIA) |
| **Investors** | • Consistent returns<br>• Good governance<br>• Sustainable business growth<br>• High standards of ethics and integrity | • Annual General Meeting<br>• Investor Relations | • Professional and ethical conduct<br>• An experienced management team that runs the business efficiently and generates optimum returns<br>• Sustainable business growth policies and strategies<br>• Prudent business planning and risk management<br>• Good governance, transparency and disclosure |
| **Community** | • Good corporate citizenship<br>• Support for social causes | • Various community outreach activities | • Organise community and employee volunteer programmes and participate in our parent Company's (UOB) programmes<br>• Support for national green policies and measures |

## Membership of Associations

UOI is a member of the following industry and insurance sector associations, and actively participates in various activities conducted by these associations, including holding leadership positions when called upon:

- GIA
- Singapore National Employers Federation
- Singapore Business Federation

## Materiality

Our sustainability approach focuses on ESG issues assessed to be material to our business and key stakeholders. This process is supported by periodic materiality assessments conducted in line with established sustainability reporting standards, such as the GRI Standards.

Guided by the GRI Standards, we prioritise topics that reflect UOI's significant actual and potential ESG impacts—both positive and negative—across short-, medium-, and long-term horizons. These assessments consider the severity and likelihood of negative impacts alongside the scale and probability of positive outcomes. They also address human rights and other ESG risks, opportunities, and impacts across our interactions with employees, customers, regulators, business partners, and local communities.

Our materiality assessment incorporates broader sustainability trends, the SDGs, emerging ESG risks, opportunities within the insurance sector, and regulatory developments. Material climate-related issues are addressed in alignment with the SASB Standards, TCFD Recommendations, and MAS Guidelines on ERM for Insurers. Input from internal stakeholders and an external sustainability consultant further informs the identification of material ESG topics.

The MC validates the sustainability issues identified during the materiality review, after which these topics are presented to the Board for review and approval. The outcomes guide our sustainability policies, priorities, targets, and reporting practices.

Additionally, we continue to report on topics we consider important but not material. These include energy consumption and Greenhouse Gases (GHG) emissions in our direct operations and our contribution to local communities.

| Materiality Determination Process | | | |
|---|---|---|---|
| 1. Analyse | 2. Identify | 3. Assess | 4. Prioritise |
| • Review our business model, activities and stakeholder relationships, ESG trends, reporting regulations and industry practice to understand our organisational context. | • Identify potential and actual ESG impacts, risks and opportunities.<br>• Consider relevant insights from stakeholders and experts. | • Evaluate the significance of ESG impacts, risks and opportunities.<br>• Map risks based on severity and likelihood. | • Determine material topics for reporting.<br>• Review of material topics by Management Committee.<br>• Review and approval of material topics by the Board. |

## Materiality Review 2024

UOI's senior management team participated in a materiality workshop facilitated by an external sustainability consultant to review the material topics for FY2024 reporting. Following this review, it was determined that the topics reported in the 2023 Sustainability Report remain valid and relevant for reporting.

# Sustainability

## Material Topics

Based on the latest review, UOI's material factors and the related SDGs are presented in the following table.

| Material ESG Topics | Impact Description | Our Approach | Stakeholders Interested in the Topic | Relevant SDGs |
|---|---|---|---|---|
| Client Satisfaction | The impact occurs across our customer base through our product features, pricing, underwriting, claim settlement processes, customer service, and our agents and bancassurance partners. | To conduct our business professionally and ethically and deliver value and fair dealing outcomes to our customers. | Customers, Agents/Brokers, Regulators, Investors | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| Digitalisation | The impact is seen in greater efficiency, higher productivity, and an improved customer experience. | To identify, evaluate and implement suitable areas for digitalisation of business processes and delivery of insurance services on ongoing basis. | Customers, Agents/Brokers, Regulators, Investors | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE |
| Regulations | The impact occurs due to the strict regulations governing the insurance sector. Our compliance policies positively impact regulatory institutions and customer satisfaction. | Maintain zero breaches or incidents of non-compliance with cybersecurity, corruption and bribery, and personal data protection laws and regulations. | Regulators | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS |
| Responsible Investment | The impact occurs outside of our organisation through our investment decisions. | We have embedded ESG considerations in our investment decisions. | Investors | 13 CLIMATE ACTION |
| Climate change | The impact occurs outside of our organisation through our underwriting insurance risks, investment decisions and green insurance solutions. | To focus on prudent underwriting of insurance risks and consider climate change concerns in investment decisions.<br><br>To explore developing solutions that support climate change mitigation. | Investors | 13 CLIMATE ACTION |

| Material ESG Topics | Impact Description | Our Approach | Stakeholders Interested in the Topic | Relevant SDGs |
|---|---|---|---|---|
| Talent management | The impact occurs within our organisation through the professional development of our people and through building an inclusive workplace. | To attract, develop and retain talent.<br><br>To nurture an inclusive workplace. | Employees | 8 DECENT WORK AND ECONOMIC GROWTH |
| Building a risk-focused organisation culture | The impact occurs within our organisation through building risk management skills and capabilities. | To build a risk-focused organisation through ongoing training on risk management. | Employees | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS |

## Marketplace

Our primary focus is on enhancing the customer experience and delivering exceptional value to our clients through solutions that meet our customers' insurance needs.

## Our Insurance Operations

### Client Satisfaction

Over the past 50 years, we have built a strong foundation of trust and loyalty by delivering consistent products and services. Our offerings are designed to provide appropriate coverage levels at affordable premiums to meet client needs. Mandatory insurance products, such as motor insurance, domestic helper insurance, and work injury compensation, are offered at competitive rates to help clients meet legal requirements cost-effectively.

We recognise the importance of simple and efficient claims processing to our clients and are committed to delivering this consistently.

Our growing investment in digital solutions further supports client satisfaction by streamlining processes, enhancing customer service, and improving operational efficiency.

| Material Topic: Customer Satisfaction | |
|---|---|
| **Ongoing Target** | **2024 Performance** |
| To conduct our business professionally and ethically and deliver value and fair dealing outcomes to our customers. | There were no incidents of non-compliance concerning product and service information and labelling or marketing communications. |

**Fair Dealing**

We prioritise treating clients with fairness and respect while maintaining transparency in our sales and marketing practices. This approach is central to building trust and fostering a client-centric culture.

Our advertising, promotional materials, and product information are designed to be transparent, straightforward, and easy to understand. Our agents are trained to clearly communicate the key features of our products and services. They provide product summaries that highlight essential details, including coverage, benefits, significant restrictions, warranties or exclusions, and any critical conditions or obligations customers must fulfil.

**Free Look Period**

Client confidence in their insurance choices is a priority for us. To support this, certain products offer a 14 or 30-day free-look period, allowing clients to review their policy and ensure it meets their needs. If a client cancels the policy within this period, they are entitled to a full refund of their premium.

**Fair Claim Processing**

We are committed to handling claims and complaints fairly, reasonably, and promptly. We acknowledge claims within three business days of receipt and resolve them as quickly as possible, following a thorough review and investigation.

Clear communication about coverage and claim procedures at the outset helps streamline the process. We ensure clients fully understand the claims process at the time of purchase. Our approachable claims executives are available to answer any queries during the claims process, and our website offers comprehensive information on claim procedures to further assist clients.

# Sustainability

**Insurance Solutions for SMEs**
We have several business insurance products, such as BizCare and BizPA, designed specifically for small and medium enterprises (SMEs). BizPA provides financial payouts to the business in the event of the owner's accidental death or permanent disability. This coverage helps mitigate financial disruptions and supports business continuity. BizCare takes care of a broad range of risks an operating business might face, and ensures the SMEs are adequately covered in one packaged policy.

## Digitalisation

We recognise the growing prominence of digital e-commerce in today's data-driven world, making digital transformation a key strategic focus. Leveraging on technology, we aim to continuously enhance client experiences and boost productivity. Our ongoing investments in IT infrastructure and management information systems are central to our goal of growing and meeting customers' evolving needs. By consolidating processes onto secure digital platforms, we improve operational efficiencies, lower costs, and reduce our environmental impact.

Emerging technologies such as artificial intelligence, machine learning, data analytics, and the Internet of Things (IoT) are reshaping the insurance industry. Using data analytics allow us to develop more personalised and relevant insurance solutions to meet our clients' needs.

Our ongoing goal is to enhance our digital capabilities through investments in IT infrastructure, business process automation and interactive customer platforms.

## Enhancing Sustainability and Efficiency

In alignment with our sustainability goals and operational efficiency objectives, we have successfully implemented several transformation projects in 2024 aimed at reducing paper consumption, streamlining processes, and improving overall productivity. These initiatives include:

**Digitalising the Renewal Review Process**
In Phase 1 of this project, the renewal review processes were enhanced into digital formats. This has resulted in significant productivity savings and reduction of paper usage monthly.

**Customer Care Ticketing System**
Communication between the Customer Care Centre (CCC) and Business Units have been consolidated and transitioned to a unified digital platform. This change has led to streamlined workflows between the various teams, better insights into customer enquiries and feedback and decreased paper usage, resulting in improved customer satisfaction.

**Digital Platform for Direct Sales**
This initiative enhanced the online customer journey for retail products and more automated processing internally. The result is improved efficiency in backend processes, enhanced customer experience, and reduced paper usage in middle and back-office operations.

**Process Optimisation and Automation**
A Robotic Process Automation (RPA) project was initiated for the processing of selected insurance policies, improving productivity and operations output.

These initiatives build on a number of previous digitalisation initiatives undertaken over the years. These include:

**Enhancing Access to Insurance Products and Services**
UOI offers a wide range of insurance products accessible through mobile and web-based platforms. Customers can conveniently purchase travel insurance via e-commerce channels, including our website, UOB, UOB Travel Planners, and UOB TMRW. Our secure online platform also provides instant quotes and easy purchase options for travel insurance.

**Developing a Future Ready Workforce**
As we integrate more digital solutions and processes, enhancing the technological proficiency of our workforce is essential to fully realise the benefits of digitalisation. UOI has introduced digital training and ongoing skills development programmes for employees.

**Ensuring Regulatory Compliance**
At UOI, strict adherence to legal and regulatory requirements is a core priority. We maintain a zero-tolerance policy for breaches of applicable laws, ensuring full compliance with the Insurance Act governing our operations. We actively collaborate with regulatory bodies such as the MAS to strengthen the sector's resilience. Regulatory compliance is overseen by UOI's RMCC.

**Increasing Compliance Awareness**
Training employees in legal compliance is a key element of our corporate governance. To support regulatory adherence, we provide operational manuals and toolkits as practical resources. Employees also participate in annual training covering various regulatory compliance topics, including insider trading, market misconduct, anti-money laundering, anti-bribery, banking secrecy, computer misuse and cybersecurity, and fair dealing.

**Compliance Record**
During the reporting period, we had no instances of non-compliance with applicable laws or regulations that led to fines or non-monetary sanctions.

## Our Business Practices

**Anti-corruption**
UOI maintains a strict zero-tolerance policy against fraud, bribery, corruption, and money laundering. We comply with anti-bribery laws and are guided by our Code of Conduct, which is mandatory for all employees and Directors. The policy explicitly prohibits employees from offering, accepting, authorising, or facilitating bribes.

In 2024, there were no incidents or cases of corruption.

**Code of Practice**
We are dedicated to the responsible sale of insurance products and have adopted the Singapore General Insurance Code of Practice, issued by the GIA, including adherence to the Service Standards of General Insurers.

The Code establishes clear and consistent standards for the insurance industry, aiming to enhance policyholder trust through transparency. It ensures insurance products and practices are clear and straightforward, enabling policyholders to make informed decisions when selecting insurance policies.

**Customer Privacy and Data Security**
As we advance in digitalising our services and processes, safeguarding data privacy and personal security remains a top priority. UOI is committed to implementing best practices to protect the personal data of customers, employees, and stakeholders. Our cybersecurity measures include a robust security system to protect the confidentiality of customer account information and personal details.

UOI complies with Singapore's Personal Data Protection Act (PDPA) and has a privacy policy available on our website. This policy outlines how personal data is managed, including its collection, use, and disclosure purposes.

In 2024, no substantiated complaints were received regarding breaches of customer privacy.

| Material Topic: Regulations | |
|---|---|
| **Ongoing Annual Target** | **2024 performance** |
| To maintain zero breaches of laws and regulations. | No incidents of regulatory non-compliance. |
| To maintain zero breaches of anti-corruption laws and regulations. | No incidents or cases of corruption. |
| To maintain zero breaches of personal data protection/privacy laws and regulations. | No substantiated complaints concerning breaches of personal data or customer privacy were received. |

## Our Participation in Market Pools
UOI actively participates in the Motor Insurers' Bureau, a key independent entity in Singapore. Funded by all motor insurers in the country, its central aim is to provide compensation to road users for bodily injuries resulting from accidents involving untraced or uninsured motorists.

## Our Approach to Supplier Relationships
We are committed to maintaining fair and ethical relationships with our suppliers and partners. We expect our suppliers to uphold high ethical standards and demonstrate professional integrity. Our supply chain primarily comprises providers of IT and office equipment, consumables, utilities, financial services from banks, professional services, legal consultancy, telemarketing, and direct marketing services, as well as loss adjusters and claims handling service providers. Our broader value chain includes reinsurers, agents, and brokers, who play a pivotal role in marketing and selling our insurance products.

# Sustainability

## People

UOI's continued success and growth are firmly anchored in our workforce, one of our key assets. The dedication of our employees underpins our consistent business performance and our commitment to serve our customers. Our team is made up of people with a wealth of experience and knowledge.

Our human resource practices and benefits have been updated to reflect the new nature of hiring and retaining talent. We look to cultivate a skilled, engaged, and high-performing workforce that are empowered to deliver exceptional service and excellence in their roles. Our aim is to foster a culture of care, growth and trust.

By the end of 2024, UOI employed 132 people, of whom 98% were full-time staff, with the remaining 2% working part-time. Of the total workforce, 86% were permanent employees, while 14% were on fixed-term contracts. Additionally, 11 non-employee workers, including cleaners, security guards, and facilities personnel provided by third-party agencies, supported our operations as of the end of the reporting period.

The average age of our employees was 49, with many being long-serving members of staff.

### Diversity, Equity and Inclusion

We are committed to fostering cultural harmony in the workplace and recognise the strength that diversity brings. Operating in a multi-ethnic and multi-cultural market, we strive to reflect this diversity within our workforce. Our recruitment practices focus on attracting individuals who align with our values, vision, and culture, with selection based on merit and qualifications.

As a signatory of the Employers' Pledge of Fair Employment Practices, we uphold the principles established by the Tripartite Alliance for Fair and Progressive Employment Practices. This alliance, a collaboration between the Ministry of Manpower (MOM), the National Trades Union Congress, and the Singapore National Employers Federation, promotes fair, responsible, and progressive employment practices. We prohibit all forms of discrimination based on race, gender, age, religion, sexual orientation, disability, or any other characteristic protected by law.

Today, women account for 74% of all employees, 70% of managerial and supervisory roles, and 64% of Head of Division (HOD) positions. In 2024, we rehired 14 retiring employees, including 13 women, demonstrating our commitment to maintaining an inclusive work environment.

At the Board level, female directors constitute 12% of our eight-member Board.

### Talent Management

We recognise that attracting, developing, and retaining talent is essential to our business success. To support this, we are committed to providing continuous personal and professional development opportunities throughout their tenure at UOI.

Our talent management strategy emphasises ongoing employee engagement and feedback. Exit interviews are conducted with all departing employees to understand their experiences and identify areas for improvement. The insights gathered are instrumental in refining our HR policies and ensuring a positive and supportive working environment.

In 2024, we hired 41 employees, amounting to an overall hiring rate of 33%. Hiring rates by demographic were: male employees (59%), female employees (25%), and by age group—under 30 years (91%), 30-50 years (47%), and over 50 years (16%).

To assess our effectiveness in talent retention, we benchmark our employee turnover rates against national averages in the insurance sector, as reported by Singapore's MOM. In 2024, our turnover rate was 13%, comparable with the insurance industry's national average of 13%. A total of 16 employees left UOI during the year, comprising 4 men and 12 women.

| Material Topic: Talent Management | |
|---|---|
| Ongoing Annual Target | 2024 Performance |
| To achieve a staff turnover rate to be lower than the national insurance sector turnover rates. | UOI: 13%<br>Insurance sector national average[3] : 13% |
| To refresh training programs for all full-time and contract staff on relevant topics and achieve a 100 per cent passing rate. | Training programs have been refreshed for all full-time and contract staff on relevant topics and achieved a 100% passing rate. |
| To ensure 100% fulfilment of training hours for Front-End Operatives within the calendar year. | Achieved 100% fulfilment of training hours for Front-End Operatives within the calendar year. |

We take pride in having a stable workforce at UOI. Around 30 per cent of our employees have been with the UOI family for more than 10 years, as shown in the table below:

| Years of Service of Employees | | | | |
|---|---|---|---|---|
| 0 to 10 | 11 to 20 | 21 to 30 | 31 to 40 | 41 and above |
| 92 | 2 | 12 | 14 | 12 |

## Developing People

We value continuous learning and development of our employees as essential for the personal and professional growth of our employees.

In 2024, our employees participated in a range of in-house briefings, training sessions, and workshops covering 57 topics. Additionally, our senior executives attended a sustainability workshop to explore new reporting trends and frameworks while reviewing UOI's material ESG impacts, risks, and opportunities.

As part of the Continuing Professional Development (CPD) programme, employees in Front End Operations (FEOs) are required to fulfil the minimum training requirements set by the MAS. In 2024, our FEOs achieved 100% compliance with these training requirements.

## Managing Performance

Our approach to performance management focuses on rewarding our employees fairly and supporting their professional and personal growth. Our performance management process encourages open and honest communication between employees and their managers. This dialogue aims to help employees achieve their personal development goals while aligning with UOI's business objectives. All permanent employees undergo regular performance and career development reviews.

At the start of each year, we establish Key Performance Indicators (KPIs) to ensure employee performance is assessed fairly, transparently, and objectively. Employees discuss their progress on these KPIs with their managers throughout the year. Additionally, we conduct performance feedback dialogues semi-annually, with formal appraisals at the end of the year. In 2024, all eligible permanent employees participated in the performance appraisal process.

3 Source: Labour Market Survey, December 2024 (MOM). Q4 data is based on the average of Q1-Q3.

# Sustainability

## Parental Leave

We support work-life balance. Our family-friendly policies encourage employees to take parental leave and return to jobs after the leave without affecting their employment, remuneration or career progression.

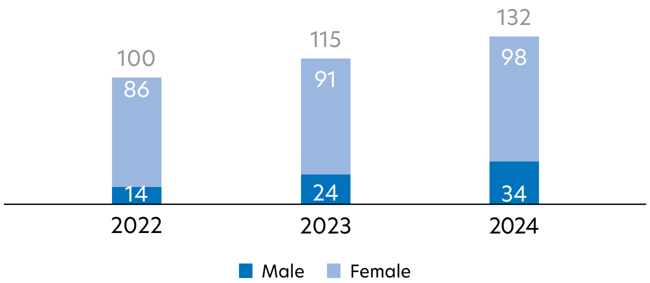
An account of parental leave and return to work is provided in the table below.

| Parental Leave | 2024 | | | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|
| Metrics | Male | Female | Overall | Male | Female | Total | Male | Female | Total |
| Number of employees who were entitled to parental leave | 16 | 17 | 33 | 9 | 15 | 24 | 3 | 8 | 11 |
| Number of employees who took parental leave | 15 | 16 | 31 | 9 | 15 | 24 | 3 | 8 | 11 |
| Number of employees due to return to work after taking parental leave | 15 | 16 | 31 | 8 | 15 | 23 | 3 | 8 | 11 |
| Number of employees who returned to work after parental leave ended | 15 | 16 | 31 | 8 | 15 | 23 | 3 | 8 | 11 |
| Total number of employees who returned to work after parental leave and who were still employed 12 months after their return to work | 7 | 8 | 15 | 2 | 4 | 6 | NA | NA | NA |
| Parental Leave Rate | Male | Female | Overall | Male | Female | Total | Male | Female | Total |
| Return to work rate | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Retention rate | 88% | 53% | 65% | 67% | 50% | 55% | NA | NA | NA |

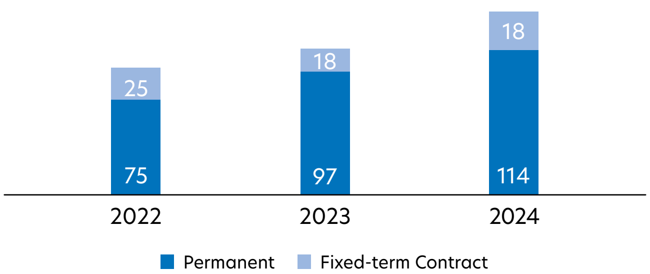
## Performance Summary

Our people performance data is presented in the charts below.

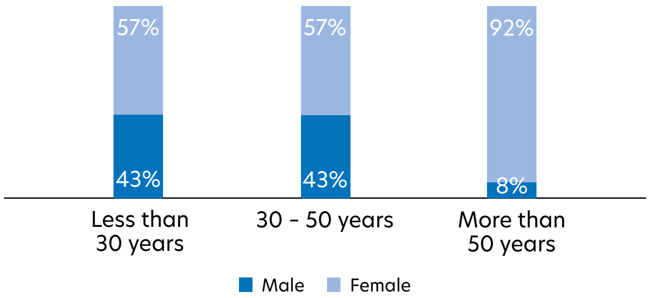
### Total Number of Employees by Gender



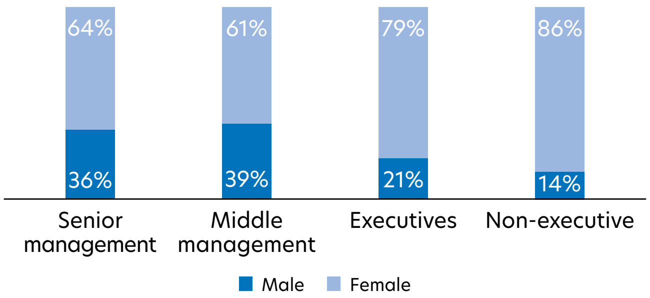

### Employee by Employment Contract Type



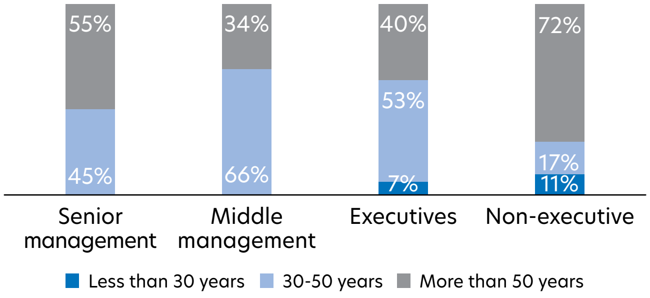

### Age and Gender Diversity - 2024



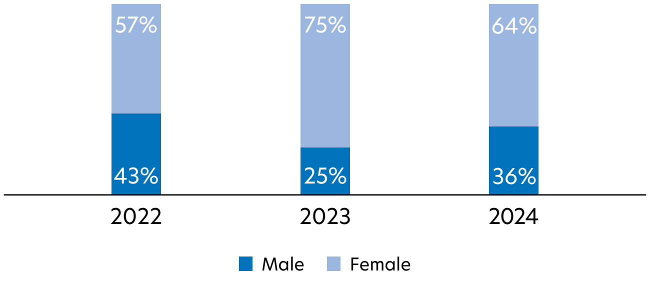

### Gender Diversity by Employee Category - 2024



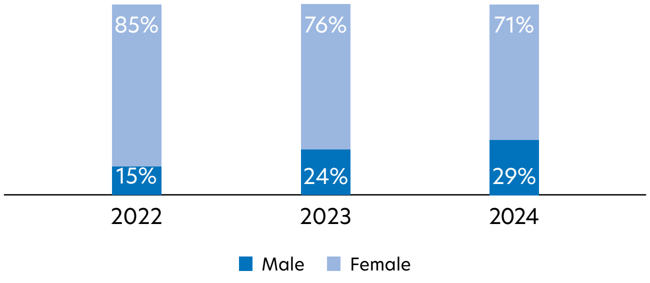

### Age Diversity by Employee Category - 2024



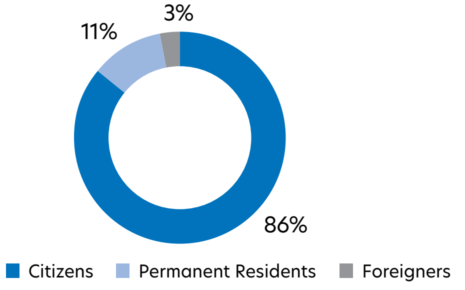

### Gender Diversity: HODs




### Gender Diversity: Managers and Supervisors

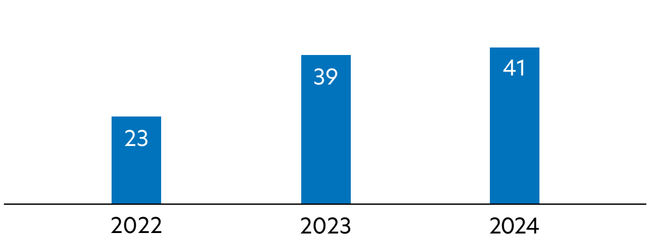



### Citizenship - 2024

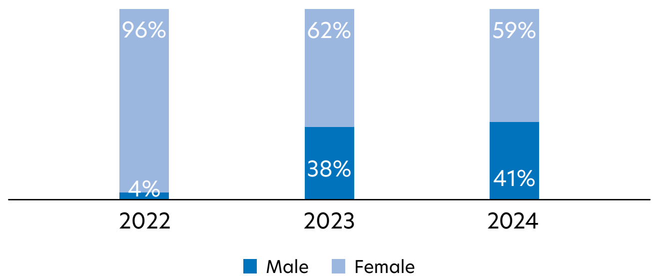


# Sustainability

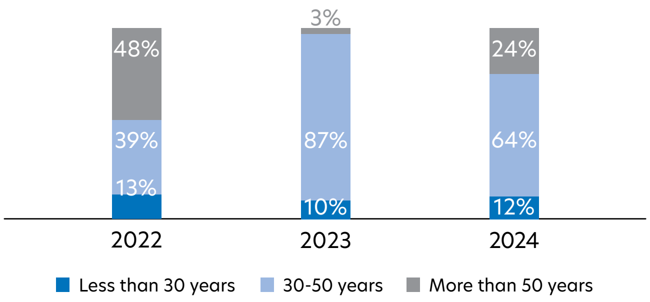
## New Hires



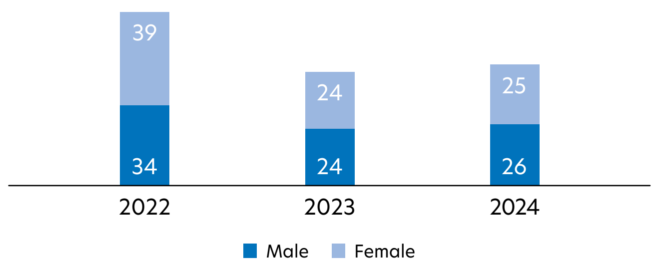

## New Hires by Gender



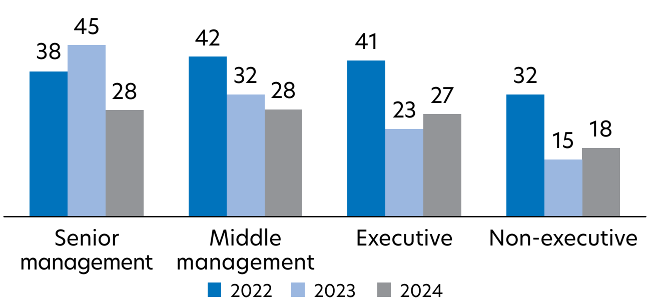

## New Hiring by Age Group



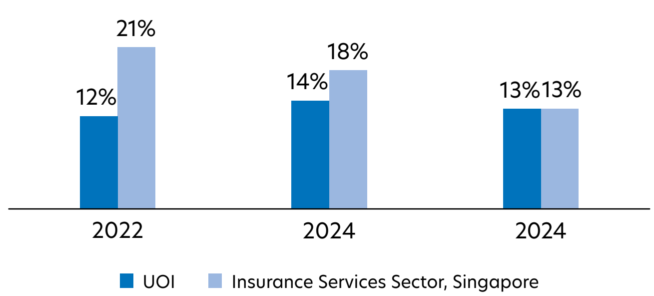

## Average Training Hours Per Employee (By Gender)



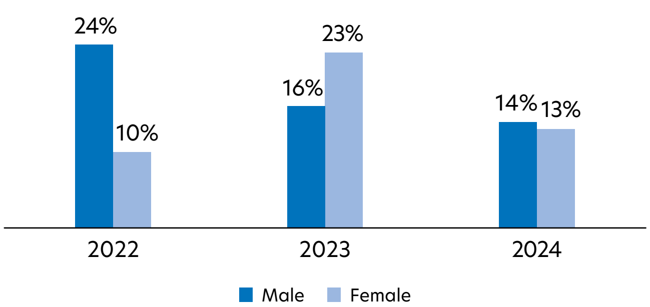

## Average Training Hours by Management Category



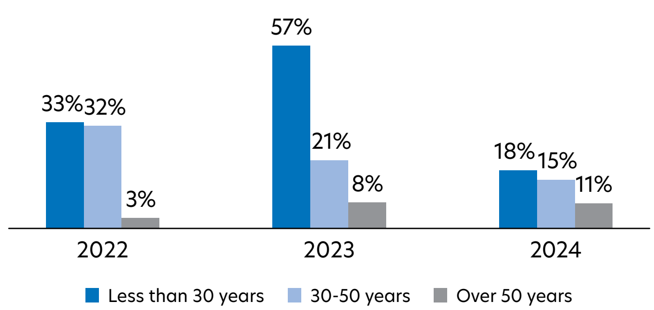

## Annual Employee Turnover




## Employee Turnover by Gender




## Employee Turnover by Age



## Risk-focused Organisational Culture

A strong risk culture, emphasising risk awareness, discipline, and risk-control values, is essential for a general insurance business. It not only reinforces robust risk management capabilities but also provides critical protection for our policyholders.

The foundation of our risk culture is outlined in the Board-approved Enterprise Risk Management Framework. This framework, which defines risk tolerance and operational limits, is reviewed annually and consistently communicated to managers to ensure organisation-wide awareness.

Responsibility for monitoring and managing risks, including unquantifiable but identifiable risks, rests with the RMCC. These risks encompass a wide range, including strategic, reputational, cyber, geopolitical, natural catastrophes, technology, climate change, and outsourcing risks.

Supporting the RMCC, the UCC and Credit Control Committee address risks associated with core business activities. These committees meet monthly to review issues related to underwriting, claims handling, reinsurance, credit, asset allocation, investment management, liquidity, foreign exchange, operational risks, and emerging risks. Insights from these meetings are shared with staff through departmental meetings, fostering a culture of risk awareness throughout the organisation.

| Material Topic: Building a Risk-focused Organisation | |
|---|---|
| **Ongoing Annual Target** | **2024 Performance** |
| Refresh training programs on relevant risk-related topics with 100 per cent passing rates for all full-time and contract staff. | Training programme on relevant risk-related topics were refreshed with a 100 per cent passing rate for all applicable full-time and contract staff. |
| Staff are to attend at least three risk-related training programmes. | All staff attended at least three risk-related training programmes. |

## Risk Management Training

In 2024, 95% of employees completed risk management training and 15% of employees received digitisation-related training.

## Employee Health and Wellbeing

The safety, health, and wellbeing of our employees are fundamental to our operations. We are committed to providing a clean, safe, and secure working environment, ensuring our employees can perform their roles with peace of mind.

To promote a holistic approach to health, we introduced lunchtime talks focused on practical tips for maintaining physical and mental wellness. In addition, we enrolled the organisation as a corporate participant of the Health Promotion Board (HPB) National Steps Challenge. These sessions encourage employees to prioritise self-care, adopt healthy eating habits, and incorporate regular exercise into their routines, fostering a culture of wellbeing throughout the organisation.

## Employee Relations

Since 2004, we have actively collaborated with the Singapore Insurance Employees' Union, with the signing of our first collective bargaining agreement and through regular engagement and dialogue. This agreement is updated every three years and outlines employment benefits for bargainable employees, who represent approximately 27% of our workforce. The most recent renewal was initiated in 2024, to extend the agreement for another three-year term.

Our remuneration policy reflects the tripartite agreement established in collaboration with the union, reinforcing our commitment to fair and transparent practices, which is extended to non-union employees in UOI as well. We take pride in maintaining a positive relationship with our employees, underscoring our shared dedication to fostering a harmonious and supportive workplace.

# Sustainability

## Environment

We are committed to conducting our operations in ways that minimise environmental impact while supporting activities that contribute positively to the planet.

Although our direct operations have a relatively small environmental footprint, we actively seek to reduce energy consumption and paper usage, adopting more sustainable practices across the organisation. More importantly, as an insurance provider, we can drive environmental change through responsible investment decisions and by incorporating sustainability into our insurance offerings.

### Reducing Resource Consumption

Our direct environmental impact primarily arises from electricity and paper usage in the workplace. To minimise this footprint, we have implemented targeted resource management initiatives and raised employee awareness about sustainable practices.

Our office building is equipped with energy- and water-efficient systems, including an upgraded cooling system and energy-saving lighting, which contribute to conserving electricity and water.

Our ongoing digitalisation programme further reduces paper consumption by transitioning to digital documents and processes. We also offer customers the option to receive travel insurance policy documents electronically, significantly cutting down on paper usage.

We closely monitor and report on paper consumption, including copier paper, envelopes, policy jackets, and letterheads. In 2024, we achieved a 15% reduction in paper usage compared to 2023 (12,053 kg), overachieving the target of 10% reduction. Certified sustainable paper accounted for 58% of the total paper used. For detailed data, please refer to the charts on paper consumption trends.

In 2024, we recorded an 18% increase in general waste compared to the previous year. This is attributed to an increase in our staff strength and our new initiative to recycle waste, such as used carton boxes. The recycled waste is weighed for collection, hence adding to the total weight of general waste. The waste intensity per employee was 36 kg, slightly higher from 35 kg for 2023.

### Climate Change

Climate change is already profoundly affecting the frequency and severity of extreme weather events globally, including droughts, floods, heatwaves, and rising sea levels.

The AR6 Synthesis Report, issued by the Intergovernmental Panel on Climate Change (IPCC) in March 2023, underscores the significant risks climate change poses to human well-being and planetary health. It warns of a rapidly closing window to secure a sustainable and liveable future for all. The report emphasises that decisions and actions taken this decade will have far-reaching consequences for millennia. It highlights climate-resilient development as the solution, integrating adaptation measures with efforts to reduce GHG emissions, yielding broader societal benefits.

For the insurance sector, climate change brings substantial challenges, including increased claims from extreme weather events and indirect exposure through investment activities. Insurers must address physical, liability, and transitional risks associated with climate change to remain resilient.

In Singapore, where UOI is headquartered, the nation's small, low-lying geography makes it particularly vulnerable to climate change. According to the Centre for Climate Research Singapore, projections indicate a potential rise in daily mean temperatures by 1.4°C to 4.6°C and sea levels by up to one metre by 2100. In response, the Singapore Government introduced the Singapore Green Plan 2030[4] in 2021. This comprehensive ten-year strategy outlines concrete plans to mitigate and adapt to climate risks, aiming to transform Singapore into a low-carbon city-state and reduce national GHG emissions.

#### Climate Risks

UOI has been working toward improving its understanding of climate-related risks and opportunities by implementing the MAS Guidelines on ERM and the TCFD Recommendations. Our TCFD Report is presented below.

4 Singapore Green Plan 2030

# TCFD Report

## Governance

UOI's governance structure for addressing climate issues includes the Board, the MC, and other key executive bodies.

The Board provides guidance to management in formulating the Company's environmental risk management strategies. The management team is responsible for establishing the necessary controls and tools to operationalise ERM within the Company.

Under the Board's guidance, the MC is tasked with implementing environmental risk management initiatives. The committee is also responsible for developing and implementing an environmental risk management framework, including policies, tools, and metrics to manage climate-related risks and opportunities. It conducts regular reviews of these risks and opportunities to ensure the Board is informed of significant developments.

The MC evaluates environmental and climate-related risks, determines the content, scope, and topics for reporting, and submits these for the Board's review. The Board provides guidance and approves the targets.

### Environmental Risk Management

Various senior executive committees actively contribute to implementing ERM throughout UOI. These committees and their responsibilities are as follows:

**Risk Management and Compliance Committee (RMCC):** examines all risk management, corporate governance and compliance issues affecting the Company, including ESG risks which also cover climate-related risks and environmental risks.

**Underwriting and Claims Committee (UCC):** establishes underwriting and claims policies and procedures and monitors the compliance of such policies and procedures by all operational units. The UCC monitors underwriting risks and oversees the development of any new underwriting policy and strategy. The increasing significance of environmental and climate-related risks has instigated a new risk class that needs to be considered in our underwriting policies and procedures.

**Investment Committee (IC):** monitors and manages the Company's investment portfolios, ensuring sound and responsible economic performance. The IC also considers ESG risks in general and climate-related risks more specifically to minimise overall risk to our investment portfolio.

More information about the functions of various committees is available in the Risk Management section of this Annual Report.

## Strategy and Risk Management

UOI treats environmental risk as the 5$^{th}$ Risk Dimension with its own Risk Tolerance Framework. The risk tolerance is to maintain minimal exposure to environmental risks in our insurance operations and investment activities.

Our tolerance limits are defined as follows:

- The maximum tolerance limit for Underwriting is defined as the gross net exposure protected by reinsurance.
- The maximum tolerance limit for investment is defined as the asset allocation limits of our investment policy.

Under the Environmental Risk Dimension, the Company further categorises the key risks as follows:

# Sustainability

| Risk Dimension | Key Risk | ERM Level 2 Risks |
|---|---|---|
| Environmental | Underwriting Risk | Physical Risk – Extreme weather events (acute risks) and rising sea levels and temperatures (chronic risks) potentially affecting HQ and employee safety in Singapore, climate change, natural catastrophes, high environmental risk sector (HERS) industries.<br><br>Transition Risk – Customers moving towards green industries, introduction of green insurance products. |
| | Investment Risk | Transition Risk – Asset allocation risk, Market risk, Credit risk, Liquidity risk. |
| | Operational Risk | Legal, regulatory and compliance risk, facility risk, reputational risk. |

### Responsible Investment

Environmental risk is an essential factor in our investment decision-making, especially in relation to ESG considerations. Our fund manager, UOBAM, has made sustainability a major focus, treating it as one of its top four business priorities. UOBAM is committed to incorporating ESG factors into all its investment strategies. This approach helps identify strong and well-managed companies that are likely to grow sustainably and stay competitive over time.

UOBAM, which supports the UNPRI, uses a range of tools, such as sustainability ratings, to judge companies' performance in ESG areas.

In addition, UOBAM has an Active Ownership Policy. This policy involves engaging in conversations with companies and voting on key issues. UOBAM's teams across the region use their local knowledge to conduct these important discussions and make informed investment choices for sustainable investments.

For its ESG assessments, UOBAM creates ratings based on ESG data and information from Company reports and publications. These ratings are then used by different investment teams to complement their investment strategies. UOBAM is also investing in building environmental datasets and working with others to build its own tools. These efforts are aimed at understanding the carbon footprint of our investments and evaluating the environmental and climate-related risks companies face.

UOI's IC oversees how much our investment portfolio is exposed to sectors that are at high risk for environmental issues. It uses the ESG risk score from S&P as a guide.

**Sustainable Insurance**

UOI is committed to supporting the insurance needs of industries and projects that aim to reduce environmental impacts and promote positive social change.

In supporting the national initiative for more eco-friendly vehicles on the road, UOI enhanced our Motor Insurance coverage for Electric Vehicles (EV), providing comprehensive coverage and peace of mind for electric car owners. This is further promoted to encourage green car ownership.

## Metrics and Targets

### Investment-related Climate Metrics

A summary of our investment-related metrics is presented in the table below.

In 2024, our Fund Managers were guided by the ARC to establish a clear roadmap and plan to reduce the carbon footprint of our investments.

As a result, for fixed income investments, both Scope 1 and 2 absolute emissions, as well as Weighted Average Carbon Intensity (WACI), decreased in 2024. This decline was further attributed to a reduction in emissions from the top five contributors, which accounted for the majority of owned emissions. The decrease in WACI was also attributed to a lower carbon intensity among the invested companies.

For equity assets, the 2024 overall absolute emissions increased compared to 2023, driven by higher emissions from a few constituent companies. However, the WACI decreased compared to the previous year.

We continue to work closely with our Fund Manager to assess and manage emissions across our investments.

| Indicators | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| **Equity Assets** | | | | |
| Emission Exposure (Scope 1 & 2) | $tCO_2e$ | 6,192 | 4,843 | 814 |
| Carbon Footprint | $tCO_2e$/$ mn Invested | 58 | 49 | 17.9 |
| Weighted Average Carbon Intensity | $tCO_2e$/$ mn Revenue | 141 | 174 | 59.2 |
| Emissions Data Coverage | % | 97 | 100 | 98.2 |
| **Fixed Income Assets** | | | | |
| Emission Exposure (Scope 1 & 2) | $tCO_2e$ | 38,082 | 57,876 | 66,565 |
| Carbon Footprint | $tCO_2e$/$ mn Invested | 268 | 349 | 368.1 |
| Weighted Average Carbon Intensity | $tCO_2e$/$ mn Revenue | 548 | 644 | 648.5 |
| Emissions Data Coverage | % | 64 | 69 | 67.3 |

| Financed Emissions | | 2024 | | |
|---|---|---|---|---|
| Absolute gross financed emissions, disaggregated by: | Unit | Equity | Fixed Income | Total |
| Scope 1 | $tCO_2e$ | 5,180 | 34,008 | 39,188 |
| Scope 2 | $tCO_2e$ | 1,012 | 4,074 | 5,086 |
| Scope 3 | $tCO_2e$ | 17,088 | 145,815 | 162,903 |
| Percentage of gross exposure included in the financed emissions calculation | % | 97 | 64 | 72 |

# Sustainability

| Absolute Gross Financed Emissions, Disaggregated by Emission Category | | | | | | |
|---|---|---|---|---|---|---|
| Industry | Asset class | Unit | Scope 1 | Scope 2 | Scope 3 | Total |
| Information Technology | Equity | $tCO_2$ | 26 | 177 | 2,060 | 2,263 |
| Industrials | Equity | $tCO_2$ | 3,319 | 327 | 3,025 | 6,671 |
| Consumer Discretionary | Equity | $tCO_2$ | 13 | 63 | 1,679 | 1,755 |
| Financials | Equity | $tCO_2$ | 1 | 8 | 4,509 | 4,518 |
| Materials | Equity | $tCO_2$ | 1,325 | 128 | 928 | 2,381 |
| Energy | Equity | $tCO_2$ | 196 | 26 | 3,197 | 3,419 |
| Consumer Staples | Equity | $tCO_2$ | 19 | 15 | 266 | 300 |
| Communication Services | Equity | $tCO_2$ | 4 | 90 | 399 | 493 |
| Health Care | Equity | $tCO_2$ | 5 | 5 | 46 | 56 |
| Utilities | Equity | $tCO_2$ | 267 | 11 | 429 | 707 |
| Real Estate | Equity | $tCO_2$ | 5 | 162 | 550 | 717 |
| Financials | Fixed Income | $tCO_2$ | 3 | 25 | 7,684 | 7,712 |
| Energy | Fixed Income | $tCO_2$ | 1,987 | 276 | 108,806 | 111,069 |
| Information Technology | Fixed Income | $tCO_2$ | 10 | 16 | 1,773 | 1,799 |
| Real Estate | Fixed Income | $tCO_2$ | 23 | 202 | 2,185 | 2,410 |
| Communication Services | Fixed Income | $tCO_2$ | 1 | 51 | 276 | 328 |
| Utilities | Fixed Income | $tCO_2$ | 25,098 | 673 | 10,337 | 36,108 |
| Industrials | Fixed Income | $tCO_2$ | 3,070 | 108 | 3,317 | 6,495 |
| Health Care | Fixed Income | $tCO_2$ | 5 | 1 | 66 | 72 |
| Materials | Fixed Income | $tCO_2$ | 3,779 | 2,678 | 3,353 | 9,810 |
| Consumer Discretionary | Fixed Income | $tCO_2$ | 32 | 44 | 8,018 | 8,094 |

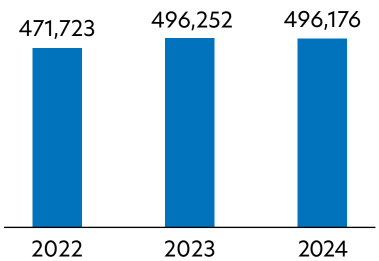
| Financed emissions: Gross Exposure for Each Industry by Asset Class | | | |
|---|---|---|---|
| Industry | Asset class | Unit | Value ('000) |
| Information Technology | Equity | $ | 11,163 |
| Industrials | Equity | $ | 13,394 |
| Consumer Discretionary | Equity | $ | 6,772 |
| Financials | Equity | $ | 21,114 |
| Materials | Equity | $ | 3,439 |
| Energy | Equity | $ | 654 |
| Consumer Staples | Equity | $ | 907 |
| Communication Services | Equity | $ | 12,127 |
| Health Care | Equity | $ | 856 |
| Utilities | Equity | $ | 450 |
| Real Estate | Equity | $ | 35,412 |
| Financials | Fixed Income | $ | 56,587 |
| Energy | Fixed Income | $ | 14,206 |
| Information Technology | Fixed Income | $ | 7,240 |
| Real Estate | Fixed Income | $ | 13,583 |
| Communication Services | Fixed Income | $ | 7,272 |
| Utilities | Fixed Income | $ | 17,991 |
| Industrials | Fixed Income | $ | 13,958 |
| Health Care | Fixed Income | $ | 1,774 |
| Materials | Fixed Income | $ | 2,376 |
| Consumer Discretionary | Fixed Income | $ | 6,999 |

| Material Topic: Responsible Investment | |
|---|---|
| Ongoing Annual Target | 2024 Performance |
| Ensure that our fund manager applies economic and ESG evaluation into the investment process across all investment asset classes. | Our fund manager, UOBAM, has integrated ESG evaluation into the investment process across all asset classes. |

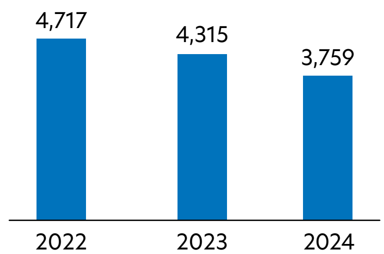
# Sustainability

Presented below is a summary of UOI's operational environmental impacts.

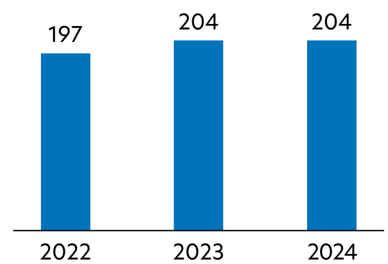
### Electricity Consumption (kWh)



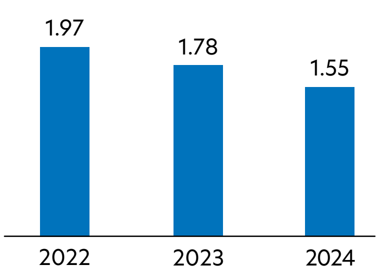

### Energy Intensity (kWh per Employee)



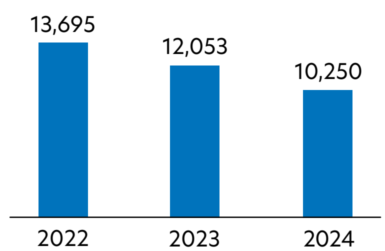

### Carbon Dioxide Emissions ($tCO_2$)



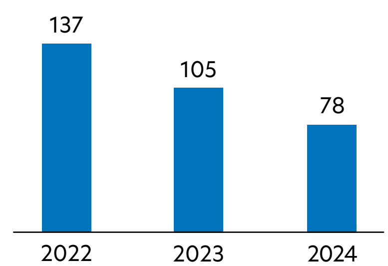

### Carbon Emission Intensity ($tCO_2$ Emission per Employee)



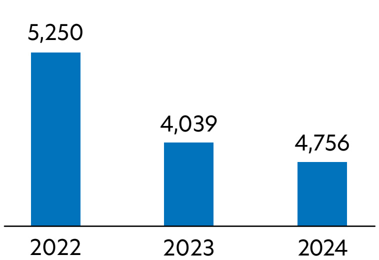

### Office Paper Use (kg)



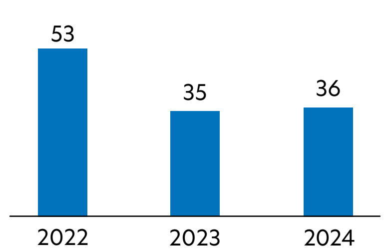

### Paper Use Per Employee (kg)




### General Waste (kg)




### Waste Per Employee (kg)



## Society

As an insurance provider, we play a crucial role in supporting customers, communities, and a diverse range of stakeholders. Insurance is an essential service that protects individuals and businesses from financial losses caused by physical, moral, environmental, and man-made risks.

Leveraging our expertise in general insurance, we offer risk-focused solutions that protect against unforeseen financial burdens. Our insurance plans enhance societal resilience by providing peace of mind to people and businesses, safeguarding them from financial setbacks. As risks evolve due to climate change and technological advancements, our products remain a reliable tool for mitigating unexpected losses and disruptions. Additionally, our offerings promote positive practices in road, home, and workplace safety.

We provide commercial clients with advice on managing business risks and reducing chances of unfortunate events from happening, such as reducing fire hazards on operating premises. This supplements the insurance cover and benefits our clients holistically.

Our business model also supports the local economy by creating direct and indirect employment opportunities. Through our ecosystem of agents, brokers, and service providers, we generate jobs across the insurance value chain.

Moreover, our investment activities deliver positive economic, social, and environmental outcomes. Our fund manager invests responsibly in businesses that meet specific ESG criteria, reinforcing our commitment to sustainability.

### Demographic Change

Low birth rates, coupled with an increasingly ageing society in Singapore, have a direct impact on the insurance sector. More seniors in the general population can lead to a higher demand for healthcare services and insurance while increasing numbers of seniors in the workplace could lead to an increase in occupational health and safety risks. The demand for travel insurance could also increase as seniors are likely to spend more on lifestyle needs such as leisure travel.

The median age of the resident population has increased from 34 years in 2000 to 42.8 years in 2024, according to Population Trends 2024[5]. Singapore's resident total fertility rate fell to a historic low at 0.97 births per female in 2023, and the old-age support ratio – the ratio of residents aged 20-64 years for each resident aged 65 years and over – has declined from 13 in 1970 to 3.5 in 2024. Life expectancy at birth for residents has risen steadily over the past ten years, to 83.0 years in 2023.

To adapt to this demographic shift, from 1 July 2026, the Singapore government will increase the retirement age from 63 to 64 and re-employment age from 68 to 69 years to allow older workers to remain in employment longer. This will increase to 70 years by 2030[6]. As a general insurance provider, we have observed the shift in insurance needs together with the demographic shifts and updated our insurance products to support these needs. Recent changes we have made include increasing the eligible enrolment age for our Personal Accident plans (PA Builder and Accident Care Refund Plan) to 65 years (up from 59 years), while our plans for seniors can now be renewed up to the age of 85 years instead of 70 years.

We will continue to monitor demographic shifts and adapt our policies accordingly, to address demographic risks and opportunities in order to build a responsible and resilient business.

### Supporting Small and Medium Enterprises

We are committed to supporting the growth of small businesses by providing suitable insurance solutions that enable business continuity and growth. SMEs are vital to Singapore's economy, accounting for 99% of all businesses, employing 71% of the workforce, and contributing nearly half of the nation's GDP, according to the Singapore Department of Statistics.

5 https://www.singstat.gov.sg/publications/population/population-trends
6 https://www.mom.gov.sg/newsroom/press-releases/2021/1101-retirement-and-re-employment-amendment-bill-2021-and-cpf-amendment-bill-2021

# Sustainability

Our insurance products are specifically designed to protect SMEs against financial losses arising from property damage and subsequent income disruptions. Additionally, we collaborate with government agencies to offer insurance coverage that enhances SMEs' ability to secure financing.

As part of our efforts, we actively participate in the Special Risk Pool programme, which provides insurance coverage to businesses with high-risk or complex risk profiles, ensuring they can access the protection they need.

## Community Outreach

We are committed to supporting our local community and actively contribute through different social projects. Participating in community outreach not only brings employees together for a good cause, it also strengthens our ties with our local community. Our team frequently takes part in volunteer activities organised by UOB, our parent Company.

## Volunteering

In 2024, our employees participated in various outreach programmes and to a total of 240 volunteer hours. Brief description of the activities is as follows:

**Global Heartbeat Run/Walk**

In 2024, UOI employees participated in the Global Heartbeat Virtual Run/Walk, an annual event organised by UOB. Aligning with the Bank's commitment to positively impact its communities, the raised funds were channelled through the Community Chest to support children in need and their families. Four local beneficiaries, namely Care Corner Singapore, the Ministry of Social and Family Development's ComLink+initiative, and Life Community Services Society and President's Challenge will use the funds to run their programmes. These funds support causes promoting inclusion for individuals with disabilities, special needs support, and educational advancement.

Additionally, for every kilometre completed, UOB donated $1 to the UOB Heartbeat Fund. This fund supports various causes that foster greater inclusivity, especially for those with special needs.

**Food Rations Packing at Food From The Heart**

This volunteer initiative involved UOI staff contributing food items and assisting in packing essential food rations for beneficiaries of Food From The Heart. The organisation provides monthly food packs to support 12,000 families, ensuring vital assistance reaches communities in need.

## Collaborations with Business Partners

We also support the CSR initiatives organised by business partners. Our employees participated in the blood donation drive organised by Aon in collaboration with the Singapore Red Cross Society. UOI representatives attended the Marsh World Refugee Day Dinner to raise funds to support the Jesuit Refugee Service efforts in their humanitarian work at the Thailand-Myanmar border, specifically in Mae Hong Son Province and Mae Sot.

## Economic and Financial Performance

We are committed to maintaining financial resilience and creating sustainable value for our investors and stakeholders. We achieve this through sustainable growth strategies, a focus on underwriting profitability, and generating positive investment returns to enhance shareholder value. With over 50 years of experience, UOI's strong economic performance reflects its financial expertise, business acumen, and effective governance. A key pillar of our financial strength lies in our ability to maintain robust capital adequacy and solvency.

For detailed insights into our financial performance and value creation, please refer to the Financial Report section of this Annual Report.

## GRI Content Index

| | |
|---|---|
| **Statement of Use** | UOI has reported in accordance with the GRI Standards for the period 1st January 2024 to 31st December 2024. |
| **GRI 1 Used** | GRI 1: Foundation 2021 |
| **Applicable GRI Sector Standard(s)** | Not applicable as a GRI sector standard is not available for our industry. |

| GRI standard | Disclosure | Location |
|---|---|---|
| **GRI 2: General Disclosures 2021** | | |
| Organisational Details and Reporting Practices | | |
| GRI 2-1 | Organisational details | 2, 16, 156 |
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| GRI 2-18 | Evaluation of the performance of the highest governance body | 22-23 |
| GRI 2-19 | Remuneration policies | 24-27 |
| GRI 2-20 | Process to determine remuneration | 24-27 |
| GRI 2-21 | Annual total compensation ratio | Not reported due to confidentiality constraints. |

# Sustainability

| GRI standard | Disclosure | Location |
|---|---|---|
| Strategies, Policies and Practices | | |
| GRI 2-22 | Statement on sustainable development strategy | 3-4, 36 |
| GRI 2-23 | Policy commitments | 36, 39, 42-44, 47-52 |
| GRI 2-24 | Embedding policy commitments | 36, 39, 43, 49-50 |
| GRI 2-25 | Processes to remediate negative impacts | 29, 33, 45-47 |
| GRI 2-26 | Mechanisms for seeking advice and raising concerns | 29, 33 |
| GRI 2-27 | Compliance with laws and regulations | 49 |
| GRI 2-28 | Membership associations | 44 |
| Stakeholder Engagement | | |
| GRI 2-29 | Approach to stakeholder engagement | 31, 32, 42-44 |
| GRI 2-30 | Collective bargaining agreements | 55 |
| Material Topics | | |
| GRI 3-1 | Process to determine material topics | 45-47 |
| GRI 3-2 | List of material topics | 45-47 |

| Material Topics | | |
|---|---|---|
| Anti-corruption | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 33, 45-47 |
| **GRI 205: Anti-corruption 2016** | 205-2 Communication and training about anti-corruption policies and procedures | 24, 33, 49 |
| | 205-3 Confirmed incidents of corruption and actions taken | 49 |
| Employment | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 45-47, 50-52 |
| **GRI 401: Employment 2016** | 401-1 New Employee hires and employee turnover | 37, 50-51, 54 |
| | 401-3 Parental leave | 52 |
| Training and Education | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 45-47, 49, 51-52 |
| **GRI 404: Training and Education 2016** | 404-1 Average hours of training per year per employee | 37, 54 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 51 |

| GRI standard | Disclosure | Location |
|---|---|---|
| Diversity and Equal Opportunity | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 21, 45–47, 50–51 |
| **GRI 405: Diversity and Equal Opportunity 2016** | 405-1 Diversity of governance bodies and employees | 21, 50, 53 |
| Marketing and Labelling | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 56-57 |
| **GRI 417: Marketing and Labelling** | 417-2 Incidents of non-compliance concerning product and service information and labelling | 56–58 |
| | 417-3 Incidents of non-compliance concerning marketing communications | 47 |
| Customer Privacy | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 45, 49 |
| **GRI 418: Customer Privacy 2016** | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 49 |
| **Non GRI Material Topics** | | |
| Responsible Investment | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 41, 45–46, 58–59 |
| **Portfolio Carbon footprint** | Equity assets emissions | 59–61 |
| | Fixed income assets emissions | 59–61 |
| Climate Change | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 45, 46, 56 |
| **Climate-related Risks and Opportunities** | Management of climate-related risks and opportunities | 57–61, 62 |

# Sustainability

## SASB Standards

We have referred to the SASB Standards for the Insurance Industry described in the table below. We plan to report on relevant metrics in a progressive manner.

### Insurance Sustainability Accounting Standard

| Code | Metric | Unit | Page No |
|---|---|---|---|
| **Transparent Information & Fair Advice for Customers** | | | |
| Organisational Details and Reporting Practices | | | |
| FN-IN-270a.1 | Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers | $ | Not Reported |
| FN-IN-270a.2 | Complaints-to-claims ratio | Rate | Not Reported |
| FN-IN-270a.3 | Customer retention rate | Rate | Not Reported |
| Policies Designed to Incentivise Responsible Behaviour | | | |
| FN-IN-410b.1 | Net premiums written related to energy efficiency and low carbon technology | $ | Not Reported |
| Financed Emissions | | | |
| FN-IN-410c.1 | Absolute gross financed-emissions, disaggregated by: | | |
| | Scope 1 | $tCO_2e$ | 39,188 |
| | Scope 2 | $tCO_2e$ | 5,086 |
| | Scope 3 | $tCO_2e$ | 162,903 |
| FN-IN-410c.2 | Gross exposure for each industry by asset class | $ | Refer to page 60-61 |
| FN-IN-410c.3 | Percentage of gross exposure included in the financed emissions calculation | % | 72 |
| Physical Risk Exposure | | | |
| FN-IN-450a.1 | Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes | $ | Not Reported |
| FN-IN-450a.2 | Total amount of monetary losses attributable to insurance pay-outs from (net and gross of reinsurance): | | |
| | (1) modelled natural catastrophes and | $ | Not Reported |
| | (2) non-modelled natural catastrophes, by type of event and geographical segment | $ | Not Reported |
| Systemic Risk Management | | | |
| FN-IN-550a.1 | Exposure to derivative instruments by category: | | |
| | (1) total exposure to non-centrally cleared derivatives, | $ | Not Reported |
| | (2) total fair value of acceptable collateral posted with a central clearinghouse, | $ | Not Reported |
| | (3) total exposure to centrally cleared derivatives | $ | Not Reported |
| FN-IN-550a.2 | Total fair value of securities lending collateral assets | $ | Not Reported |

| Code | Activity Metric | Unit | Page No |
|---|---|---|---|
| FN-IN-000.A | Number of policies in force, by segment: | | |
| | (1) property and casualty | Number | Not Reported |
| | (2) life | Number | Not applicable |
| | (3) assumed reinsurance | Number | Not Reported |

## TCFD disclosures

| TCFD Disclosure | TCFD Recommendations | Page No. |
|---|---|---|
| Governance | | |
| TCDF 1(a) | Describe the board's oversight of climate-related risks and opportunities. | 39, 58 |
| TCFD 1(b) | Describe management's role in assessing and managing climate-related risks and opportunities. | 39, 58 |
| Strategy | | |
| TCFD 2(a) | Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. | 56–57 |
| TCFD 2(b) | Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. | 56–58 |
| TCFD 2(c) | Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | 58 |
| Risk Management | | |
| TCFD 3(a) | Describe the organisation's processes for identifying and assessing climate-related risks. | 57–58, 70–71, 73 |
| TCFD 3(b) | Describe the organisation's processes for managing climate-related risks. | 58, 70, 73 |
| TCFD 3(c) | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | 57, 70–71, 73 |
| Metrics and Targets | | |
| TCFD 4(a) | Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. | 58–61 |
| TCFD 4(b) | Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. | 58–61 |
| TCFD 4(c) | Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | 61 |

# Risk Management

Risk management is at the heart of the insurance business. As the management of risks is fundamental to the financial soundness and integrity of an insurer, risk evaluation is an integral part of the Company's business operations. The Company's risk management philosophy requires that returns must be commensurate with the business risks taken and all residual risks must be within the Company's risk appetite. The Company seeks to continually improve its risk management processes and systems for the identification, assessment, monitoring and management of all reasonably foreseeable and relevant material risks. These robust processes and systems are documented in UOI's Enterprise Risk Management Framework (ERMF), which is approved by the Board.

The Company is committed to maintaining a strong and effective ERMF and is guided by the principles and provisions of MAS Notice 126 "Enterprise Risk Management for Insurers".

The Board has overall responsibility for determining the type and level of business risks that the Company undertakes to achieve its corporate objectives. The Board has delegated to Management the authority to formulate, review and approve policies and processes on identifying, monitoring and managing risk exposures within the Company's ERMF. Major policy decisions and proposals affecting the Company's risk exposures are subject to approval by the Board. Significant changes to the Company's ERMF require the Board's approval.

Management is responsible for operationalising the Company's ERMF, establishing and implementing appropriate systems and controls to manage and mitigate risks arising from its business operations. The systems and controls are designed to identify, assess, manage and monitor rather than eliminate the risks in the Company's business operations. It can only provide reasonable and not absolute assurance.

Various committees, comprising managerial staff meet regularly to deliberate on matters relating to the key types of risks under their respective supervision.

The **Strategic Corporate Development Committee (SCDC)** is responsible for the development and implementation of strategies that will enhance the Company's position and progress in specific areas. The SCDC works closely with all operational units to further the interests of the Company and meets at least quarterly with the Chief Executive Officer to chart, execute and monitor outcomes of the strategies. It is also actively involved in mentoring our talents who show potential for leadership roles and aptitude for more complex work.

The **Management Committee (MC)** monitors the overall operational matters of the Company. It formulates, reviews and approves strategies and action plans, determines the allocation of resources and monitors the execution of strategic plans and key performance indicators.

The **Risk Management and Compliance Committee (RMCC)** oversees all risk management, corporate governance and compliance issues affecting the Company. These issues may arise from regulatory authorities, industry associations, UOB, auditors and other relevant bodies, or due to changes in the operating environment, innovation, technological advancements and climate change. The RMCC also approves risk management and compliance policies and oversees their implementation to meet the regulatory requirements applicable to the Company. It monitors the implementation of risk management policies and procedures by all divisions. As part of its risk monitoring function, it receives updates from the Underwriting and Claims Committee, the Credit Control Committee and the Information Security Committee which address key risks arising from the Company's core business activities.

The **Underwriting and Claims Committee (UCC)** establishes underwriting and claims policies and procedures and monitors compliance with such policies and procedures by all divisions. It also monitors market trends and developments that may affect the Company's underwriting and claims policies. Appropriate risk management strategies are applied to address the variety of underwriting risks accepted, to ensure that the Company's retention is appropriate, and that adequate reinsurance protection is in place. Issues arising from claims development and provisions are dealt with in an objective, fair and timely manner.

The **Credit Control Committee (CCC)** establishes credit control policies and procedures and ensures that the premium collection process is implemented by all relevant operational units.

It approves the write-off of bad debts and develops action plans to improve collection or initiate remedial recovery actions.

The **Business Development Committee (BDC)** develops and executes the business plans of the Company, reviews business performance and formulates action plans to enhance business performance. Market trends, changes in business risks and product offerings are identified, addressed and managed accordingly.

The **Information Security Committee (ISC)** sets the direction and priority, and provides guidance, for the development and enhancements to the information security infrastructure and related procedures and guidelines. It also evaluates and implements recommendations from cybersecurity consultants and reviews the Company's network design and other infrastructure and security controls. The ISC also fosters and maintains an information security culture through education and appropriate policies, systems, processes and practices.

The **Investment Committee (IC)** oversees the Company's investment activities to ensure that they are carried out in accordance with the Company's investment policy that has been approved by the Board.

Under the Company's ERMF, risks are categorised and managed under five risk dimensions.

## 1. Risk Dimension – Earnings

**Underwriting Risk**
The principal activity of the Company is the underwriting of general insurance business. As the business of general insurance encompasses a wide range of insurance products, the prudent management of risks is fundamental to our business. This safeguards not only the interest of our shareholders but also that of our customers and employees. The Company has developed a robust underwriting framework to ensure that risks accepted meet all the underwriting guidelines issued to our pool of experienced underwriters. This framework allows for the proper selection of risks at adequate but competitive pricing for our products.

**Reinsurance Risk**
Reinsurance refers to the cession of a portion of the risks assumed by an insurer to another insurer or reinsurer.

The Company's business activities lie primarily in Singapore and the region. Geographically, there is an inherent concentration of insurance risks in the Company's insurance portfolio. Based on historical experience of loss frequency and severity of similar risks and in similar geographical zones, the Company has developed its reinsurance strategy to manage such concentration of insurance risks.

We have put in place a reinsurance management strategy that is approved by the Board. The strategy sets the guiding principles and objectives for the Company to manage its reinsurance risks. Significant changes to the strategy require the Board's approval.

**Premium and Claims Liability Risk (Regulatory)**
One of the purposes of insurance is to enable policyholders to protect themselves against financial losses arising from uncertain future events. Insurance companies facilitate the transfer of risks from policyholders and seek to add value through the aggregation and management of these risks. The uncertainty inherent in these insurance risks is inevitably reflected in the financial statements of insurance companies. The uncertainty in the financial statements principally arises in the technical provisions, which include the provisions of premium and claims liabilities.

Premium liabilities refer to the reserves for unearned premium and include liabilities for all benefits, claims and expenses, acquisition costs, maintenance costs and policyholders' experience refund to be incurred after the balance sheet date. Claims liabilities refer to the obligation to make future payments in relation to all claims that have been incurred as at the balance sheet date and include reserves for claims reported, incurred but not reported and incurred but not enough reported, as well as direct and indirect claim expenses. The Company's unearned premium reserves are calculated based on a formula generally accepted by the industry while its outstanding claims liabilities are reviewed by our experienced claims officers. Both the premium and claims liabilities are reviewed and certified annually by an external independent actuary.

Generally, premium and claims liabilities are determined based upon previous claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Particularly relevant is the past experience with similar cases, historical claims

# Risk Management

development trends, legislative changes, judicial decisions and economic conditions. It is certain that actual future premium and claims liabilities will not develop exactly as projected and may vary from our projection.

The other uncertainties arising under insurance contracts include:

- uncertainty as to whether an event has occurred which would give rise to a policyholder suffering an insured loss;
- uncertainty as to the extent of policy coverage and limits applicable; and
- uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring.

There may be a significant reporting lag between the occurrence of the insured event and the time it is actually reported to the Company. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude of the claim. There are many factors that will affect the level of uncertainty such as inflation, inconsistent judicial interpretations, legislative changes and claims handling procedures.

The establishment of technical provisions is an inherently uncertain process and, as a consequence, the eventual cost of settlement of premium and claims liabilities can vary substantially from the initial estimates.

**Investment Risk**
The Company's investment objective is to invest in quality investment for long-term appreciation and to achieve a reasonable return annually. The Company has appointed a professional fund manager to manage its investments pursuant to its Board approved investment policy. Through regular meetings with the fund manager and performance reports, the Company reviews and monitors the performance of its investment funds. The Company has also established a policy to address the selection, review and management of its fund manager.

**Market Price Risk**
Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices, other than interest or exchange rates. The Company is exposed to market price risk arising from its investments which may include quoted equity securities, debt securities, unit trusts, hedge funds, exchange-traded funds and derivatives contracts used for hedging purposes. The Company's investment policy, which sets strategic asset allocation and exposure limits for its investment portfolio, is approved by the Board.

**Foreign Exchange Risk**
The Company has transactional currency exposures arising from its offshore insurance business. The Company is also exposed to foreign exchange risk arising from its investing activities. When necessary, the Company enters into forward contracts to manage its foreign exchange exposures arising from its investments denominated in foreign currencies. Other than the exposures arising from its investing activities, the Company does not consider its exposure to foreign exchange risk to be significant.

**Interest Rate Risk**
Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's operating cash outflow commitment is substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the interest income on the Company's fixed deposits and the fair value of debt securities. When necessary, the Company uses interest rate futures to manage its interest rate risk.

## 2. Risk Dimension – Operational

**Operational Risk**
Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people, systems and fraud or from external events, which may include geopolitics and disruptive technological change. Potential loss may be in the form of financial loss or other damage, for example, loss of reputation and public confidence that will impact the Company's credibility and ability to transact, maintain liquidity and secure new business. The Company has put in place processes for monitoring, controlling and reporting significant operational risks.

**Business Continuity Risk**
Business continuity risk is also addressed as a separate key risk category as it encompasses not only the restoration of information technology infrastructure, but also focuses on the rapid recovery and resumption of critical business functions for the fulfilment of business obligations.

The Company has a comprehensive Business Continuity Management Plan. An annual test-run is conducted to ensure its readiness to handle a range of targeted events that could affect the Company's business operations.

## 3. Risk Dimension – Capital

**Insolvency Risk**
Insolvency risk refers to the risk that an entity is unable to meet its financial obligations and regulatory capital adequacy requirements. The Company has consistently maintained its capitalisation at higher than the local regulatory requirements. It has put in place monitoring controls to ensure that its solvency and capitalisation meet internal targets and that it maintains adequate financial resources as buffers.

## 4. Risk Dimension – Liquidity

**Liquidity Risk**
Liquidity risk is the risk that an entity is unable to meet expected and unexpected current and future cash flow needs hence affecting its daily operations or financial condition. It arises from the mismatch of maturities of cash inflows and outflows.

Due to the nature of its business and type of assets held, the Company is not exposed to significant liquidity risk. Nevertheless, the Company has established a liquidity risk management policy to maintain adequate liquidity at all times, honour all cash outflow commitments on an ongoing basis, and avoid raising funds from credit facilities or through the forced sale of investments.

**Credit Risk**
Credit risk is the risk of loss arising from the failure of an obligor (such as a policyholder, counterparty, or reinsurer) to perform according to the terms and conditions of his agreement with UOI, as well as a loss in value of UOI's assets due to deterioration in credit quality of the obligor.

The Company has a credit control policy in place to ensure that proceeds from sales made to customers and recoveries from reinsurers are duly collected. The Company has also established a selection and management policy for its reinsurers to ensure that they are financially sound. The policy also sets exposure limits for its reinsurers based on their credit ratings and financial strengths.

## 5. Risk Dimension – Environmental

The Company strives to minimise its environmental footprint, largely by reducing its energy and paper consumption although its direct operational impact is negligible. Nevertheless, the Company has developed policies and procedures to reduce its indirect environmental impact through its investment and underwriting activities.

**Underwriting Risk**
The Company manages the physical risk inherent in its underwriting activities by close monitoring of its natural catastrophe risk exposures in its insurance portfolio namely, flood and other natural catastrophe events, both in Singapore and overseas. To manage transition risk, the Company has developed underwriting strategies that include keeping the weightage of its High Environmental Risk Sector relatively low in its overall insurance portfolio and promoting the innovation of green insurance products.

**Investment Risk**
Environmental risk is an essential component of the ESG considerations in the Company's investment decisions. Its fund manager, UOB Asset Management Ltd, uses a combination of tools, including sustainability ratings, to assess investees' ESG performance. The Company monitors the exposure of its investment portfolio to sectors with high environmental risk exposure based on S&P's ESG risk score.

**Operational Risk**
The direct environmental impact is from to electricity consumption and paper use in the Company' operations. The Company has implemented measures, including employee awareness, to manage energy and paper consumption to keep its environmental footprint to a minimum.

# United Overseas Insurance Limited

(Incorporated in Singapore)

31 December 2024

# Financial Report

# Directors' Statement

for the financial year ended 31 December 2024

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

## Opinion of the Directors

In the opinion of the directors,

(i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and

(ii) 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 holding office as at the date of this report are:

Wee Ee Cheong (Chairman)
Chua Kim Leng
Winston Ngan Wan Sing
Leong Yung Chee
Tan Yian Hua
Cheo Chai Hong *(appointed on 1 June 2024)*
Andrew Lim Chee Hua *(appointed on 1 June 2024)*

## Arrangements to Enable Directors to Acquire Shares or Debentures

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

# Directors' Statement

for the financial year ended 31 December 2024

## Directors' Interests in Shares and Debentures

According to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, the interests of the directors who held office as at 31 December 2024, in the share capital of the Company and related corporations were as follows:

| | Number of ordinary shares | | | |
|---|---|---|---|---|
| | Shareholdings registered in name of directors | | Shareholdings in which directors are deemed to have an interest | |
| | 31 December 2024 | 1 January 2024 or date of appointment | 31 December 2024 | 1 January 2024 or date of appointment |
| **The Company** | | | | |
| *United Overseas Insurance Limited* | | | | |
| Wee Ee Cheong | 4,762 | – | – | – |
| Andrew Lim Chee Hua | 1,000 | 1,000 | – | – |
| Chng Hwee Hong (resigned on 27 January 2025) | 100 | 100 | – | – |
| **Holding Company** | | | | |
| *United Overseas Bank Limited* | | | | |
| *Ordinary Shares* | | | | |
| Wee Ee Cheong | 5,668,929 | 3,281,455 | 173,701,487 | 173,701,487 |
| Leong Yung Chee | – | 79 | – | – |
| Cheo Chai Hong | – | – | 92,243 | 92,243 |
| *Grant of Restricted Shares* | | | | |
| Leong Yung Chee | 112,825 | 83,713 | – | – |
| *4.25% Perpetual Capital Securities* | | | | |
| Chua Kim Leng | 250,000 | 250,000 | – | – |
| *5.25% Perpetual Capital Securities* | | | | |
| Winston Ngan Wan Sing | 250,000 | 250,000 | – | – |

There was no change in any of the above interests of the directors between the end of the financial year and 21 January 2025.

## Directors' Remuneration

The proposed annual fee structure for the Board for 2024 is set out below. The proposed directors' fees are subject to shareholders' approval at the forthcoming Annual General Meeting.

| Fee Structure | Chairman $ | Member $ |
|---|---|---|
| Basic Retainer Fee | 45,000 | 35,000 |
| Audit and Risk Committee | 20,000 | 15,000 |
| Nominating Committee | 12,000 | 7,000 |
| Remuneration Committee | 12,000 | 7,000 |

Details of the total fees and other remuneration paid/payable by the Company to the directors for the financial year ended 31 December 2024 are as follows:

| | Directors' fees | Base or fixed salary | Variable performance bonus | Benefits-in-kind and others | Total |
|---|---|---|---|---|---|
| Andrew Lim Chee Hua | – | $397,200 | $230,000 | $58,392 | $685,592 |
| Wee Ee Cheong [1] | $59,000 | – | – | – | $59,000 |
| Chng Hwee Hong | $62,000 | – | – | – | $62,000 |
| Chua Kim Leng | $68,999 | – | – | – | $68,999 |
| Winston Ngan Wan Sing | $57,017 | – | – | – | $57,017 |
| Leong Yung Chee [1] | $35,000 | – | – | – | $35,000 |
| Tan Yian Hua | $43,770 | – | – | – | $43,770 |
| Cheo Chai Hong | $33,327 | – | – | – | $33,327 |
| David Chan Mun Wai | $10,519 | – | – | – | $10,519 |
| Ho Yew Kee | $25,750 | – | – | – | $25,750 |
| **Total directors' fees** | **$395,382** | **$397,200** | **$230,000** | **$58,392** | **$1,080,974** |

1 Director's fee payable to Mr Wee Ee Cheong and Mr Leong Yung Chee will be paid to United Overseas Bank Limited.

## Share Options

There was no share option granted by the Company during the financial year.

No share was issued during the financial year pursuant to any exercise of options to take up unissued shares of the Company.

There was no unissued share of the Company under option as at 31 December 2024.

# Directors' Statement

for the financial year ended 31 December 2024

## Audit and Risk Committee

The ARC comprises four members, all of whom are non-executive and independent directors. The members of the ARC are:

Winston Ngan Wan Sing (*Chairman*)
Chua Kim Leng
Tan Yian Hua
Cheo Chai Hong *(appointed on 1 June 2024)*
Chng Hwee Hong *(resigned on 27 January 2025)*
Ho Yew Kee *(resigned on 31 May 2024)*

The ARC has reviewed the financial statements, the internal and external audit plans and audit reports, the external auditor's evaluation of the system of internal accounting controls, the scope and results of internal and external audit procedures, the adequacy of internal audit resources, the cost effectiveness, independence and objectivity of the external auditor, the significant findings of internal audit investigations and interested person transactions. The reviews were made with the internal and external auditors, the Chief Executive Officer and/or other senior management staff, as appropriate.

## Auditor

The ARC has nominated Ernst & Young LLP for reappointment as auditor of the Company and Ernst & Young LLP has expressed its willingness to be reappointed.

On behalf of the Board of Directors,

**Wee Ee Cheong**
Chairman

**Andrew Lim Chee Hua**
Director

Singapore
14 February 2025

# Independent Auditor's Report

for the financial year ended 31 December 2024

## Independent Auditor's Report to the Members of United Overseas Insurance Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of United Overseas Insurance Limited (the Company), which comprise the Balance Sheet as at 31 December 2024, the Profit and Loss Account, Statement of Comprehensive Income, the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

***Valuation of Insurance Contract Liabilities and Assets***

Valuation of insurance contract liabilities and assets applying the general measurement model (GMM) under SFRS(I) 17 Insurance Contracts (SFRS(I) 17) involves management making significant judgments and estimates in determining the assumptions and inputs such as appropriate discount rates, risk adjustments for non-financial risks, and estimates of future cashflows. These impact the measurement of contractual service margin (CSM), which represents the future profits, expected from fulfilling the insurance contracts. The CSM is released as insurance revenue based on the insurance coverage and related services provided during the period. Accordingly, we have identified this area as a key audit matter.

# Independent Auditor's Report

for the financial year ended 31 December 2024

## Key Audit Matters (continued)

***Valuation of Insurance Contract Liabilities and Assets (continued)***

In auditing the valuation of the insurance contract liabilities and assets, we performed the following procedures, amongst others:

- Evaluated and tested management's data validation and data transformation process and controls, which included reconciliations between data from the policy administration systems and the actuarial data used in the SFRS(I) 17 calculation model, and the information technology general controls over the SFRS(I) 17 system.

- Involved our internal actuarial specialists to review the actuarial and risk models to:

  - Assess the reasonableness and appropriateness of the key assumptions used in the calculation of the fulfilment cash flows, including future cash flows, risk adjustments for non-financial risk and discount rates, against the Company's historical loss experience and net cashflows over the lives of the insurance contracts;

  - Evaluate the appropriateness of the methodology used to determine the coverage units for groups of insurance contracts for each line of business;

  - Evaluate the appropriateness of the CSM release pattern against the terms of insurance contracts and market practices; and

  - Perform independent analysis and re-computation of the Liability for Incurred Claims (LIC) and Liability for Remaining Coverage (LRC) balances of selected classes of business for comparison with those performed by management. We evaluated explanations and evidence provided by management for any significant variances.

We reviewed the Company's disclosures required under SFRS(I) 17 which are included in Note 2.6 (Insurance and Reinsurance contracts), Note 4.1 (Insurance Risks) and Note 10 (Insurance and Reinsurance contracts).

## Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of the auditor's report.

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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), 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.

- 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.

# Independent Auditor's Report

for the financial year ended 31 December 2024

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

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

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

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

### 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.

The engagement partner on the audit responsible for this independent auditor's report is Du Xiaolin.

**Ernst & Young LLP**
Public Accountants and
Chartered Accountants

Singapore
14 February 2025

# Profit and Loss Account

for the financial year ended 31 December 2024

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| Insurance revenue | 5, 10 | **113,508** | 94,448 |
| Insurance service expense | 10 | **(63,966)** | (39,303) |
| **Insurance service result before reinsurance contracts held** | | **49,542** | 55,145 |
| Net expenses from reinsurance contracts | 10 | **(29,594)** | (32,155) |
| **Insurance service result** | | **19,948** | 22,990 |
| Insurance finance expenses for insurance contracts issued | 7 | **(924)** | (937) |
| Reinsurance finance income for reinsurance contracts held | 7 | **483** | 499 |
| **Net insurance service and financial result** | | **19,507** | 22,552 |
| Dividend income from investments | 8(a) | **7,277** | 5,885 |
| Interest income from investments | 8(b) | **7,134** | 8,377 |
| Interest on fixed deposits and bank balances from: | | | |
| - Holding company | | **261** | 272 |
| - Other financial institutions | | **2,475** | 1,342 |
| Rental income from investment property | 8(c), 27 | **694** | 647 |
| Miscellaneous income | | **9** | 49 |
| Net fair value gains/(losses) on mandatorily measured at fair value through profit or loss (FVTPL) investments - realised | | **1,349** | (866) |
| Net fair value (losses)/gains on mandatorily measured at FVTPL investments - unrealised | | **(478)** | 1,997 |
| Net losses on disposal of fair value through other comprehensive income (FVOCI) investments | | **(616)** | (122) |
| Write-back of expected credit loss on debt securities at FVOCI | 33(d) | **57** | 53 |
| Amortisation of discount on investments | | **184** | 96 |
| Net fair value gains on financial derivatives - realised | | **1,078** | 3,097 |
| Net fair value losses on financial derivatives - unrealised | 22 | **(7,993)** | (2,829) |
| Exchange gains/(losses) | | **6,393** | (2,990) |
| | | **(522)** | (2,722) |
| Less | | | |
| Other management expenses: | | | |
| - Management fees | | **(1,295)** | (1,320) |
| - Depreciation on property | | **(279)** | (279) |
| - Other operating expenses | | **(1,827)** | (2,751) |
| **Total non-underwriting income** | | **14,423** | 10,658 |
| **Profit before tax** | | **33,930** | 33,210 |
| Tax expense | 13(a) | **(4,126)** | (3,948) |
| **Profit, net of tax** | | **29,804** | 29,262 |
| Profit attributable to: | | | |
| Equity holders of the Company | | **29,804** | 29,262 |
| Earnings per share: | | | |
| Basic and diluted | 14 | **48.74 cents** | 47.85 cents |

*The accompanying accounting policies and explanatory notes form an integral part of these financial statements.*

# Statement of Comprehensive Income

for the financial year ended 31 December 2024

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| Net profit | | **29,804** | 29,262 |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss in subsequent periods** | | | |
| Net fair value gains on equity securities at FVOCI | | **6,404** | 108 |
| Tax related to the above | | **(885)** | 2,873 |
| | | **5,519** | 2,981 |
| **Items that may be reclassified subsequently to profit or loss** | | | |
| Debt securities at FVOCI | | | |
| Changes in fair value | | **3,854** | 8,917 |
| Transfer to profit or loss on disposal | | **616** | 122 |
| Changes in allowance for expected credit loss | 33(d) | **(57)** | (53) |
| Tax related to the above | | **(619)** | (3,731) |
| | | **3,794** | 5,255 |
| Insurance finance expenses for insurance contracts issued | 7 | **4** | 4 |
| Reinsurance finance income/(expense) for reinsurance contracts held | 7 | **2** | (2) |
| Net insurance financial result | | **6** | 2 |
| **Other comprehensive income for the financial year, net of tax** | | **9,319** | 8,238 |
| **Total comprehensive income for the financial year, net of tax** | | **39,123** | 37,500 |
| **Total comprehensive income attributable to equity holders of the Company** | | **39,123** | 37,500 |

*The accompanying accounting policies and explanatory notes form an integral part of these financial statements.*

# Balance Sheet

as at 31 December 2024

| | Note | 31 December 2024 $'000 | 31 December 2023 $'000 |
|---|---|---|---|
| **Share capital** | | | |
| Issued and fully paid | 16 | **91,733** | 91,733 |
| **Reserves** | | | |
| General reserve | 18 | **22,880** | 22,880 |
| Revaluation on investment reserve | 20 | **27,544** | 16,916 |
| Revaluation surplus | | **3,801** | 3,801 |
| Insurance/reinsurance finance reserve | | **14** | 8 |
| Retained profits | | **322,770** | 307,123 |
| Total equity attributable to equity holders of the Company | | **468,742** | 442,461 |
| **Liabilities** | | | |
| Non-trade creditors and accrued liabilities | 21 | **9,385** | 8,173 |
| Lease liabilities | 29(a) | **24** | 25 |
| Amount owing to related companies | 21 | **2,344** | 879 |
| Derivative financial liabilities | 22 | **2,776** | – |
| Tax payable | 13(b) | **10,758** | 11,413 |
| Deferred tax liabilities | 19 | **2,242** | 1,023 |
| Insurance contract liabilities | 10 | **106,082** | 121,566 |
| Reinsurance contract liabilities | 10 | **1,897** | 1,681 |
| Total liabilities | | **135,508** | 144,760 |
| **Total equity and liabilities** | | **604,250** | 587,221 |
| **Assets** | | | |
| Bank balances and fixed deposits | 23, 24 | **99,408** | 67,612 |
| Non-trade debtors and accrued interest receivables | 24 | **7,352** | 4,630 |
| Derivative financial assets | 22 | **–** | 5,217 |
| Associated company | 25 | **1** | 1 |
| Investments | 26 | **385,207** | 391,280 |
| Investment property | 26, 27 | **28,530** | 28,530 |
| Fixed assets | 28 | **38,580** | 39,825 |
| Right-of-use assets | 29(a) | **19** | 19 |
| Reinsurance contract assets | 10 | **45,153** | 50,107 |
| **Total assets** | | **604,250** | 587,221 |

*The accompanying accounting policies and explanatory notes form an integral part of these financial statements.*

# Statement of Changes in Equity

for the financial year ended 31 December 2024

| | | Attributable to equity holders of the Company | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Note | Share capital $'000 | General reserve $'000 | Revaluation on investment reserve $'000 | Revaluation surplus $'000 | Insurance/ Reinsurance finance reserve $'000 | Retained profits $'000 | Total $'000 |
| Balance at 1 January 2024 | | **91,733** | **22,880** | **16,916** | **3,801** | **8** | **307,123** | **442,461** |
| Profit, net of tax | | **–** | **–** | **–** | **–** | **–** | **29,804** | **29,804** |
| Other comprehensive income for the financial year, net of tax | | **–** | **–** | **9,313** | **–** | **6** | **–** | **9,319** |
| Total comprehensive income for the financial year, net of tax | | **–** | **–** | **9,313** | **–** | **6** | **29,804** | **39,123** |
| Transfer of fair value reserves of equity securities at FVOCI upon disposal, net of tax | 20 | **–** | **–** | **1,315** | **–** | **–** | **(1,315)** | **–** |
| Dividend for Year 2023 | 15 | **–** | **–** | **–** | **–** | **–** | **(7,644)** | **(7,644)** |
| Dividend for Year 2024 | 15 | **–** | **–** | **–** | **–** | **–** | **(5,198)** | **(5,198)** |
| **Balance at 31 December 2024** | | **91,733** | **22,880** | **27,544** | **3,801** | **14** | **322,770** | **468,742** |
| Balance at 1 January 2023 | | 91,733 | 22,880 | 9,994 | 3,801 | 6 | 289,389 | 417,803 |
| Profit, net of tax | | – | – | – | – | – | 29,262 | 29,262 |
| Other comprehensive income for the financial year, net of tax | | – | – | 8,236 | – | 2 | – | 8,238 |
| Total comprehensive income for the financial year, net of tax | | – | – | 8,236 | – | 2 | 29,262 | 37,500 |
| Transfer of fair value reserves of equity securities at FVOCI upon disposal, net of tax | 20 | – | – | (1,314) | – | – | 1,314 | – |
| Dividend for Year 2022 | 15 | – | – | – | – | – | (7,644) | (7,644) |
| Dividend for Year 2023 | 15 | – | – | – | – | – | (5,198) | (5,198) |
| Balance at 31 December 2023 | | 91,733 | 22,880 | 16,916 | 3,801 | 8 | 307,123 | 442,461 |

*The accompanying accounting policies and explanatory notes form an integral part of these financial statements.*

# Cash Flow Statement

for the financial year ended 31 December 2024

| | Note | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Profit before tax | | **33,930** | 33,210 |
| | | | |
| Adjustments for: | | | |
| Movement in reinsurance contract assets | | **4,954** | 11,077 |
| Movement in reinsurance contract liabilities | | **216** | 1,117 |
| Movement in insurance contract liabilities | | **(15,484)** | (13,162) |
| Net fair value losses on financial derivatives – unrealised | 22 | **7,993** | 2,829 |
| Depreciation | 28,29 | **1,596** | 1,474 |
| Net fair value losses/(gains) on mandatorily measured at FVTPL investments – unrealised | | **478** | (1,997) |
| Net fair value (gains)/losses on mandatorily measured at FVTPL investments – realised | | **(1,349)** | 866 |
| Net losses on disposal of FVOCI investments | | **616** | 122 |
| Amortisation of discount on investments | | **(184)** | (96) |
| Write-back of expected credit loss on debt securities at FVOCI | 33(d) | **(57)** | (53) |
| Dividend income from investments | 8(a) | **(7,277)** | (5,885) |
| Interest income from investments | 8(b) | **(7,134)** | (8,377) |
| Interest on fixed deposits and bank balances | | **(2,736)** | (1,614) |
| Exchange (gains)/losses | | **(6,153)** | 2,836 |
| Operating profit before working capital changes | | **9,409** | 22,347 |
| | | | |
| Changes in working capital: | | | |
| Other receivables | | **(2,722)** | 320 |
| Other payables | | **1,212** | 493 |
| Amount owing to related companies | | **1,465** | (890) |
| Cash generated from operations | | **9,364** | 22,270 |
| Tax paid | 13(b) | **(5,065)** | (215) |
| **Net cash flows from operating activities** | | **4,299** | 22,055 |

*The accompanying accounting policies and explanatory notes form an integral part of these financial statements.*

# Cash Flow Statement

for the financial year ended 31 December 2024

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| **Cash Flows from Investing Activities** | | | |
| Proceeds from disposal of investments | 26 | **243,911** | 177,979 |
| Proceeds from fixed assets | | **–** | 1 |
| Purchase of investments | | **(220,682)** | (182,195) |
| Purchase of fixed assets | 28 | **(351)** | (689) |
| Proceeds from long-term fixed deposits | | **1,230** | 305 |
| Dividend received from investments | | **7,277** | 5,885 |
| Interest received from investments | | **7,442** | 8,594 |
| Interest received from fixed deposits and bank balances | | **2,743** | 1,524 |
| **Net cash flows from investing activities** | | **41,570** | 11,404 |
| **Cash Flows used in Financing Activity** | | | |
| Leases paid | 29(a) | **(1)** | (3) |
| Dividend paid | 15 | **(12,842)** | (12,842) |
| **Net cash flows used in financing activity** | | **(12,843)** | (12,845) |
| **Net increase in cash and cash equivalents** | | **33,026** | 20,614 |
| Cash and cash equivalents at beginning of year | | **64,950** | 44,336 |
| **Cash and cash equivalents at end of year** | | **97,976** | 64,950 |

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| Cash and bank balances | 23(a) | **10,975** | 7,930 |
| Fixed deposits placement less than 3 months | 23(b) | **87,001** | 57,020 |
| Cash and cash equivalents | | **97,976** | 64,950 |
| Fixed deposits placement more than 3 months | 23(b) | **1,432** | 2,662 |
| **Bank balances and fixed deposits** | | **99,408** | 67,612 |

*The accompanying accounting policies and explanatory notes form an integral part of these financial statements.*

# Notes to the Financial Statements

for the financial year ended 31 December 2024

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

## 1. General

United Overseas Insurance Limited (the Company) is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The Company is a member of the United Overseas Bank Group. The holding company which is also the ultimate holding company is United Overseas Bank Limited, incorporated in Singapore, which owns 58% of the issued share capital of the Company.

The address of the Company's registered office is as follows:

80 Raffles Place
UOB Plaza
Singapore 048624

The address of the Company's principal place of business is as follows:

146 Robinson Road
UOI Building #02-01
Singapore 068909

## 2. Material Accounting Policy Information

### 2.1. Basis of Preparation

The financial statements of the Company, which are presented in Singapore dollars ($) and rounded to the nearest thousand ($'000) except when otherwise indicated, have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) as required by the Companies Act.

The preparation of the financial statements in conformity with SFRS(I) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. 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 4.

Except as otherwise stated, the financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of investment property, owner-occupied property, financial instruments and all financial derivatives.

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 2. Material Accounting Policy Information (continued)

### 2.2. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the applicable new and revised standards which are effective for annual periods beginning on or after 1 January 2024.

*Changes during the Financial Year*

The Company adopted the following reporting standards during the financial year:

(i) Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
(ii) Amendments to SFRS(I) 1-16: Lease Liability in a Sale and Leaseback
(iii) Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants
(iv) Amendments to SFRS(I) 1-7 and SFRS(I) 7: Disclosures - Supplier Finance Arrangements

The adoption of these standards did not have material effect on the financial performance or position of the Company.

### 2.3. Standards Issued but Not Yet Effective

The Company has not adopted the following standards applicable that have been issued but not yet effective:

| | | Effective for annual periods beginning on or after |
|---|---|---|
| (i) | Amendments to SFRS(I) 1-21: Lack of Exchangeability | 1 January 2025 |
| (ii) | Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| (iii) | SFRS(I) 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |
| (iv) | SFRS(I) 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |

Except for SFRS(I) 18, Management expects that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

SFRS(I) 18 Presentation and Disclosure in Financial Statements replaces SFRS(I) 1-1 Presentation of Financial Statements and introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

Management is currently working to identify the impact these amendments will have on the financial statements and related notes.

## 2. Material Accounting Policy Information (continued)

### 2.4. Government Grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is deducted on a systematic basis over the periods of the related costs. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

### 2.5. Insurance and Reinsurance Contracts Classification

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Company, unless otherwise stated.

### 2.6. Insurance and Reinsurance Contracts

#### *2.6.1. Separating Components from Insurance and Reinsurance Contracts*

At inception, the Company separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments:

(a) Derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and

(b) Distinct investment components which are investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Company separates any promises to transfer to policyholders distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (that is not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Company provides a significant service of integrating the good or service with the insurance component.

Some reinsurance contracts issued contain profit commission, overriding commission or overriding profit commission arrangements. Under these arrangements, there is no minimum guaranteed amount that the policyholder will always receive as these are calculated considering the results of prior underwriting cohorts. Hence, the Company has assessed that there are no investment components.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.2. Aggregation and Recognition of Insurance and Reinsurance Contracts*

***Insurance Contracts***

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts grouped by year of issue and each annual cohort into three groups based on the profitability of contracts:

(a) Any contracts that are onerous on initial recognition;
(b) Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
(c) Any remaining contracts in the annual cohort.

The Company manages insurance contracts issued by business lines, where each business line includes contracts that are subject to similar risks. Each business line also groups insurance contracts for the purposes of profitability and management reporting. All insurance contracts within a line of business represent a portfolio of contracts.

For each portfolio of contracts, the Company determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

The expected profitability of these portfolios at inception is determined based on the existing actuarial valuation models which take into consideration existing and new business.

An insurance contract issued by the Company is recognised from the earliest of:

(a) The beginning of its coverage period (that is the period during which the Company provides services in respect of any premiums within the boundary of the contract);
(b) When the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
(c) When facts and circumstances indicate that the contract is onerous.

An insurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.2. Aggregation and Recognition of Insurance and Reinsurance Contracts (continued)*

***Insurance Contracts (continued)***

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

***Reinsurance Contracts***

Groups of reinsurance contracts are established such that each group comprises a single contract.

Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Company concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Company's contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

Reinsurance treaties providing proportionate and non-proportionate coverage are managed individually at a treaty contract level. Each treaty forms a reinsurance contract portfolio.

Facultative reinsurance contracts with proportionate coverage that cover the same underlying risk class will be grouped together, while the facultative contracts with non-proportionate coverage that cover the same underlying risk class will be grouped together in a similar manner. The Company manages the facultative reinsurance contracts held in accordance to the underlying insurance contract. Facultative reinsurance contracts portfolios are defined at the line of business level.

A group of reinsurance contracts is recognised on the following date.

(a) Reinsurance contracts initiated by the Company that provide proportionate coverage: The date on which any underlying insurance contract is initially recognised. This applies to the Company's quota share reinsurance contracts.

(b) Other reinsurance contracts initiated by the Company: The beginning of the coverage period of the group of reinsurance contracts. However, if the Company recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date. This applies to the Company's excess of loss and stop loss reinsurance contracts.

(c) Reinsurance contracts acquired: The date of acquisition.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.3. Onerous Groups of Contracts*

The Company issues some contracts before the coverage period starts and the first premium becomes due. Therefore, the Company has determined whether any contracts issued form a group of onerous contracts before the earlier of the beginning of the coverage period and the date when the first payment from a policyholder in the group is due. The Company looks at facts and circumstances to identify if a group of contracts are onerous based on:

(a) Pricing information; and
(b) Results of similar contracts it has recognised.

#### *2.6.4. Contract Boundaries*

The measurement of a group of contracts includes all the future cash flows within the boundary of each contract in the group, determined as follows.

***Insurance Contracts***

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).

A substantive obligation to provide services ends when:

(a) The Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
(b) The Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The reassessment of risks considers only risks transferred from policyholders to the Company, which may include both insurance and financial risks, but exclude lapse and expense risks.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.4. Contract Boundaries (continued)*

***Reinsurance Contracts***

Cash flows are within the contract boundary if they arise from substantive rights and obligations 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. A substantive right to receive services from the reinsurer ends when the reinsurer:

(a) Has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
(b) Has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and, therefore, may change over time.

#### *2.6.5. Insurance Acquisition Cash Flows*

The Company defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

(a) To that group; and
(b) To groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

The Company expects to recover part of the related insurance acquisition cash flows through renewals of these contracts. The allocation to renewals is based on the manner in which the Company expects to recover those cash flows.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than SFRS(I) 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

*2.6.5. Insurance Acquisition Cash Flows (continued)*

When the Company acquires insurance contracts in a transfer of contracts or a business combination, at the date of acquisition it recognises an asset for insurance acquisition cash flows at fair value for the rights to obtain:

(a) Renewals of contracts recognised at the date of acquisition; and
(b) Other future contracts after the date of acquisition without paying again insurance acquisition cash flows that the acquiree has already paid.

At each reporting date, the Company revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

At each reporting date, if facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Company:

(a) Recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
(b) If the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. The Company reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

*2.6.6. Other Pre-Recognition Cash Flows within the Contract Boundary*

Before a group of insurance contracts is recognised, the Company could recognise assets or liabilities for cash flows related to a group of insurance contracts other than insurance acquisition cash flows, either because of the occurrence of the cash flows or because of the requirements of another SFRS(I) standard. Cash flows are related to the group of insurance contracts if they would have been included in the fulfilment cash flows (FCF) at initial recognition of the group if they had been paid or received after that date. Such assets or liabilities (referred to as 'other pre-recognition cash flows') are included in the carrying amount of the related portfolios of insurance contracts issued or in the carrying amount of the portfolios of reinsurance contracts held.

# 2. Material Accounting Policy Information (continued)

## 2.6. Insurance and Reinsurance Contracts (continued)

### *2.6.7. Measurement*

***Insurance Contracts – Initial Measurement***

On initial recognition, the Company measures a group of insurance contracts as the total of:

(a) The FCF, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and
(b) The CSM.

The FCF of a group of insurance contracts do not reflect the Company's non-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

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

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

(a) The initial recognition of the FCF;
(b) Cash flows arising from the contracts in the group at that date;
(c) The derecognition of any insurance acquisition cash flows asset; and
(d) The derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

For groups of contracts acquired in a transfer of contracts or a business combination, the consideration received for the contracts is included in the FCF as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts at that date.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss, or as an adjustment to goodwill or a gain on a bargain purchase if the contracts are acquired in a business combination. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.7. Measurement (continued)*

***Insurance Contracts – Subsequent Measurement***

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). The LRC comprises:

(a) The FCF that relate to services that will be provided under the contracts in future periods; and
(b) Any remaining CSM at that date.

The LIC includes the FCF for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The FCF of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in FCF are recognised as follows.

| | |
|---|---|
| Changes relating to future services | Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous) |
| Changes relating to current or past services | Recognised in the insurance service result in profit or loss |
| Effects of the time value of money, financial risk and changes therein on estimated future cash flows | Recognised as insurance finance income or expenses |

The CSM of each group of contracts is calculated at each reporting date as follows.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

(a) The CSM of any new contracts that are added to the group in the year;
(b) Interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
(c) Changes in FCF that relate to future services, except to the extent that:

    (i) Any increases in the FCF exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component (see Note 2.6.9); or
    (ii) Any decreases in the FCF are allocated to the loss component, reversing losses previously recognised in profit or loss (see Note 2.6.9);

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

*2.6.7. Measurement (continued)*

***Insurance Contracts – Subsequent Measurement (continued)***

(d) The effect of any currency exchange differences on the CSM; and
(e) The amount recognised as insurance revenue because of the services provided in the year (see Note 2.6.9).

Changes in FCF that relate to future services comprise:

(a) Experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
(b) Changes in estimates of the present value of future cash flows in the LRC, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk and changes therein;
(c) Differences between (i) any investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses (see Note 2.6.9) related to that expected payment before it becomes payable; and (ii) the actual amount that becomes payable in the year; and
(d) Changes in the risk adjustment for non-financial risk that relate to future services.

The following adjustments do not adjust the CSM:

(a) Changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
(b) Changes in the FCF relating to the LIC;
(c) Experience adjustments – arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
(d) Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

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

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

(a) Expected incurred claims and other directly attributable expenses for the period;
(b) Changes in the risk adjustment for non-financial risk for the risk expired; and
(c) Finance income/(expenses) from insurance contracts issued.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.7. Measurement (continued)*

***Insurance Contracts – Subsequent Measurement (continued)***

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

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

***Reinsurance Contracts – Initial Measurement***

To measure a group of reinsurance contracts, the Company applies the same accounting policies as are applied to insurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims (AIC). The asset for remaining coverage comprises:

(a) The FCF that relate to services that will be received under the contracts in future periods; and
(b) Any remaining CSM at that date.

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Company to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of:

(a) The FCF;
(b) Any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group;
(c) Any cash flows arising at that date; and
(d) Any income recognised in profit or loss because of onerous underlying contracts recognised at that date (see 'Reinsurance of onerous underlying insurance contracts' below). However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Company recognises the cost immediately in profit or loss as an expense.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.7. Measurement (continued)*

***Reinsurance Contracts – Subsequent Measurement***

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

(a) The CSM of any new contracts that are added to the group in the year;
(b) Interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
(c) Income recognised in profit or loss in the year on initial recognition of onerous underlying contracts (see below);
(d) Reversals of a loss-recovery component (see 'Net expenses from reinsurance contracts' under Note 2.6.9) to the extent that they are not changes in the FCF of the group of reinsurance contracts;
(e) Changes in FCF that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in FCF of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
(f) The effect of any currency exchange differences on the CSM; and
(g) The amount recognised in profit or loss because of the services received in the year.

***Reinsurance of Onerous Underlying Insurance Contracts***

The Company adjusts the CSM of the group to which a reinsurance contract belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

(a) The amount of the loss that relates to the underlying contracts; and
(b) The percentage of claims on the underlying contracts that the Company expects to recover from the reinsurance contracts.

For reinsurance contracts acquired in a transfer of contracts or a business combination covering onerous underlying contracts, the adjustment to the CSM is determined by multiplying:

(a) The amount of the loss component that relates to the underlying contracts at the date of acquisition; and
(b) The percentage of claims on the underlying contracts that the Company expects at the date of acquisition to recover from the reinsurance contracts.

For reinsurance contracts acquired in a business combination, the adjustment to the CSM reduces goodwill or increases a gain on a bargain purchase.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.7. Measurement (continued)*

***Reinsurance of Onerous Underlying Insurance Contracts (continued)***

If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then the Company uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract.

A loss-recovery component is created or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised in (d) above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

#### *2.6.8. Derecognition and Contract Modification*

The Company derecognises a contract when it is extinguished – that is when the specified obligations in the contract expire or are discharged or cancelled.

If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of FCF.

The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of FCF.

When a new contract is required to be recognised as a result of modification and it is within the scope of SFRS(I) 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the component separation requirements and contract aggregation requirements.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.8. Derecognition and Contract Modification (continued)*

On derecognition of a contract from within a group of contracts:

(a) The FCF allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
(b) The CSM of the group is adjusted for the change in the FCF, except where such changes are allocated to a loss component; and
(c) The number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group (see Note 2.6.9).

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Company entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Company received the premium that it would have charged less any additional premium charged for the modification.

#### *2.6.9. Presentation*

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under Note 2.6.5) are included in the carrying amount of the related portfolios of contracts. The Company disaggregates amounts recognised in the statement of profit or loss and Other Comprehensive Income (OCI) into:

(a) An insurance service result, comprising insurance revenue and insurance service expenses; and
(b) Insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.9. Presentation (continued)*

***Insurance Revenue***

The Company recognises insurance revenue as it satisfies its performance obligations – that is as it provides services under groups of insurance contracts. The insurance revenue relating to services provided for each year represents the total of the changes in the LRC that relate to services for which the Company expects to receive consideration, and comprises the following items:

(a) Claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:

- (i) Amounts allocated to the loss component;
- (ii) Repayments of investment components and policyholder rights to withdraw an amount;
- (iii) Amounts of transaction-based taxes collected in a fiduciary capacity;
- (iv) Insurance acquisition expenses; and
- (v) Amounts related to the risk adjustment for non-financial risk (see (b));

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

- (i) Changes included in insurance finance income/(expenses);
- (ii) Changes that relate to future coverage (which adjust the CSM); and
- (iii) Amounts allocated to the loss component;

(c) Amounts of the CSM recognised for the services provided in the period;

(d) Experience adjustments – arising from premiums received in the period other than those that relate to future service; and

(e) Other amounts, including any other pre-recognition cash flows assets derecognised at the date of initial recognition.

In addition, the Company allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time over the expected coverage period. The Company recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

*2.6.9. Presentation (continued)*

***Release of CSM***

The amount of the CSM of a group of insurance and reinsurance contracts that is recognised as insurance revenue and reinsurance expense in each reporting period is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the reporting period (before any allocation) equally to each coverage unit provided in the reporting period and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the reporting period. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period.

***Loss Components***

The Company has grouped contracts that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Company has established a loss component of the LRC for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes relating to future service in the FCF to: (i) the loss component; and (ii) the LRC excluding the loss component. The loss component is also updated for subsequent changes relating to future service in estimates of the FCF and the risk adjustment for non-financial risk. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts (since the loss component will have been materialised in the form of incurred claims). The Company uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the LRC excluding the loss component.

***Loss-Recovery Component***

As described in Note 2.6.7 above, when the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.9. Presentation (continued)*

***Loss-Recovery Component (continued)***

Where a loss-recovery component has been set up at initial recognition or subsequently, the Company adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is nil when loss component of the onerous group of underlying insurance contracts is nil.

***Insurance Service Expenses***

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items:

(a) Incurred claims and other insurance service expenses;
(b) Amortisation of insurance acquisition cash flows: The Company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts;
(c) Losses on onerous contracts and reversals of such losses;
(d) Adjustments to the LIC that do not arise from the effects of the time value of money, financial risk and changes therein; and
(e) Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

***Net Expenses from Reinsurance Contracts Held***

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the Premium Allocation Approach (PAA), the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Company expects to pay consideration.

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

(a) On recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
(b) For changes in FCF of the group of reinsurance contracts relating to future services that result from changes in FCF of the onerous underlying contracts.

## 2. Material Accounting Policy Information (continued)

### 2.6. Insurance and Reinsurance Contracts (continued)

#### *2.6.9. Presentation (continued)*

***Net Expenses from Reinsurance Contracts Held (continued)***

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group underlying contracts that the Company expects to recover from the reinsurance contracts.

***Insurance Finance Income and Expenses***

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

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

The main amounts within insurance finance income or expenses are:

(a) Interest accreted on the FCF and the CSM;
(b) The effect of changes in interest rates and other financial assumptions; and
(c) Foreign exchange differences.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

Amounts presented in OCI are accumulated in the insurance finance reserve. The Company presents insurance finance income or expenses in profit or loss.

### 2.7. Provisions

Provisions are recognised when the Company has a legal or constructive obligation where as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

### 2.8. Fixed Assets and Depreciation

All items of fixed assets are initially recorded at cost. The cost of an item of fixed asset is recognised as an asset if, and only if, it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably. Owner-occupied property is stated at fair value less accumulated depreciation and impairment allowance.

Valuation for owner-occupied property is performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 2. Material Accounting Policy Information (continued)

### 2.8. Fixed Assets and Depreciation (continued)

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Subsequent to recognition, other fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated so as to write off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. The annual rates used for this purpose are:

| | % |
|---|---|
| Building improvement and renovation | 10 |
| Office equipment | 12 1/2 to 33 1/3 |
| Motor vehicles | 20 |
| Owner-occupied property | 2 |

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down to its recoverable amount and the impairment loss is charged to the profit or loss. If, in subsequent periods, circumstances and events that led to the provision for impairment in value cease to exist, a write-back up to the full provision may be made, net of depreciation which would have been recognised in the profit or loss had the provision not been made.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the profit or loss in the year the asset is derecognised.

### 2.9. Investment Property

Investment property consists of leasehold office premises located at 146 Robinson Road.

Investment properties are properties that are either owned by the Company or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise of completed investment properties and properties that are being constructed or developed for future use as investment properties.

## 2. Material Accounting Policy Information (continued)

### 2.9. Investment Property (continued)

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment property is derecognised either when they have been disposed of (i.e. at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

### 2.10. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognised in the profit or loss, except for assets that are previously revalued where the revaluation was taken to OCI. For such assets, the impairment is also recognised in OCI up to the amount of any previous revaluation.

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 2. Material Accounting Policy Information (continued)

### 2.10. Impairment of Non-Financial Assets (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

### 2.11. Financial Instruments

#### *2.11.1. Classification*

Financial instruments and financial liabilities are classified as follows:

***Financial Instruments at Fair Value through Profit or Loss***

Financial instruments within a held for trading business model are classified and measured at FVTPL. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

***Debt Instruments***

The debt instruments with contractual cash flows that represent solely payments of principal and interest are classified and measured as follows:

- At amortised cost (AC) if they are held within a business model whose objective is to collect contractual cash flows from the assets;
- At FVOCI if the objective of the business model is both for collection of contractual cash flows and for sale; or
- At FVTPL (designated) if so designated to eliminate or reduce accounting inconsistency.

***Equity Instruments***

Equity instruments are classified and measured at FVTPL unless elected irrevocably at inception to be classified and measured at FVOCI on an instrument-by-instrument basis when they meet the definition of equity under SFRS(I)1-32 *Financial Instruments: Presentation* and are not held for trading.

***Financial Liabilities***

Financial liabilities are classified and measured at AC. They may be designated at FVTPL at initial recognition if they meet the following criteria:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities on a different basis;
- The assets and liabilities are managed on a fair value in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative that would otherwise require bifurcation.

## 2. Material Accounting Policy Information (continued)

### 2.11. Financial Instruments (continued)

#### *2.11.1. Classification (continued)*

***Financial Liabilities (continued)***
For financial liabilities that are designated at FVTPL, the fair value changes attributable to own credit risk are taken to OCI unless this would create accounting mismatch, in which case such fair value changes are taken to profit or loss.

#### *2.11.2. Measurement*

***Initial Measurement***
Financial instruments are recognised initially at their fair value which is generally the transaction price, reduced by loss allowance for financial assets at AC. Directly attributable transaction costs are included as part of the initial cost for financial instruments that are not measured at FVTPL.

***Subsequent Measurement***
Held for trading financial instruments and those designated as FVTPL measured at fair value with fair value changes recognised in the profit and loss account.

Financial instruments classified as FVOCI are measured at fair value with fair value changes taken to the fair value reserve. For debt instruments, the fair value change in the fair value reserve is taken to the profit and loss account upon disposal or impairment of the assets. For equity instruments elected to be classified as FVOCI, gains or losses on these financial assets are never recycled to profit and loss account. Dividends are recognised as other income in the profit and loss account when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the financial asset, in which case, such gains are recorded in OCI.

All other financial instruments are measured at AC using the effective interest method less allowance for impairment.

Interest and dividend income on all non-derivative financial instruments at FVTPL are recognised separately from fair value changes. The effective interest rate applied to Stage 1 and Stage 2 financial assets is on their gross carrying amount. For Stage 3 financial assets, the effective interest rate is applied to the net carrying amount.

***Fair Value Determination***
Fair values of financial assets and financial liabilities with active markets are determined based on the market bid and ask prices respectively at the balance sheet date. For financial instruments with no active markets, fair values are established using valuation techniques such as making reference to recent transactions or other comparable financial instruments, discounted cash flow method and option pricing models. Valuation inputs include spot and forward prices, volatilities, correlations and credit spreads.

## 2. Material Accounting Policy Information (continued)

### 2.11. Financial Instruments (continued)

*2.11.3. Recognition and Derecognition*

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets that require delivery within the period generally established by regulation or market convention are recognised on the settlement date.

Financial instruments are derecognised when the contractual rights to cash flows and risks and rewards associated with the instruments are substantially transferred, cancelled or expired. On derecognition, the difference between the carrying amount of the instruments and the consideration received/paid, less the accumulated gain or loss that has been recognised in equity are recognised in the profit and loss statement, or in OCI.

### 2.12. Impairment of Financial Assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments held at FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For debt instruments at FVOCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. Equity instruments designated at FVOCI are not subjected to impairment assessment.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## 2. Material Accounting Policy Information (continued)

### 2.13. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 2.14. Financial Liabilities

***Initial Recognition and Measurement***

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in case of financial liabilities not at FVTPL, directly attributable transaction costs.

***Subsequent Measurement***

The measurement of financial liabilities depends on their classification as follows:

*(a) Financial Liabilities at Fair Value through Profit or Loss*

Financial liabilities at FVTPL include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at FVTPL.

*(b) Financial Liabilities at Amortised Cost*

After initial recognition, financial liabilities that are not carried at FVTPL are subsequently measured at AC using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

***Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

## 2. Material Accounting Policy Information (continued)

### 2.15. Foreign Currency

#### *2.15.1. Functional Currency*

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

#### *2.15.2. Transactions and Balances*

Foreign currency monetary assets and liabilities are converted to Singapore dollars at the rates of exchange ruling at the balance sheet date. Foreign currency transactions during the year are converted into the functional currency using the rates of exchange ruling on the transaction dates. Exchange differences are taken up in the profit or loss as appropriate.

Exchange differences on investments held at FVTPL, such as unit trusts, ETFs and equities are reported as part of the fair value gain or loss. Exchange differences on equities classified as FVOCI financial assets, are recognised in OCI and accumulated under the revaluation on investment reserve in equity.

### 2.16. Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### 2.17. Deferred Income Tax

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities, and their carrying amounts in the financial statements at the balance sheet date. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

## 2. Material Accounting Policy Information (continued)

### 2.17. Deferred Income Tax (continued)

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 2.18. Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and bank balances, and fixed deposits with maturity of less than 3 months.

### 2.19. Dividend Distribution

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders.

### 2.20. Employees' Benefits

#### *2.20.1. Defined Contribution Plan*

As required by law, the Company makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised in compensation expense in the same period as the employment that gives rise to the contributions.

#### *2.20.2. Employees' Leave Entitlement*

Employees' 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.

### 2.21. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *2.21.1. As Lessee*

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

***Right-of-Use Assets***

The Company recognises right-of-use assets at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Property 3 years
- Office equipment 3 to 5 years

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 2. Material Accounting Policy Information (continued)

### 2.21. Leases (continued)

*2.21.1. As Lessee (continued)*

***Right-of-Use Assets (continued)***

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as described in Note 2.12.

***Lease Liabilities***

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

***Short-Term Leases and Leases of Low-Value Assets***

The Company applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

*2.21.2. As Lessor*

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment property is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 2. Material Accounting Policy Information (continued)

### 2.22. Associate

An associate is an entity over which the Company has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Company's investment in material associate is accounted for using the equity method.

The Company accounts for its investments in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Company's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Company's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associate. Distributions received from associate reduce the carrying amount of the investment. Where there has been a change recognised in OCI by the associate, the Company recognises its share of such changes in OCI. Unrealised gains and losses resulting from transactions between the Company and associate are eliminated to the extent of the interest in the associate.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss on the Company's investment in associate. The Company determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate is prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

### 2.23. Share Capital

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

### 2.24. Segment Reporting

The Company is organised into operating segments based on its separate fund accounts in accordance with the Singapore Insurance Act 1966. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

## 2. Material Accounting Policy Information (continued)

### 2.25. Related Parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (i); and
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## 3. Principal Activities

The principal activities of the Company is the underwriting of general insurance business. There have been no significant changes in the nature of these activities during the financial year.

## 4. Judgements and Inherent Uncertainty in Accounting Estimates

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

### 4.1. Insurance Risks

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.

As general insurance business encompasses a wide range of different insurance products, a prudent management of risks is fundamental to the Company's business. This safeguards not only the interest of its shareholders but also that of its customers. The Company has developed a robust underwriting framework to ensure that all risks accepted meet with its guidelines and standards.

## 4. Judgements and Inherent Uncertainty in Accounting Estimates (continued)

### 4.1. Insurance Risks (continued)

The Company's business is primarily derived from Singapore and the region. Geographically, there is an inherent concentration of insurance risks in the Company's insurance portfolio. The Company has developed a reinsurance management strategy which manages such concentration of insurance risks based on historical experience of loss frequency and severity of similar risks and in similar geographical zones. The primary objectives of the Company's reinsurance management strategy include protection of shareholders' fund, smoothing out the peaks and troughs of insurance service result, providing the Company with competitive advantage, sound and diversified reinsurance securities and developing long-term strategic partnership with key reinsurers.

One of the purposes of insurance is to enable policyholders to protect themselves against uncertain future events. Insurance companies accept the transfer of uncertainty from policyholders and seek to add value through the aggregation and management of these risks. The uncertainty inherent in insurance is inevitably reflected in the financial statements of insurance companies. The principal uncertainty in the Company's financial statements primarily arises in the insurance contracts liabilities; and reinsurance contracts assets and liabilities. The insurance contract liabilities; and reinsurance contract assets and liabilities comprise estimates of present value of future cash flows, risk adjustment for non-financial risk and CSM. Their values are carried in the balance sheet as disclosed in Note 10.

Although the FCF and risk adjustments for non-financial risk are estimated based on management's best knowledge and judgement of current facts including consultations with its certifying actuary as at the balance sheet date, the actual outcome may differ from the estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

For general insurance contracts, LIC excluding risk adjustment for non-financial risk compromising provision for claims reported by policyholders and claims incurred but not reported (IBNR) are established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on known facts at the balance sheet date. The provisions are revised continuously as part of a regular ongoing process as claims are settled and further claims are reported.

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 4. Judgements and Inherent Uncertainty in Accounting Estimates (continued)

### 4.1. Insurance Risks (continued)

#### *4.1.1. Sensitivity Analysis*

The LIC is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

| | | Profit or loss | | Equity | |
|---|---|---|---|---|---|
| | Change in assumptions | Impact on profit before tax gross of reinsurance | Impact on profit before tax net of reinsurance | Impact on equity gross of reinsurance | Impact on equity net of reinsurance |
| **31 December 2024** | | | | | |
| **$'000** | | | | | |
| Risk adjustment margin | **+20%** | **(1,228)** | **(622)** | **(1,019)** | **(516)** |
| Loss ratio | **+20%** | **(2,713)** | **(1,648)** | **(2,252)** | **(1,368)** |
| 31 December 2023 | | | | | |
| $'000 | | | | | |
| Risk adjustment margin | +20% | (1,402) | (576) | (1,164) | (478) |
| Loss ratio | +20% | (4,266) | (3,010) | (3,541) | (2,498) |

#### *4.1.2. Judgements*

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

(a) Note 2.5 - Insurance and Reinsurance Contracts Classification: assessing whether the contract transfers significant insurance risk and whether an insurance contract contains direct participation features;

(b) Note 2.6.2 - Aggregation and Recognition of Insurance and Reinsurance Contracts: identifying portfolios of contracts and determining groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently;

(c) Note 4.1.3.1 - Estimates of Future Cash Flows to Fulfil Insurance Contracts: determining the techniques for estimating risk adjustments for non-financial risk; and

(d) Note 4.1.3.2 - Contractual Service Margin: the techniques for determining coverage units provided under a contract.

## 4. Judgements and Inherent Uncertainty in Accounting Estimates (continued)

### 4.1. Insurance Risks (continued)

#### *4.1.3. Assumptions and Estimates*

##### *4.1.3.1. Estimates of Future Cash Flows to Fulfil Insurance Contracts*

Fulfilment cash flows comprise:

(a) Estimates of future cash flows;
(b) An adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
(c) A risk adjustment for non-financial risk.

The Company's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value.

***Estimates of Future Cash Flows***

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Company takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:

(a) Claims handling, maintenance and administration costs; and
(b) Recurring commissions payable on instalment premiums receivable within the contract boundary.

## 4. Judgements and Inherent Uncertainty in Accounting Estimates (continued)

### 4.1. Insurance Risks (continued)

#### *4.1.3. Assumptions and Estimates (continued)*

##### *4.1.3.1. Estimates of Future Cash Flows to Fulfil Insurance Contracts (continued)*

***Estimates of Future Cash Flows (continued)***

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. The Company generally allocates insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the number of claims for each group, and maintenance and administration costs based on the number of in-force contracts within each group. Other costs are recognised in profit or loss as they are incurred.

The Company estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques such as the chain-ladder and Bornhuetter-Ferguson methods. These techniques assume that the Company's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each line of business, except for large claims, which are assessed separately from other claims. The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims development data on which the projections are based, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

In its claims incurred assessments, the Company uses internal and market data. Internal data is derived mostly from the Company's claims reports. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims. Market data consists of inflation projections, large claims threshold, large claims quantity, market claims ratios and other.

Estimates are performed on an accident year basis, with further allocation to annual cohorts in proportion to the gross or reinsurance premiums earned by the respective cohort of contracts in a given accident year.

Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

# 4. Judgements and Inherent Uncertainty in Accounting Estimates (continued)

## 4.1. Insurance Risks (continued)

### *4.1.3. Assumptions and Estimates (continued)*

#### *4.1.3.1. Estimates of Future Cash Flows to Fulfil Insurance Contracts (continued)*

***Discount Rates***

The cash flows of the Company's insurance contracts do not vary with returns of the underlying items. Bottom-up approach was applied in the determination of the discount rates for the Company's insurance contracts. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free was derived using Singapore Government Securities (SGS). Management uses judgement to assess liquidity characteristics of the liability cash flows.

Observable market information is available for up to 20 years and the duration of the insurance contracts liabilities of the Company typically do not exceed the "last observable point" or "last liquid point" of the selected curve.

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

| | 2024 | | | | |
|---|---|---|---|---|---|
| **Currency** | **1 year** | **3 years** | **5 years** | **10 years** | **20 years** |
| SGD | **1.0164** | **1.0178** | **1.0193** | **1.0223** | **1.0237** |

| | 2023 | | | | |
|---|---|---|---|---|---|
| Currency | 1 year | 3 years | 5 years | 10 years | 20 years |
| SGD | 1.0139 | 1.0156 | 1.0118 | 1.0049 | 1.0143 |

***Risk Adjustments for Non-Financial Risk***

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique.

The risk adjustments for non-financial risk are determined using a confidence level technique. To determine the risk adjustments for non-financial risk for reinsurance contracts, the Company applies the technique above both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 4. Judgements and Inherent Uncertainty in Accounting Estimates (continued)

### 4.1. Insurance Risks (continued)

#### *4.1.3. Assumptions and Estimates (continued)*

##### *4.1.3.1. Estimates of Future Cash Flows to Fulfil Insurance Contracts (continued)*

***Risk Adjustments for Non-Financial Risk (continued)***

Applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

##### *4.1.3.2. Contractual Service Margin*

***Determination of Coverage Units***

The Company considers the following in the identification of the coverage units for each cohort:

(a) Lapse expectations are included to the extent they affect the expected duration of coverage;
(b) Different levels of service across periods (if applicable) are considered in the determination of coverage units;
(c) The quantity of benefits is determined from the policyholder perspective, not the quantity of benefits expected to be incurred by the Company; and
(d) A policyholder benefits from the Company standing ready to meet valid claims should the insured event occur. Therefore, the quantity of benefits relates to the amounts that can potentially be claimed.

The Company has assessed and identified the coverage unit to be the sum insured for its direct, facultative inwards, and facultative outwards contracts. For reinsurance treaty outwards contracts, the coverage unit has been assessed to be the estimated premium income for the treaty.

***Investment Components***

The Company identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs, or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

The Company offers profit commission, overriding commission, and overriding profit commission to its cedants in the inward reinsurance contracts. These commissions are determined based on the performance of the inward reinsurance contracts (i.e., the profit or combined ratio of the contracts) and settled at gross amount, separated from premiums.

Under these arrangements, there is no minimum guaranteed amount that the policyholder will always receive as these are calculated considering the results of prior underwriting cohorts. Hence, the Company has assessed that there are no investment components.

## 4. Judgements and Inherent Uncertainty in Accounting Estimates (continued)

### 4.2. Impairment Losses on Financial Assets

The measurement of impairment losses under SFRS(I) 9 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. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used. For more details on the Company's ECL methodology and assumptions and loss allowance recognised for the year ended 31 December 2024, refer to Note 33(d).

### 4.3. Revaluation of Owner-Occupied and Investment Property

The Company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures the owner-occupied property at fair value less accumulated depreciation and impairment allowance.

The Company engaged real estate valuation experts to assess fair value as at 31 December 2024. The fair value of the owner-occupied and investment property are determined by independent real estate valuation experts using the market comparable. The key assumptions used to determine the fair value of the investment property are provided in Note 27.

The carrying amount of the Company's investment property and owner-occupied property as at 31 December 2024 was $62,000,000 (2023: $62,000,000). The details can be found in Notes 27 and 28 respectively.

## 5. Insurance Revenue and Allocation of Reinsurance Premiums Paid

| | 2024<br>$'000<br>Total | 2023<br>$'000<br>Total |
|---|---|---|
| **Insurance revenue** | | |
| **Amounts relating to the changes in the liability for remaining coverage** | | |
| Expected insurance claims, benefits and expenses | **42,848** | 37,748 |
| Release of the risk adjustment for non-financial risk for risk expired | **4,084** | 3,640 |
| CSM recognised in profit or loss for services provided | **35,117** | 29,853 |
| Other Amounts (such as, experience adjustments for premium receipts) | **4,496** | 2,294 |
| **Amounts relating to recovery of insurance acquisition cash flows** | | |
| Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows | **26,963** | 20,913 |
| **Total insurance revenue** | **113,508** | 94,448 |

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 5. Insurance Revenue and Allocation of Reinsurance Premiums Paid (continued)

| | **2024 $'000 Total** | 2023 $'000 Total |
|---|---|---|
| **Allocation of reinsurance premiums paid** | | |
| **Amounts relating to the changes in the assets for remaining coverage** | | |
| Expected recovery for insurance service expenses incurred in the period | **(12,718)** | (11,110) |
| Changes in the risk adjustment for non-financial risk | **(1,430)** | (1,188) |
| Net cost recognised in profit or loss | **(28,371)** | (25,327) |
| **Total allocation of reinsurance premiums paid** | **(42,519)** | (37,625) |

## 6. Expected Recognition of the Contractual Service Margin

An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table:

| | Insurance Contracts | | Reinsurance contracts | |
|---|---|---|---|---|
| **Number of years until expected to be recognised** | **2024 $'000** | 2023 $'000 | **2024 $'000** | 2023 $'000 |
| 1 | **12,981** | 9,743 | **(17,482)** | (11,356) |
| 2 | **882** | 464 | **(2,355)** | (2,796) |
| 3 | **323** | 150 | **(309)** | (188) |
| 4 | **118** | 11 | **(155)** | (43) |
| 5 | **3** | 4 | **(30)** | (5) |
| 6 - 10 | **–** | – | **(2)** | – |
| **Total** | **14,307** | 10,372 | **(20,333)** | (14,388) |

## 7. Net Financial Result

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| **Net investment income** | | |
| Interest revenue from financial assets not measured at FVTPL | **9,769** | 8,328 |
| Net gains on FVTPL investments | **1,483** | 181 |
| Net credit impairment losses | **57** | 53 |
| Net gains on investments measured at FVOCI | **15,125** | 13,987 |
| Others | **703** | 695 |
| **Total net investment income** | **27,137** | 23,244 |
| | | |
| **Net finance expenses from insurance contracts** | | |
| Interest accreted at locked in rate | **(924)** | (937) |
| Effect of changes in interest rates and other financial assumptions | **4** | 4 |
| **Total net finance expenses from insurance contracts** | **(920)** | (933) |
| | | |
| **Net finance income from reinsurance contracts** | | |
| Interest accreted | **483** | 499 |
| Others | **2** | (2) |
| **Total net finance income from reinsurance contracts** | **485** | 497 |
| | | |
| **Net insurance finance expenses** | **(435)** | (436) |
| | | |
| **Summary of the amounts recognised in profit or loss** | | |
| Net investment income | **17,824** | 15,008 |
| Net insurance finance expenses | **(441)** | (438) |
| | **17,383** | 14,570 |
| | | |
| **Summary of the amounts recognised in OCI** | | |
| Net investment income | **9,313** | 8,236 |
| Net insurance finance income | **6** | 2 |
| | **9,319** | 8,238 |
| | | |
| **Summary of the amounts recognised** | | |
| Net investment income | **27,137** | 23,244 |
| Net insurance finance expenses | **(435)** | (436) |
| | **26,702** | 22,808 |

## 8. Other Income

| | | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|---|
| (a) | Dividend income from: | | | |
| | – Equity securities measured at FVOCI | | **7,277** | 5,885 |
| (b) | Interest income from: | | | |
| | – Debt securities measured at FVOCI | | **7,134** | 8,377 |
| (c) | Rental income from: | | | |
| | – Investment property | 27 | **694** | 647 |

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 9. Management Expenses

Included in management expenses are the following:

| | Note | Charged to profit and loss account 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| Depreciation on: | | | |
| Right-of-use assets | 29(a) | **1** | 3 |
| Owner-occupied property | 28 | **578** | 578 |
| Building improvement and renovation | 28 | **590** | 590 |
| Office equipment | 28 | **412** | 287 |
| Motor vehicles | 28 | **16** | 16 |
| | | **1,597** | 1,474 |
| Auditor's remuneration: | | | |
| Payable to the auditors of the Company | | | |
| - Audit fees | | **443** | 750 |
| - Non-audit fees | | **13** | 53 |
| Foreign exchange losses/(gains) | | **286** | (34) |
| Telemarketing expenses | | **1,921** | 1,786 |
| Professional Fees | | **596** | 1,336 |
| Licence/levy | | **183** | 186 |
| Printing and stationery | | **144** | 103 |
| Repair and upkeep | | **1,436** | 1,035 |
| Staff cost | | **15,133** | 12,371 |
| Brokerage | | **27** | 35 |
| Management Fees | | **1,295** | 1,320 |
| Property Expenses | | **1,194** | 803 |
| Others | | **2,507** | 1,523 |
| Claims and benefits | | **23,669** | 7,408 |
| Losses on onerous insurance contracts | | **3,037** | 6,373 |
| Fees and commission | | **13,886** | 7,131 |
| Represented by: | | | |
| - Insurance service expenses | | **63,966** | 39,303 |
| - Other management expenses | | **3,401** | 4,350 |
| | | **67,367** | 43,653 |

## 10. Insurance and Reinsurance Contracts

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts changed during the year as a result of cash flows and amounts recognised in the profit and loss account and statement of comprehensive income. The Company presents a table that separately analyses movements in the LRC and movements in the LIC and reconciles these movements to the line items in the profit and loss account and statement of comprehensive income.

# 10. Insurance and Reinsurance Contracts (continued)

## 10.1. Analysis by Remaining Coverage and Incurred Claims

### *10.1.1. Insurance Contracts*

| | | For the year ended 31 December 2024 | | | |
|---|---|---|---|---|---|
| | | Liabilities for remaining coverage | | | |
| | Note | Excluding loss component $'000 | Loss component $'000 | Liabilities for incurred claims $'000 | Total $'000 |
| Insurance contract assets as at 1 January | | – | – | – | – |
| Insurance contract liabilities as at 1 January | | 24,913 | 1,853 | 94,800 | 121,566 |
| **Net opening balance** | | 24,913 | 1,853 | 94,800 | 121,566 |
| **Changes in the statement of profit or loss and other comprehensive income** | | | | | |
| **Insurance contract revenue** | 5 | (113,508) | – | – | (113,508) |
| **Insurance service expenses** | | | | | |
| Incurred claims (excluding investment components) and other incurred insurance service expenses | | – | (4,201) | 34,528 | 30,327 |
| Changes related to past services | | – | – | 3,639 | 3,639 |
| **Incurred claims and benefits** | | – | (4,201) | 38,167 | 33,966 |
| Amortisation of insurance acquisition cash flows | | 26,963 | – | – | 26,963 |
| Changes related to future services (i.e. losses on onerous contracts) | | – | 3,037 | – | 3,037 |
| **Insurance service operating expenses** | | 26,963 | 3,037 | – | 30,000 |
| **Total insurance service expenses** | | 26,963 | (1,164) | 38,167 | 63,966 |
| **Insurance service result** | | (86,545) | (1,164) | 38,167 | (49,542) |
| Net finance expenses from insurance contracts | 7 | 368 | 15 | 537 | 920 |
| **Total changes in the statement of profit or loss and other comprehensive income** | | (86,177) | (1,149) | 38,704 | (48,622) |
| **Cash flows** | | | | | |
| Premiums received | | 106,396 | – | – | 106,396 |
| Claims and other insurance service expenses paid, including investment components | | – | – | (46,508) | (46,508) |
| Insurance acquisition cash flows | | (26,750) | – | – | (26,750) |
| **Total cash flows** | | 79,646 | – | (46,508) | 33,138 |
| Insurance contract assets as at 31 December | | – | – | – | – |
| Insurance contract liabilities as at 31 December | | 18,382 | 704 | 86,996 | 106,082 |
| **Net closing balance** | | 18,382 | 704 | 86,996 | 106,082 |

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 10. Insurance and Reinsurance Contracts (continued)

### 10.1. Analysis by Remaining Coverage and Incurred Claims (continued)

#### *10.1.1. Insurance Contracts (continued)*

| | | For the year ended 31 December 2023 | | | |
|---|---|---|---|---|---|
| | | Liabilities for remaining coverage | | | |
| | Note | Excluding loss component $'000 | Loss component $'000 | Liabilities for incurred claims $'000 | Total $'000 |
| Insurance contract assets as at 1 January | | – | – | – | – |
| Insurance contract liabilities as at 1 January | | 24,844 | 2,044 | 107,840 | 134,728 |
| **Net opening balance** | | 24,844 | 2,044 | 107,840 | 134,728 |
| **Changes in the statement of profit or loss and other comprehensive income** | | | | | |
| **Insurance contract revenue** | 5 | (94,448) | – | – | (94,448) |
| **Insurance service expenses** | | | | | |
| Incurred claims (excluding investment components) and other incurred insurance service expenses | | – | (6,591) | 23,478 | 16,887 |
| Changes related to past services | | – | – | (1,801) | (1,801) |
| **Incurred claims and benefits** | | – | (6,591) | 21,677 | 15,086 |
| Amortisation of insurance acquisition cash flows | | 17,844 | – | – | 17,844 |
| Changes related to future services (i.e. losses on onerous contracts) | | – | 6,373 | – | 6,373 |
| **Insurance service operating expenses** | | 17,844 | 6,373 | – | 24,217 |
| **Total insurance service expenses** | | 17,844 | (218) | 21,677 | 39,303 |
| **Insurance service result** | | (76,604) | (218) | 21,677 | (55,145) |
| Net finance expenses from insurance contracts | 7 | 358 | 27 | 548 | 933 |
| **Total changes in the statement of profit or loss and other comprehensive income** | | (76,246) | (191) | 22,225 | (54,212) |
| **Cash flows** | | | | | |
| Premiums received | | 100,535 | – | – | 100,535 |
| Claims and other insurance service expenses paid, including investment components | | – | – | (35,265) | (35,265) |
| Insurance acquisition cash flows | | (24,220) | – | – | (24,220) |
| **Total cash flows** | | 76,315 | – | (35,265) | 41,050 |
| Insurance contract assets as at 31 December | | – | – | – | – |
| Insurance contract liabilities as at 31 December | | 24,913 | 1,853 | 94,800 | 121,566 |
| **Net closing balance** | | 24,913 | 1,853 | 94,800 | 121,566 |

## 10. Insurance and Reinsurance Contracts (continued)

### 10.1. Analysis by Remaining Coverage and Incurred Claims (continued)

*10.1.2. Reinsurance Contracts*

| | | For the year ended 31 December 2024 | | | |
|---|---|---|---|---|---|
| | | Assets for remaining coverage | | | |
| | Note | Excluding loss-recovery component $'000 | Loss-recovery component $'000 | Assets for incurred claims $'000 | Total $'000 |
| Reinsurance contract assets as at 1 January | | **9,012** | **(557)** | **(58,562)** | **(50,107)** |
| Reinsurance contract liabilities as at 1 January | | **2,939** | **–** | **(1,258)** | **1,681** |
| **Net opening balance** | | **11,951** | **(557)** | **(59,820)** | **(48,426)** |
| **Changes in the statement of profit or loss and other comprehensive income** | | | | | |
| **Allocation of reinsurance premiums** | | | | | |
| **Insurance contract revenue ceded to reinsurers** | 5 | **42,519** | **–** | **–** | **42,519** |
| **Amounts recoverable from reinsurers** | | | | | |
| Insurance claims and benefits recovered from reinsurers | | **–** | **–** | **(13,690)** | **(13,690)** |
| Changes in amounts recoverable arising from changes in liability for incurred claims | | **–** | **–** | **432** | **432** |
| Changes in fulfilment cash flows which relates to onerous underlying contracts | | **–** | **333** | **–** | **333** |
| **Total amounts recoverable from reinsurers** | | **–** | **333** | **(13,258)** | **(12,925)** |
| **Net expense/(income) from reinsurance contract held** | 5 | **42,519** | **333** | **(13,258)** | **29,594** |
| Net finance income from reinsurance contracts | 7 | **(165)** | **(9)** | **(311)** | **(485)** |
| **Total changes in the statement of profit or loss and other comprehensive income** | | **42,354** | **324** | **(13,569)** | **29,109** |
| **Cash flows** | | | | | |
| Premiums paid | | **(44,734)** | **–** | **–** | **(44,734)** |
| Reinsurance service expenses recovered for insurance contracts issued | | **–** | **–** | **20,795** | **20,795** |
| **Total cash flows** | | **(44,734)** | **–** | **20,795** | **(23,939)** |
| Reinsurance contract assets as at 31 December | | **6,541** | **(233)** | **(51,461)** | **(45,153)** |
| Reinsurance contract liabilities as at 31 December | | **3,030** | **–** | **(1,133)** | **1,897** |
| **Net closing balance** | | **9,571** | **(233)** | **(52,594)** | **(43,256)** |

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 10. Insurance and Reinsurance Contracts (continued)

### 10.1. Analysis by Remaining Coverage and Incurred Claims (continued)

*10.1.2. Reinsurance Contracts (continued)*

| | | For the year ended 31 December 2023 | | | |
|---|---|---|---|---|---|
| | | Assets for remaining coverage | | | |
| | Note | Excluding loss-recovery component $'000 | Loss-recovery component $'000 | Assets for incurred claims $'000 | Total $'000 |
| Reinsurance contract assets as at 1 January | | 9,419 | (453) | (70,150) | (61,184) |
| Reinsurance contract liabilities as at 1 January | | 2,402 | – | (1,838) | 564 |
| **Net opening balance** | | 11,821 | (453) | (71,988) | (60,620) |
| **Changes in the statement of profit or loss and other comprehensive income** | | | | | |
| **Allocation of reinsurance premiums** | | | | | |
| **Insurance contract revenue ceded to reinsurers** | 5 | 37,625 | – | – | 37,625 |
| **Amounts recoverable from reinsurers** | | | | | |
| Insurance claims and benefits recovered from reinsurers | | – | – | (15,298) | (15,298) |
| Changes in amounts recoverable arising from changes in liability for incurred claims | | – | – | 9,928 | 9,928 |
| Changes in fulfilment cash flows which relates to onerous underlying contracts | | – | (100) | – | (100) |
| **Total amounts recoverable from reinsurers** | | – | (100) | (5,370) | (5,470) |
| **Net expense/(income) from reinsurance contract held** | 5 | 37,625 | (100) | (5,370) | 32,155 |
| Net finance income from reinsurance contracts | 7 | (125) | (4) | (368) | (497) |
| **Total changes in the statement of profit or loss and other comprehensive income** | | 37,500 | (104) | (5,738) | 31,658 |
| **Cash flows** | | | | | |
| Premiums paid | | (37,370) | – | – | (37,370) |
| Reinsurance service expenses recovered for insurance contracts issued | | – | – | 17,906 | 17,906 |
| **Total cash flows** | | (37,370) | – | 17,906 | (19,464) |
| Reinsurance contract assets as at 31 December | | 9,012 | (557) | (58,562) | (50,107) |
| Reinsurance contract liabilities as at 31 December | | 2,939 | – | (1,258) | 1,681 |
| **Net closing balance** | | 11,951 | (557) | (59,820) | (48,426) |

# 10. Insurance and Reinsurance Contracts (continued)

## 10.2. Analysis by Measurement Component

### *10.2.1. Insurance Contracts*

| | Note | For the year ended 31 December 2024<br>Estimates of the present value of the future cash flows<br>$'000 | Risk adjustment for non-financial risk<br>$'000 | Contractual service margin<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|---|
| Insurance contract assets as at 1 January | | – | – | – | – |
| Insurance contract liabilities as at 1 January | | 99,155 | 12,039 | 10,372 | 121,566 |
| **Net opening balance** | | 99,155 | 12,039 | 10,372 | 121,566 |
| **Changes in the statement of profit or loss and other comprehensive income** | | | | | |
| Changes in estimates that adjust the contractual service margin | | (7,796) | (370) | 8,166 | – |
| Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses | | (997) | (155) | – | (1,152) |
| Effects of contracts initially recognised in the period | | (30,976) | 4,464 | 30,701 | 4,189 |
| **Changes that relate to future services** | | (39,769) | 3,939 | 38,867 | 3,037 |
| CSM recognised in profit or loss for services provided | | – | – | (35,117) | (35,117) |
| Release of the risk adjustment for non-financial risk | | – | (4,084) | – | (4,084) |
| Experience adjustments | | (16,332) | (685) | – | (17,017) |
| **Changes that relate to current services** | | (16,332) | (4,769) | (35,117) | (56,218) |
| Changes that relate to past service, i.e. changes in fulfilment cash flows relating to incurred claims | | 6,965 | (3,326) | – | 3,639 |
| **Changes that relate to past services** | | 6,965 | (3,326) | – | 3,639 |
| **Insurance service result** | | (49,136) | (4,156) | 3,750 | (49,542) |
| Net finance expenses from insurance contracts | 7 | 641 | 94 | 185 | 920 |
| **Total changes in the statement of profit or loss and other comprehensive income** | | (48,495) | (4,062) | 3,935 | (48,622) |
| **Cash flows** | | | | | |
| Premiums received | | 106,396 | – | – | 106,396 |
| Claims and other insurance service expenses paid, including investment components | | (46,508) | – | – | (46,508) |
| Insurance acquisition cash flows | | (26,750) | – | – | (26,750) |
| **Total cash flows** | | 33,138 | – | – | 33,138 |
| Insurance contract assets as at 31 December | | – | – | – | – |
| Insurance contract liabilities as at 31 December | | 83,798 | 7,977 | 14,307 | 106,082 |
| **Net closing balance** | | 83,798 | 7,977 | 14,307 | 106,082 |

## 10. Insurance and Reinsurance Contracts (continued)

### 10.2. Analysis by Measurement Component (continued)

#### *10.2.1. Insurance Contracts (continued)*

| | | For the year ended 31 December 2023 | | | |
|---|---|---|---|---|---|
| | Note | Estimates of the present value of the future cash flows $'000 | Risk adjustment for non-financial risk $'000 | Contractual service margin $'000 | Total $'000 |
| Insurance contract assets as at 1 January | | – | – | – | – |
| Insurance contract liabilities as at 1 January | | 113,921 | 12,777 | 8,030 | 134,728 |
| **Net opening balance** | | 113,921 | 12,777 | 8,030 | 134,728 |
| **Changes in the statement of profit or loss and other comprehensive income** | | | | | |
| Changes in estimates that adjust the contractual service margin | | (693) | 108 | 585 | – |
| Changes in estimates that do not adjust the contractual service margin, i.e. losses on groups of onerous contracts and reversals of such losses | | 639 | 96 | – | 735 |
| Effects of contracts initially recognised in the period | | (30,064) | 4,258 | 31,444 | 5,638 |
| **Changes that relate to future services** | | (30,118) | 4,462 | 32,029 | 6,373 |
| CSM recognised in profit or loss for services provided | | – | – | (29,853) | (29,853) |
| Release of the risk adjustment for non-financial risk | | – | (3,640) | – | (3,640) |
| Experience adjustments | | (26,224) | – | – | (26,224) |
| **Changes that relate to current services** | | (26,224) | (3,640) | (29,853) | (59,717) |
| Changes that relate to past service, i.e. changes in fulfilment cash flows relating to incurred claims | | (151) | (1,650) | – | (1,801) |
| **Changes that relate to past services** | | (151) | (1,650) | – | (1,801) |
| **Insurance service result** | | (56,493) | (828) | 2,176 | (55,145) |
| Net finance expenses from insurance contracts | 7 | 677 | 90 | 166 | 933 |
| **Total changes in the statement of profit or loss and other comprehensive income** | | (55,816) | (738) | 2,342 | (54,212) |
| **Cash flows** | | | | | |
| Premiums received | | 100,535 | – | – | 100,535 |
| Claims and other insurance service expenses paid, including investment components | | (35,265) | – | – | (35,265) |
| Insurance acquisition cash flows | | (24,220) | – | – | (24,220) |
| **Total cash flows** | | 41,050 | – | – | 41,050 |
| Insurance contract assets as at 31 December | | – | – | – | – |
| Insurance contract liabilities as at 31 December | | 99,155 | 12,039 | 10,372 | 121,566 |
| **Net closing balance** | | 99,155 | 12,039 | 10,372 | 121,566 |

## 10. Insurance and Reinsurance Contracts (continued)

### 10.2. Analysis by Measurement Component (continued)

*10.2.2. Reinsurance Contracts*

| | Note | For the year ended 31 December 2024 | | | |
|---|---|---|---|---|---|
| | | Estimates of the present value of the future cash flows $'000 | Risk adjustment for non-financial risk $'000 | Contractual service margin $'000 | Total $'000 |
| Reinsurance contract assets as at 1 January | | (30,154) | (5,565) | (14,388) | (50,107) |
| Reinsurance contract liabilities as at 1 January | | 2,012 | (331) | – | 1,681 |
| **Net opening balance** | | (28,142) | (5,896) | (14,388) | (48,426) |
| **Changes in the statement of profit or loss and other comprehensive income** | | | | | |
| Changes in estimates that adjust the contractual service margin | | 2,649 | 154 | (2,803) | – |
| Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts | | 1,289 | 389 | – | 1,678 |
| Changes in recoveries of losses on onerous underlying contracts that adjust the CSM | | – | – | (1,345) | (1,345) |
| Effects of contracts initially recognised in the period | | 31,492 | (1,539) | (29,953) | – |
| **Changes that relate to future services** | | 35,430 | (996) | (34,101) | 333 |
| CSM recognised in profit or loss for services received | | – | – | 28,371 | 28,371 |
| Release of the risk adjustment for non-financial risk | | – | 1,430 | – | 1,430 |
| Experience adjustments | | (972) | – | – | (972) |
| **Changes that relate to current services** | | (972) | 1,430 | 28,371 | 28,829 |
| Changes that relate to past service, i.e. changes in fulfilment cash flows relating to incurred claims | | (692) | 1,124 | – | 432 |
| **Changes that relate to past services** | | (692) | 1,124 | – | 432 |
| **Net expense/(income) from reinsurance contract held** | | 33,766 | 1,558 | (5,730) | 29,594 |
| Net finance income from reinsurance contracts | 7 | (224) | (46) | (215) | (485) |
| **Total changes in the statement of profit or loss and other comprehensive income** | | 33,542 | 1,512 | (5,945) | 29,109 |
| **Cash flows** | | | | | |
| Premiums paid | | (44,734) | – | – | (44,734) |
| Reinsurance service expenses recovered for insurance contracts issued | | 20,795 | – | – | 20,795 |
| **Total cash flows** | | (23,939) | – | – | (23,939) |
| Reinsurance contract assets as at 31 December | | (20,745) | (4,075) | (20,333) | (45,153) |
| Reinsurance contract liabilities as at 31 December | | 2,206 | (309) | – | 1,897 |
| **Net closing balance** | | (18,539) | (4,384) | (20,333) | (43,256) |

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 10. Insurance and Reinsurance Contracts (continued)

### 10.2. Analysis by Measurement Component (continued)

*10.2.2. Reinsurance Contracts (continued)*

| | | For the year ended 31 December 2023 | | | |
|---|---|---|---|---|---|
| | Note | Estimates of the present value of the future cash flows $'000 | Risk adjustment for non-financial risk $'000 | Contractual service margin $'000 | Total $'000 |
| Reinsurance contract assets as at 1 January | | (43,216) | (6,373) | (11,595) | (61,184) |
| Reinsurance contract liabilities as at 1 January | | 1,197 | (633) | – | 564 |
| **Net opening balance** | | (42,019) | (7,006) | (11,595) | (60,620) |
| **Changes in the statement of profit or loss and other comprehensive income** | | | | | |
| Changes in estimates that adjust the contractual service margin | | 597 | (41) | (556) | – |
| Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts | | 253 | – | – | 253 |
| Changes in recoveries of losses on onerous underlying contracts that adjust the CSM | | (353) | – | (1,947) | (2,300) |
| Effects of contracts initially recognised in the period | | 28,797 | (1,173) | (27,624) | – |
| **Changes that relate to future services** | | 29,294 | (1,214) | (30,127) | (2,047) |
| CSM recognised in profit or loss for services received | | – | – | 27,504 | 27,504 |
| Release of the risk adjustment for non-financial risk | | – | (1,188) | – | (1,188) |
| Experience adjustments | | (3,065) | 1,023 | – | (2,042) |
| **Changes that relate to current services** | | (3,065) | (165) | 27,504 | 24,274 |
| Changes that relate to past service, i.e. changes in fulfilment cash flows relating to incurred claims | | 7,390 | 2,538 | – | 9,928 |
| **Changes that relate to past services** | | 7,390 | 2,538 | – | 9,928 |
| **Net expense/(income) from reinsurance contract held** | | 33,619 | 1,159 | (2,623) | 32,155 |
| Net finance income from reinsurance contracts | 7 | (278) | (49) | (170) | (497) |
| **Total changes in the statement of profit or loss and other comprehensive income** | | 33,341 | 1,110 | (2,793) | 31,658 |
| **Cash flows** | | | | | |
| Premiums paid | | (37,370) | – | – | (37,370) |
| Reinsurance service expenses recovered for insurance contracts issued | | 17,906 | – | – | 17,906 |
| **Total cash flows** | | (19,464) | – | – | (19,464) |
| Reinsurance contract assets as at 31 December | | (30,154) | (5,565) | (14,388) | (50,107) |
| Reinsurance contract liabilities as at 31 December | | 2,012 | (331) | – | 1,681 |
| **Net closing balance** | | (28,142) | (5,896) | (14,388) | (48,426) |

## 10. Insurance and Reinsurance Contracts (continued)

### 10.3. Effect of Contracts Initially Recognised in the Year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts not measured under the PAA in the year.

#### *10.3.1 Insurance Contracts*

| | **2024 $'000** | | | 2023 $'000 | | |
|---|---|---|---|---|---|---|
| | **Profitable contracts issued** | **Onerous contracts issued** | **Total** | Profitable contracts issued | Onerous contracts issued | Total |
| Claims and insurance service operating expenses payable | **11,739** | **34,972** | **46,711** | 28,435 | 13,799 | 42,234 |
| Insurance acquisition cash flows | **8,313** | **19,464** | **27,777** | 19,708 | 8,434 | 28,142 |
| Estimates of the present value of future cash outflows | **20,052** | **54,436** | **74,488** | 48,143 | 22,233 | 70,376 |
| Estimates of the present value of future cash inflows | **(52,011)** | **(53,453)** | **(105,464)** | (82,199) | (18,241) | (100,440) |
| Risk adjustment for non-financial risk | **1,258** | **3,206** | **4,464** | 2,612 | 1,647 | 4,259 |
| CSM | **30,701** | **–** | **30,701** | 31,444 | – | 31,444 |
| **Total at initial recognition** | **–** | **4,189** | **4,189** | – | 5,639 | 5,639 |

#### *10.3.2 Reinsurance Contracts*

| | **2024 $'000** | | | 2023 $'000 | | |
|---|---|---|---|---|---|---|
| | **Contracts initiated without loss-recovery component** | **Contracts initiated with loss-recovery component** | **Total** | Contracts initiated without loss-recovery component | Contracts initiated with loss-recovery component | Total |
| Estimates of the present value of future cash outflows | **44,712** | **–** | **44,712** | 39,082 | – | 39,082 |
| Estimates of the present value of future cash inflows | **(13,220)** | **–** | **(13,220)** | (10,283) | – | (10,283) |
| Risk adjustment for non-financial risk | **(1,539)** | **–** | **(1,539)** | (1,173) | – | (1,173) |
| CSM | **(29,953)** | **–** | **(29,953)** | (27,626) | – | (27,626) |
| **Total at initial recognition** | **–** | **–** | **–** | – | – | – |

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 10. Insurance and Reinsurance Contracts (continued)

### 10.4. Claims Development

| 31 December 2024<br>$'000 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gross of reinsurance | | | | | | | | | | | |
| Estimates of undiscounted gross cumulative claims | | | | | | | | | | | |
| At end of accident year | 49,497 | 67,666 | 50,098 | 45,449 | 44,683 | 52,362 | 40,341 | 48,166 | 42,767 | 42,064 | |
| One year later | 48,664 | 67,916 | 43,213 | 41,787 | 36,934 | 44,423 | 30,121 | 26,107 | 30,640 | | |
| Two years later | 45,692 | 65,144 | 41,472 | 39,786 | 37,673 | 43,679 | 29,572 | 25,008 | | | |
| Three years later | 41,671 | 57,644 | 39,067 | 37,023 | 33,890 | 41,544 | 27,680 | | | | |
| Four years later | 40,072 | 54,276 | 37,580 | 34,451 | 32,179 | 39,798 | | | | | |
| Five years later | 38,159 | 51,984 | 35,115 | 32,706 | 31,530 | | | | | | |
| Six years later | 36,923 | 50,131 | 33,557 | 32,284 | | | | | | | |
| Seven years later | 36,191 | 49,313 | 33,048 | | | | | | | | |
| Eight years later | 35,274 | 49,188 | | | | | | | | | |
| Nine years later | 35,084 | | | | | | | | | | |
| **Cumulative gross claims paid** | 34,764 | 47,815 | 32,174 | 30,010 | 27,173 | 33,517 | 19,929 | 15,268 | 14,077 | 6,008 | |
| Gross liabilities - accident years from 2015 to 2024 | 320 | 1,373 | 874 | 2,274 | 4,357 | 6,281 | 7,751 | 9,740 | 16,563 | 36,056 | 85,589 |
| Gross liabilities - accident years before 2015 | | | | | | | | | | | 1,407 |
| **Gross liabilities for incurred claims included in the statement of financial position (Note 10.1.1)** | | | | | | | | | | | 86,996 |

| 31 December 2024<br>$'000 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net of reinsurance | | | | | | | | | | | |
| Estimates of undiscounted net cumulative claims | | | | | | | | | | | |
| At end of accident year | 24,872 | 24,275 | 20,090 | 17,621 | 17,567 | 18,395 | 18,360 | 19,705 | 20,295 | 22,950 | |
| One year later | 20,214 | 22,206 | 19,530 | 17,455 | 15,792 | 16,112 | 14,226 | 11,630 | 13,911 | | |
| Two years later | 19,353 | 21,555 | 19,370 | 17,685 | 16,252 | 16,836 | 15,464 | 12,981 | | | |
| Three years later | 17,530 | 20,418 | 18,248 | 16,623 | 15,002 | 15,898 | 14,943 | | | | |
| Four years later | 16,462 | 18,890 | 17,177 | 15,395 | 14,249 | 15,475 | | | | | |
| Five years later | 15,693 | 17,764 | 16,375 | 14,791 | 14,213 | | | | | | |
| Six years later | 15,218 | 16,994 | 15,948 | 14,952 | | | | | | | |
| Seven years later | 14,839 | 16,719 | 15,716 | | | | | | | | |
| Eight years later | 14,580 | 16,703 | | | | | | | | | |
| Nine years later | 14,413 | | | | | | | | | | |
| **Cumulative net claims paid** | 14,219 | 16,254 | 15,221 | 13,736 | 12,177 | 12,984 | 11,903 | 8,619 | 8,593 | 7,062 | |
| Net liabilities - accident years from 2015 to 2024 | 194 | 449 | 495 | 1,216 | 2,036 | 2,491 | 3,040 | 4,362 | 5,318 | 15,888 | 35,489 |
| Net liabilities - accident years before 2015 | | | | | | | | | | | 820 |
| **Net liabilities for incurred claims included in the statement of financial position (Note 10.1.1)** | | | | | | | | | | | 36,309 |

## 11. Staff Information

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Wages, salaries and other employee benefits | **13,633** | 11,206 |
| Central Provident Fund contribution | **1,500** | 1,165 |
| | **15,133** | 12,371 |

| | 2024 | 2023 |
|---|---|---|
| Number of persons employed at the end of year | **132** | 115 |

## 12. Directors' Remuneration

The number of directors of the Company whose total remuneration from the Company falls into the following bands is:

| | 2024 | 2023 |
|---|---|---|
| $500,000 to $749,999 | **1** | – |
| $250,000 to $499,999 | **–** | 1 |
| Below $250,000 | **9** | 8 |
| **Total** | **10** | 9 |

## 13. Income Tax

### (a) Tax Expense

The tax expense attributable to profit is made up of:

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| On the profit of the year: | | | |
| Singapore current income tax | 13(b) | **2,907** | 3,939 |
| Transfer from deferred taxation | 19 | **1,219** | 9 |
| **Income tax expenses recognised in profit and loss** | | **4,126** | 3,948 |

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 13. Income Tax (continued)

### (a) Tax Expense (continued)

The tax expense on the results of the Company for the financial year differs from the theoretical amount that would arise by applying the Singapore statutory income tax rate to profit before tax due to the following:

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Profit before tax | **33,930** | 33,210 |
| Tax calculated at a tax rate of 17% (2023: 17%) | **5,768** | 5,646 |
| Exempt income | **(642)** | (581) |
| Expenses not deductible for tax purposes | **278** | 194 |
| Income from qualifying debt securities and general business, taxed at a rate of 10% | **(776)** | (1,148) |
| Others | **(502)** | (163) |
| **Actual tax expense** | **4,126** | 3,948 |

### (b) Movement in Tax Payables

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Balance at beginning of the financial year | **11,413** | 4,837 |
| Income tax paid | **(5,065)** | (215) |
| Current financial year's tax payable on profit | **2,907** | 3,939 |
| Tax relating to net (loss)/gains on disposal of FVOCI equity securities | **(213)** | 212 |
| Tax relating to net gains on unrealised reserves of FVOCI equity securities | **1,716** | 2,640 |
| **Balance at end of financial year** | **10,758** | 11,413 |

### (c) Global Anti-Base Erosion Model Rules (Pillar Two model rules)

The Pillar Two model rules apply to multinational enterprises with annual revenue in excess of EUR 750 million per their consolidated financial statements. As a constituent entity of the United Overseas Bank Group, the Company falls within the scope of these rules.

Pillar Two legislation was enacted in Singapore, the jurisdiction where both the Group and Company are incorporated, and will come into effect from 1 January 2025. Since the Pillar Two legislation was not effective at the reporting date, the Company has no related current tax exposure.

Management is in the midst of assessing the Company's exposure to the Pillar Two legislation and expects that there will be no material impact on its going concern assessment or on any asset impairment.

## 14. Earnings Per Share

Earnings per share is calculated by dividing the profit after tax attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Net profit | **29,804** | 29,262 |
| Weighted average number of ordinary shares ('000) | **61,155** | 61,155 |
| Basic and diluted earnings per share (cents) | **48.74** | 47.85 |

## 15. Dividend Paid

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Interim dividend of 8.5 cents per share (one-tier tax-exempt) (2023: 8.5 cents per share one-tier tax-exempt in respect of the financial year 2023), in respect of the financial year 2024 | **5,198** | 5,198 |
| Special dividend of 4 cents per share (one-tier tax-exempt) (2023: 4 cents per share one-tier tax-exempt in respect of the financial year 2022), in respect of the financial year 2023 | **2,446** | 2,446 |
| Final dividend of 8.5 cents per share (one-tier tax-exempt) (2023: 8.5 cents per share one-tier tax-exempt in respect of the financial year 2022), in respect of the financial year 2023 | **5,198** | 5,198 |
| | **12,842** | 12,842 |

The directors have proposed a final one-tier tax-exempt dividend of 8.5 cents per share and a special one-tier tax-exempt dividend of 6 cents per share in respect of the financial year ended 31 December 2024 amounting to $8,867,000. These financial statements do not reflect this dividend payable, which, if approved at the forthcoming Annual General Meeting, will be accounted for in the shareholders' equity as an appropriation of retained profits in the year ending 31 December 2025.

## 16. Share Capital

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | **No. of shares issued '000** | **$'000** | No. of shares issued '000 | $'000 |
| **Issued and fully paid, at beginning and end of financial year** | **61,155** | **91,733** | 61,155 | 91,733 |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 17. Capital Management

The Company's capital management policy is to enhance shareholder value, deliver sustainable returns to shareholders, support business growth and maintain an adequate capital position to meet policyholders' obligations, regulatory requirements and the underlying risks of the Company's business and operations. Capital includes equity attributable to the owners of the Company less the investment reserve. There have been no changes to the Company's basis in determining capital.

The Company's capital management processes include the following key measures:

- Observing an established dividend policy, which aims to support the Company's business needs, comply with regulatory requirements and reward shareholders reasonably;
- Setting appropriate risk limits to control the Company's exposure in the underlying risks of its business and operations;
- Investing the Company's funds in liquid and marketable securities and following an appropriate asset allocation strategy to maintain high liquidity and achieve the Company's objective in growth and preservation of capital; and
- Stress-testing the Company's financial conditions and capital adequacy under various stress scenarios to assess and enhance the Company's financial stability.

The Company is also required to maintain a minimum amount of capital and solvency requirements as prescribed under the Singapore Insurance Act 1966 and relevant Regulations. The Company has complied with such requirements during the financial year. The Company monitors its capital level on a regular basis to assess whether the capital adequacy requirements have been met.

The Company has no borrowings, contingent liabilities and loan capital as at 31 December 2024. There was no change in the Company's capital management objectives, policies and processes during the years ended 31 December 2024 and 31 December 2023.

The Company's equity as at 31 December 2024 was $468,742,000 (2023: $442,461,000).

## 18. General Reserve

In each financial year, a certain amount of retained profits may be transferred to general reserve of the Company. The general reserve has not been earmarked for any particular purpose. In the year of 2024, there is no transfer of retained profits to general reserve.

## 19. Deferred Tax Liabilities

Deferred tax liabilities as at 31 December relate to the following:

| | Balance sheet | | Profit and loss | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Differences in tax depreciation | **241** | 280 | **(39)** | 1 |
| Differences in tax depreciation - Right-of-use assets | **3** | 3 | **–** | (1) |
| Differences in lease liabilities | **–** | – | **–** | 1 |
| Differences in expected credit loss | **(50)** | (39) | **(11)** | 8 |
| Differences in insurance contract liabilities | **1,269** | – | **1,269** | – |
| Deferred income tax related to other comprehensive income: | | | | |
| Revaluation of investments | | | | |
| - Balance at 1 January | **779** | 2,772 | | |
| - Net losses on fair value changes of FVOCI equity securities | **–** | (5,724) | | |
| - Net gains on fair value changes of FVOCI debt securities | **–** | 3,731 | | |
| **Balance at 31 December** | **2,242** | 1,023 | | |
| **Deferred income tax expense** | | | **1,219** | 9 |

## 20. Revaluation on Investment Reserve

Revaluation on investment reserve records the cumulative fair value changes in FVOCI investments, net of deferred income tax, until they are derecognised or impaired.

| | **2024** | 2023 |
|---|---|---|
| | **$'000** | $'000 |
| Balance at 1 January | **16,916** | 9,994 |
| Net change in the reserve, net of tax | **10,628** | 6,922 |
| **Balance at 31 December** | **27,544** | 16,916 |
| Net change in the reserve arises from: | | |
| - Net gains on fair value changes and changes in allowance for ECL during the financial year, net of tax | **8,798** | 8,135 |
| - Recognised in the profit and loss account on disposal of FVOCI debt securities, net of 17% tax (2023: 17%) | **515** | 101 |
| - Recognised in the retained profits on disposal of FVOCI equity securities, net of 17% tax (2023: 17%) | **1,315** | (1,314) |
| | **10,628** | 6,922 |

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 21. Amount Owing to Non-Trade Creditors

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Non-trade creditors and accrued liabilities | **9,385** | 8,173 |
| Amount owing to related companies | **2,344** | 879 |
| **Total financial liabilities carried at amortised cost** | **11,729** | 9,052 |

These amounts are non-interest bearing and are normally settled on 90-day term.

### (a) Non-Trade Creditors and Accrued Liabilities

These amounts are unsecured, non-interest bearing and repayable on demand.

### (b) Amount owing to Related Companies

These amounts are unsecured, non-interest bearing and repayable on demand.

## 22. Financial Derivatives

Financial derivatives are instruments whose values change in response to the change in prices of the underlying instruments.

The Company transacts in forward contracts and total return swaps to manage its foreign exchange exposure arising from investment in fixed income securities denominated in foreign currencies.

The table below shows the Company's foreign exchange forward contracts and total return swaps and their fair values measured by valuation technique with market observable inputs at the balance sheet date. The most frequently applied valuation techniques include forward and future pricing models. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates. They are classified as level 2 in the fair value hierarchy. These amounts do not necessarily represent future cash flows and amounts at risk of the forward contracts and total return swaps.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **Recurring fair value measurements** | **Contract/ notional amount $'000** | **Derivative financial assets $'000** | **Derivative financial liabilities $'000** | Contract/ notional amount $'000 | Derivative financial assets $'000 | Derivative financial liabilities $'000 |
| Foreign exchange forwards | | | | | | |
| Sell USD/ Buy SGD | **45,753** | **–** | **544** | 184,792 | 5,217 | – |
| Total return swaps | | | | | | |
| Sell USD/ Buy SGD | **110,323** | **–** | **2,232** | – | – | – |

For the year ended 31 December 2024, the Company recognised net unrealised losses on financial derivatives of $7,993,000 (2023: $2,829,000).

The foreign exchange forward contracts and total return swaps have maturity dates in January 2025 (2023: March 2024). Counterparties are mainly graded at A-1+.

## 23. Bank Balances and Fixed Deposits

### (a) Cash and Bank Balances

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Bank balances with: | | |
| Holding company | **6,940** | 5,630 |
| Other financial institutions | **4,035** | 2,300 |
| | **10,975** | 7,930 |

Cash and bank balances earn interest at rates based on daily deposit rates.

### (b) Fixed Deposits

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Fixed deposits with: | | |
| Holding company | **1,595** | 1,498 |
| Other financial institutions | **86,838** | 58,184 |
| | **88,433** | 59,682 |
| Fixed deposits with: | | |
| 3 months or less | **87,001** | 57,020 |
| More than 3 months | **1,432** | 2,662 |
| | **88,433** | 59,682 |

The Company's fixed deposits with the holding company and other financial institutions mature on varying dates within 6 months (2023: 8 months) from the financial year end and earn interest at the respective fixed deposit rates. The weighted average effective interest rate of these deposits at 31 December 2024 for the Company was 2.91% (2023: 3.74%) per annum.

| | Note | 2024 $'000 | 2023 $'000 |
|---|---|---|---|
| **Total bank balances and fixed deposits** | 24 | **99,408** | 67,612 |

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 24. Loans and Receivables

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| Bank balances and fixed deposits | **99,408** | 67,612 |
| Non-trade debtors and accrued interest receivables (excluding prepayments of $129,000 in 2024, $137,000 in 2023) | **7,223** | 4,493 |
| **Loans and receivables** | **106,631** | 72,105 |

All bank balances, fixed deposits, non-trade debtors and accrued interest receivables are placed with counterparties that are graded from A- to AA-.

## 25. Associated Company

This represents the Company's investment in the following company:

| Name of company | Country of incorporation & place of business | Principal activity | Cost of investment | | % of paid-up capital held by the Company | |
|---|---|---|---|---|---|---|
| | | | **2024**<br>**$'000** | 2023<br>$'000 | **2024**<br>**%** | 2023<br>% |
| United Insurance Agency Pte Ltd* | Singapore | General Insurance Agent | **1** | 1 | **49** | 49 |

* Audited by KPMG LLP, Singapore

The Company's investment in associate is considered immaterial and therefore does not apply equity accounting as at 31 December 2024.

## 26. Investments

Financial instruments as at 31 December 2024

| | **2024** **$'000** | 2023 $'000 |
|---|---|---|
| Mandatorily measured at fair value through profit or loss | | |
| Unit trusts and ETFs | **29,153** | 18,692 |
| Debt securities | **4,692** | 4,804 |
| | **33,845** | 23,496 |
| At fair value through other comprehensive income | | |
| Debt securities | **219,130** | 238,829 |
| Equity securities | **132,232** | 128,955 |
| | **351,362** | 367,784 |
| **Total** | **385,207** | 391,280 |
| Net carrying amount | | |
| Current | **67,285** | 126,756 |
| Non-current | **317,922** | 264,524 |
| | **385,207** | 391,280 |

The debt securities bear an effective weighted average interest rate of 3.04% (2023: 2.93%) per annum with maturity dates from January 2025 to January 2037 (2023: January 2024 to January 2037). The other government securities bear an effective weighted average interest rate of 0.15% (2023: 2.50%) per annum with maturity dates from January 2025 to April 2025 (2023: April 2025).

The Company's debt securities and other government securities are all graded as investment grade.

In 2024, the Company disposed certain investments for cash and realised the capital appreciation. These investments had a fair value of $243,911,000 (2023: $177,979,000) at the date of disposal.

The net loss on disposal of the above investments was $793,000 (2023: Net gain on disposal of $537,000).

***Fair Value Measurements***

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

(a) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

(b) Level 2 – Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

(c) Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

## 26. Investments (continued)

***Fair Value Measurements (continued)***

The investments are measured at fair value at 31 December as follows:

| | **2024** | | | |
|---|---|---|---|---|
| Recurring fair value measurements | **Level 1 $'000** | **Level 2 $'000** | **Level 3 $'000** | **Total $'000** |
| Mandatorily measured at FVTPL | | | | |
| Unit trusts & ETFs | **25,547** | **–** | **3,606** | **29,153** |
| Debt securities | **–** | **4,692** | **–** | **4,692** |
| At FVOCI | | | | |
| Debt securities | **219,130** | **–** | **–** | **219,130** |
| Equity securities | **132,232** | **–** | **–** | **132,232** |
| Investment property | **–** | **–** | **28,530** | **28,530** |
| | **376,909** | **4,692** | **32,136** | **413,737** |

| | 2023 | | | |
|---|---|---|---|---|
| Recurring fair value measurements | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
| Mandatorily measured at FVTPL | | | | |
| Unit trusts & ETFs | 16,943 | – | 1,749 | 18,692 |
| Debt securities | – | 4,804 | – | 4,804 |
| At FVOCI | | | | |
| Debt securities | 238,829 | – | – | 238,829 |
| Equity securities | 128,955 | – | – | 128,955 |
| Investment property | – | – | 28,530 | 28,530 |
| | 384,727 | 4,804 | 30,279 | 419,810 |

The fair value of investments traded in active markets is based on the quoted market bid prices at the balance sheet date. These investments are included in Level 1.

The fair value of investments 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 the balance sheet date. Over-the-counter quotes, dealer quotes as well as other techniques, such as estimated discounted cash flows are used to estimate fair value of these instruments. These investments are included in Level 2.

## 26. Investments (continued)

### *Movements in Level 3 Fair Value Measurements*

During the financial year, there were no transfers of financial assets between Level 1 and 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. The valuations of the Level 3 financial instruments are performed by the fund house.

The following table presents the reconciliation for the Level 3 investments measured at fair value:

| | **2024 $'000** | 2023 $'000 |
|---|---|---|
| Financial assets at fair value through profit or loss: | | |
| Opening balance | **1,749** | 923 |
| Purchases during the period | **1,388** | 791 |
| Net changes in unrealised gains on financial assets at fair value through profit or loss | **469** | 35 |
| **Balance as at 31 December** | **3,606** | 1,749 |

The following table shows the information about the fair value measurements using significant unobservable inputs (Level 3):

| **Description** | **Fair value as at 31 December 2024** | **Valuation techniques** | **Unobservable inputs** | **Range (weighted average)** |
|---|---|---|---|---|
| Investment in collective investment schemes | **3,606,000** | Net asset value* | Not applicable | Not applicable |

* This investment is valued using net asset value of the fund. Accordingly, this investment is classified as Level 3 investments within the fair value hierarchy.

## 27. Investment Property

| | **2024 $'000** | 2023 $'000 |
|---|---|---|
| **Balance as at 1 January and 31 December** | **28,530** | 28,530 |

The following amounts are recognised in profit and loss:

| | **2024 $'000** | 2023 $'000 |
|---|---|---|
| Rental income | **694** | 647 |
| Direct operating expenses (including repairs and maintenance) generating rental income | **(1,194)** | (803) |
| **Loss arising from investment property** | **(500)** | (156) |

As at 31 December 2024, the investment property consists of leasehold office premises located at 146 Robinson Road, Singapore.

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 27. Investment Property (continued)

Investment property is stated at fair value, which has been determined based on valuations performed on 12 November 2024. The valuation was performed by an independent valuer with a recognised and relevant professional qualification. The valuer analysed and studied recent sales and rental evidence of similar properties in comparable localities that had been transacted in the open market.

The investment property was leased to third parties under operating leases, further summary details of which are included in Note 29(b).

### *Fair Value Measurements*

The Company classified the fair value of its investment property as Level 3 as the valuation is determined based on direct comparison method, with the key unobservable inputs being market value based on existing use and the age of the building.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop the investment properties or for repairs, maintenance or enhancements.

## 28. Fixed Assets

| | Owner-occupied property $'000 | Building improvement & renovation $'000 | Office equipment $'000 | Motor vehicles $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 January 2023 | 33,470 | 6,089 | 4,977 | 47 | 44,583 |
| Additions | – | – | 689 | – | 689 |
| Disposals | – | – | (3) | – | (3) |
| At 31 December 2023 and 1 January 2024 | 33,470 | 6,089 | 5,663 | 47 | 45,269 |
| Additions | – | 144 | 207 | – | 351 |
| Disposals | – | – | – | – | – |
| **At 31 December 2024** | **33,470** | **6,233** | **5,870** | **47** | **45,620** |
| **Accumulated depreciation and impairment** | | | | | |
| At 1 January 2023 | 1,441 | 855 | 1,678 | 1 | 3,975 |
| Depreciation charge for the year | 578 | 590 | 287 | 16 | 1,471 |
| Disposals | – | – | (2) | – | (2) |
| At 31 December 2023 and 1 January 2024 | 2,019 | 1,445 | 1,963 | 17 | 5,444 |
| Depreciation charge for the year | 578 | 590 | 412 | 16 | 1,596 |
| Disposals | – | – | – | – | – |
| **At 31 December 2024** | **2,597** | **2,035** | **2,375** | **33** | **7,040** |
| **Net book value** | | | | | |
| At 31 December 2023 | 31,451 | 4,644 | 3,700 | 30 | 39,825 |
| **At 31 December 2024** | **30,873** | **4,198** | **3,495** | **14** | **38,580** |

## 29. Leases

### (a) Company as a Lessee

The Company has lease contracts for various items of office equipment used in its operations. The leases of office equipment have lease terms between three and five years.

The Company also has certain leases of office equipment with lease terms of 12 months or less, or with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

| | **Office equipment $'000** |
|---|---|
| Balance as at 1 January 2023 | 22 |
| Depreciation charge for the year | (3) |
| Additions to right-of-use assets | – |
| Balance as at 31 December 2023 and 1 January 2024 | 19 |
| Depreciation charge for the year | – |
| Additions to right-of-use assets | – |
| **Balance as at 31 December 2024** | **19** |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| | **Total $'000** |
|---|---|
| Balance as at 1 January 2023 | 28 |
| Additions | – |
| Accretion of interest | – |
| Payments | (3) |
| Balance as at 31 December 2023 and 1 January 2024 | 25 |
| Additions | – |
| Accretion of interest | – |
| Payments | (1) |
| **Balance as at 31 December 2024** | **24** |

The maturity analysis of lease liabilities are disclosed in Note 33(f).

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 29. Leases (continued)

### (a) Company as a Lessee (continued)

The following are the amounts recognised in profit or loss:

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Depreciation charge on right-of-use assets | **–** | 3 |
| Interest expense on lease liabilities | **–** | – |
| Expense relating to short-term leases | **21** | 41 |
| Expense relating to leases of low-value assets | **2** | 63 |
| **Total amount recognised in profit or loss** | **23** | 107 |

The Company had total cash outflows for leases of $23,000 in 2024 (2023: $104,000). The Company does not have non-cash additions to right-of-use assets and lease liabilities in 2024 (2023: nil).

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide operational flexibility and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

### (b) Company as a Lessor

The Company has entered into operating leases on its investment property consisting of leasehold office premises (Note 27). These leases are negotiated for terms ranging from one to five years.

Rental income recognised by the Company during the year is $694,000 (2023: $647,000) (Note 27).

Future minimum rental receivable under non-cancellable operating leases as at 31 December 2024 are as follows:

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Within one year | **873** | 408 |
| After one year but within three years | **1,001** | 262 |
| More than three years | **611** | – |
| | **2,485** | 670 |

## 30. Commitments

### Capital Commitments

The Company has no lease contracts that have not yet commenced as at 31 December 2024.

## 31. Related Party Transactions

The following related party transactions took place between the Company and related parties during the financial year on terms agreed by the parties concerned:

| | 2024 $'000 | 2023 $'000 |
|---|---|---|
| Premiums accepted, included in insurance revenue: | | |
| - Holding company | **5,672** | 5,520 |
| - Related companies | **531** | 597 |
| - Associated companies of the holding company | **1,363** | 1,294 |
| Commission expenses paid, included in insurance service expenses: | | |
| - Holding company | **7,620** | 6,960 |
| - Related companies | **201** | – |
| - Associated company | **636** | 712 |
| Gross claims incurred/(written-back), included in insurance service expenses: | | |
| - Holding company | **13** | (103) |
| - Related companies | **–** | (6) |
| - Associated companies of the holding company | **(1,943)** | (8,045) |
| Lease payment received from associated company | **82** | 81 |
| Management fee received from an associated company of the holding company | **750** | 750 |
| Management fee charged by a related company | **1,295** | 1,320 |
| Service fee charged by holding company | **4,358** | 2,991 |
| Interest income earned from holding company | **261** | 272 |
| Compensation of key management personnel: | | |
| - Directors and CEO of the Company | **1,081** | 1,241 |

Remuneration of Directors and CEO included fees, salary, bonus, Central Provident Fund contribution and other emoluments (including benefits-in-kind) computed based on costs incurred by the Company.

## 32. Segment Information

The Company is principally engaged in the business of underwriting general insurance. As the Company has different operating segments, its business are segregated into separate fund accounts in accordance with the requirements of the Singapore Insurance Act 1966.

As required under the Singapore Insurance Act, the Company has established and maintained a Singapore Insurance Fund (SIF) for insurance business relating to Singapore policies and an Offshore Insurance Fund (OIF) for insurance business relating to offshore policies. Shareholders' Fund (SHF) relates to the Company's investment activities of its non-insurance funds.

The segment information has been prepared in accordance with the Company's accounting policy and SFRS(I).

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 32. Segment Information (continued)

| | SIF $'000 | OIF $'000 | SHF $'000 | Total $'000 |
|---|---|---|---|---|
| For Year 2024 | | | | |
| Insurance revenue | 82,756 | 30,752 | – | 113,508 |
| Insurance service expense | (42,152) | (21,814) | – | (63,966) |
| **Insurance service result before reinsurance contracts held** | 40,604 | 8,938 | – | 49,542 |
| Net expenses from reinsurance contracts | (23,033) | (6,561) | – | (29,594) |
| **Insurance service result** | 17,571 | 2,377 | – | 19,948 |
| Insurance finance expenses for insurance contracts issued | (823) | (101) | – | (924) |
| Reinsurance finance income for reinsurance contracts held | 479 | 4 | – | 483 |
| **Net insurance service and financial result** | 17,227 | 2,280 | – | 19,507 |
| Dividend income from investments | 3,063 | 619 | 3,595 | 7,277 |
| Interest income from investments | 4,039 | 693 | 2,402 | 7,134 |
| Interest on fixed deposits and bank balances | 1,390 | 571 | 775 | 2,736 |
| Net write-back of expected credit loss on investments | 28 | 5 | 24 | 57 |
| Amortisation of discount/(premium) on investments | 188 | 51 | (55) | 184 |
| Rental income from investment property | – | – | 694 | 694 |
| Miscellaneous income | 3 | 1 | 5 | 9 |
| Net fair value gains on mandatorily measured at FVTPL investments - realised | 670 | 228 | 451 | 1,349 |
| Net fair value losses on mandatorily measured at FVTPL investments - unrealised | (182) | (95) | (201) | (478) |
| Net losses on disposal of FVOCI investments | (364) | (86) | (166) | (616) |
| Net fair value gains on financial derivatives - realised | 632 | 101 | 345 | 1,078 |
| Net fair value losses on financial derivatives - unrealised | (4,360) | (847) | (2,786) | (7,993) |
| Exchange gains | 3,448 | 722 | 2,223 | 6,393 |
| | (280) | (24) | (218) | (522) |
| Less | | | | |
| Other management expenses: | | | | |
| - Depreciation on property | – | – | (279) | (279) |
| - Management fees | (718) | (135) | (442) | (1,295) |
| - Other operating expenses | (333) | (158) | (1,336) | (1,827) |
| **Total non-underwriting income** | 7,504 | 1,670 | 5,249 | 14,423 |
| **Profit before tax** | 24,731 | 3,950 | 5,249 | 33,930 |
| Tax expense | (3,028) | (971) | (127) | (4,126) |
| **Profit, net of tax** | 21,703 | 2,979 | 5,122 | 29,804 |
| Segment total assets as at 31 December 2024 | 279,689 | 56,600 | 267,961 | 604,250 |
| Segment total liabilities as at 31 December 2024 | 111,677 | 17,028 | 6,803 | 135,508 |

## 32. Segment Information (continued)

| | SIF $'000 | OIF $'000 | SHF $'000 | Total $'000 |
|---|---|---|---|---|
| For Year 2023 | | | | |
| Insurance revenue | 66,691 | 27,757 | – | 94,448 |
| Insurance service expense | (21,354) | (17,949) | – | (39,303) |
| **Insurance service result before reinsurance contracts held** | 45,337 | 9,808 | – | 55,145 |
| Net expenses from reinsurance contracts | (25,597) | (6,558) | – | (32,155) |
| **Insurance service result** | 19,740 | 3,250 | – | 22,990 |
| Insurance finance expenses for insurance contracts issued | (820) | (117) | – | (937) |
| Reinsurance finance income for reinsurance contracts held | 481 | 18 | – | 499 |
| **Net insurance service and financial result** | 19,401 | 3,151 | – | 22,552 |
| Dividend income from investments | 2,348 | 491 | 3,046 | 5,885 |
| Interest income from investments | 4,584 | 846 | 2,947 | 8,377 |
| Interest on fixed deposits and bank balances | 1,042 | 411 | 161 | 1,614 |
| Net write-back of expected credit loss on investments | 25 | 5 | 23 | 53 |
| Amortisation of discount/(premium) on investments | 62 | 48 | (14) | 96 |
| Rental income from investment property | – | – | 647 | 647 |
| Miscellaneous income | 43 | – | 6 | 49 |
| Net fair value losses on mandatorily measured at FVTPL investments - realised | (467) | (102) | (297) | (866) |
| Net fair value gains on mandatorily measured at FVTPL investments - unrealised | 998 | 335 | 664 | 1,997 |
| Net losses on disposal of FVOCI investments | (32) | (19) | (71) | (122) |
| Net fair value gains on financial derivatives - realised | 1,646 | 335 | 1,116 | 3,097 |
| Net fair value losses on financial derivatives - unrealised | (1,491) | (306) | (1,032) | (2,829) |
| Exchange losses | (1,696) | (316) | (978) | (2,990) |
| | (1,541) | (287) | (894) | (2,722) |
| Less | | | | |
| Other management expenses: | | | | |
| - Depreciation on property | – | – | (279) | (279) |
| - Management fees | (711) | (145) | (464) | (1,320) |
| - Other operating expenses | (1,283) | (267) | (1,201) | (2,751) |
| **Total non-underwriting income** | 5,068 | 1,316 | 4,274 | 10,658 |
| **Profit before tax** | 24,469 | 4,467 | 4,274 | 33,210 |
| Tax expense | (3,481) | (335) | (132) | (3,948) |
| **Profit, net of tax** | 20,988 | 4,132 | 4,142 | 29,262 |
| Segment total assets as at 31 December 2023 | 292,526 | 54,716 | 239,979 | 587,221 |
| Segment total liabilities as at 31 December 2023 | 116,849 | 20,334 | 7,577 | 144,760 |

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 32. Segment Information (continued)

*Information about Major External Customers*

For the year ended 31 December 2024 and the preceding period, the Company did not have any external customer whose premium income exceeded 10% of the Company's total revenue.

*Geographical Information*

Geographical information of the Company's revenue derived from external customers based on their location and non-current assets are as follows:

| | Revenue for | | Non-current assets as at | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Singapore | **92,522** | 75,339 | **38,599** | 39,844 |
| ASEAN countries | **13,313** | 12,488 | **–** | – |
| Others | **7,673** | 6,621 | **–** | – |
| | **113,508** | 94,448 | **38,599** | 39,844 |

The Company's non-current assets presented above consist of fixed assets (including property for its own occupancy) and right-of-use assets.

## 33. Financial Risk Factors and Management

The Company's business activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, interest rates and market prices. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

### (a) Foreign Exchange Risk

The Company has transactional currency exposures arising from its offshore insurance business.

The Company is also exposed to foreign exchange risk arising from its investing activities. The Company transacts in forward contracts and total return swaps to manage its foreign exchange exposure arising from investments denominated in foreign currencies. Other than the exposure arising from investments denominated in foreign currencies, the Company does not consider its exposure to foreign exchange risk to be significant.

## 33. Financial Risk Factors and Management (continued)

### (a) Foreign Exchange Risk (continued)

The Company monitors its exposure in each foreign currency as well as its aggregate exposure in all foreign currencies on a regular basis. The Company's net position in foreign currencies is as follows:

| | Total net assets/(liabilities) position | | |
|---|---|---|---|
| $'000 | Financial assets | Reinsurance contract assets | Insurance contract liabilities |
| **31 December 2024** | | | |
| Chinese Renminbi | **–** | **–** | **527** |
| Hong Kong Dollar | **2,828** | **13** | **(6,850)** |
| Indian Rupee | **–** | **–** | **(602)** |
| Indonesian Rupiah | **–** | **327** | **(756)** |
| Japanese Yen | **–** | **–** | **(1)** |
| Malaysia Ringgit | **–** | **–** | **643** |
| Thai Baht | **–** | **1** | **502** |
| US Dollar | **38,857** | **(9)** | **(82)** |
| | **41,685** | **332** | **(6,619)** |
| 31 December 2023 | | | |
| Australian Dollar | – | – | 1 |
| Chinese Renminbi | – | – | 204 |
| Hong Kong Dollar | – | 28 | (6,042) |
| Indian Rupee | – | – | (878) |
| Indonesian Rupiah | – | 391 | (478) |
| Japanese Yen | – | – | (1) |
| Malaysia Ringgit | – | – | 1,720 |
| Thai Baht | – | – | (373) |
| US Dollar | 34,182 | 146 | (215) |
| | 34,182 | 565 | (6,062) |

The following table shows the sensitivity of the Company's profit before tax and the Company's equity to a reasonable possible change in the Singapore dollar exchange rate against all other currencies, with all other variables held constant:

| | Increase/ Decrease in $ exchange rate | Impact on profit before tax $'000 | Impact on equity net of tax $'000 |
|---|---|---|---|
| **2024** | **+5%** | **(312)** | **(1,210)** |
| | **-5%** | **312** | **1,210** |
| 2023 | +5% | (500) | (776) |
| | -5% | 500 | 776 |

The method used for deriving sensitivity analysis and significant variables did not change from the previous year.

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 33. Financial Risk Factors and Management (continued)

### (b) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's operating cash outflow commitment is substantially independent of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the interest income on the Company's fixed deposits and the debt securities measured at FVOCI and FVTPL. When it is necessary, the Company uses interest rate futures to manage its interest rate risk.

During 2024 and as at 31 December 2024, if interest rates had been 10 basis points (bp) higher/lower, with all other variables held constant, the Company's profit before tax for the year is estimated to be $377,000 (2023: $390,000) higher/lower, due mainly to higher/lower interest income on fixed deposits and fixed income securities. The Company's equity as at 31 December 2024 is estimated to be $429,000 (2023: $585,000) lower/higher due to unrealised loss/gain on fixed income securities.

The method used for deriving sensitivity analysis and significant variables did not change from the previous year.

The Company's interest-sensitive instruments as reported are as follows:

| | **2024 Floating rate** | **2024 Fixed rate** | 2023 Floating rate | 2023 Fixed rate |
|---|---|---|---|---|
| Assets | **23,618** | **178,551** | 23,253 | 220,380 |

*Sensitivity Analysis*

A change of 10 bp in interest rates at the reporting date would not have a significant impact to insurance contracts and reinsurance contracts held. This analysis assumes that all other variables remain constant.

There is no direct contractual relationship between financial assets and insurance contracts. However, the Company's interest rate risk policy requires it to manage the extent of net interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments to support the insurance contract liabilities. The Company is exposed to interest rate risk in respect of LIC or AIC where cash flows are not expected to be settled within a year from when claims are incurred.

## 33. Financial Risk Factors and Management (continued)

### (c) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than exchange or interest rates). The Company is exposed to market price risk arising from its investments comprising mainly quoted equity securities, debt securities and unit trusts. The Company has established an investment policy, which sets strategic asset allocation and maximum exposure limits for its investment portfolio. The quoted equity securities are listed on the Singapore Exchange or other regulated stock exchanges overseas.

At the balance sheet date, if the market prices of the equity investments had been 2% (2023: 2%) higher/lower with all other variables held constant, the Company's equity would have been $2,679,000 (2023: $2,451,000) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments.

The method used for deriving sensitivity analysis and significant variables did not change from the previous year.

### (d) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The carrying amount of derivative financial assets, insurance contract liabilities, reinsurance contract assets and cash and cash equivalents represents the Company's maximum exposure to credit risk.

The Company has credit control policies in place to ensure that sales made to customers and recoveries from reinsurers are duly collected. The Company has also established a selection and management policy for reinsurers to ensure that they are financially sound and set maximum exposure limits for its reinsurers based on their financial strength.

Notwithstanding the measures taken, the failure of one or more of the Company's policyholders, agents, ceding companies, reinsurers and other counterparties including issuers of debt securities to honour their contractual obligations, may result in credit losses being incurred and this will adversely affect the Company's financial position.

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 33. Financial Risk Factors and Management (continued)

### (d) Credit Risk (continued)

***Exposure to Credit Risk***

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit ratings of counterparties:

| | Credit ratings | | | | | | |
|---|---|---|---|---|---|---|---|
| | AAA | AA+ to AA- | A+ to A- | BBB+ to BBB- | Below BBB- | Not rated | Total |
| **As at 31 December 2024** | | | | | | | |
| Cash and cash equivalents | **–** | **8,535** | **90,873** | **–** | **–** | **–** | **99,408** |
| Loans and other receivables | **–** | **–** | **2,917** | **–** | **–** | **4,435** | **7,352** |
| Debt securities | **–** | **9,484** | **59,657** | **37,443** | **–** | **117,238** | **223,822** |
| Reinsurance contract assets | **3,129** | **7,469** | **30,949** | **1,083** | **–** | **2,523** | **45,153** |
| Total credit risk exposure | **3,129** | **25,488** | **184,396** | **38,526** | **–** | **124,196** | **375,735** |
| As at 31 December 2023 | | | | | | | |
| Cash and cash equivalents | – | 10,228 | 57,384 | – | – | – | 67,612 |
| Loans and other receivables | – | – | – | – | – | 4,630 | 4,630 |
| Derivative financial assets | – | 2,932 | 2,285 | – | – | – | 5,217 |
| Debt securities | – | 11,005 | 52,246 | 52,078 | – | 128,304 | 243,633 |
| Reinsurance contract assets | 2,240 | 40,727 | 5,661 | – | – | 1,479 | 50,107 |
| Total credit risk exposure | 2,240 | 64,892 | 117,576 | 52,078 | – | 134,413 | 371,199 |

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

| | **2024 $'000** | 2023 $'000 |
|---|---|---|
| As at 1 January | **213** | 266 |
| Write-back of ECL | **(57)** | (53) |
| **As at 31 December** | **156** | 213 |

The Company's FVOCI measured debt securities are mainly graded from BBB- to AAA and as such, the Company has minimal credit risk. The Company's ECL loss allowance as at 31 December 2024 is based on 12-month ECL.

***Financial assets that are neither past due nor impaired***

With regard to other financial assets of the Company, which comprise cash and bank balances, fixed deposits, receivables and investments, they are placed with or entered into with reputable financial institutions or companies with high credit rating and no history of default.

The Company's exposure to credit risk, arising from default of the counterparty, has a maximum exposure equal to the carrying amount of these assets in the balance sheet.

## 33. Financial Risk Factors and Management (continued)

### (e) Concentration Risk

An important element of managing both market and credit risks is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place to monitor and manage concentration risk. These limits are reviewed on a regular basis by the respective management committees. The Company's exposures are within the concentration limits set by regulators.

### (f) Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its cash outflow commitment as and when they fall due. These commitments are generally met through cash and time deposits held by the Company and cash inflows generated from its operation, supplemented by assets readily convertible into cash. Liquidity risk may also arise if the cash flows related to assets and liabilities are mismatched.

Although the Company is not exposed to significant liquidity risk, it has formulated a liquidity policy to manage its liquidity risk. It is the Company's policy to maintain adequate liquidity at all times. The Company aims to honour all cash outflow commitments on an ongoing basis and to avoid raising funds from credit facilities or through the forced sale of investments.

*Maturity Profile*

The table below summarises the maturity profile of the Company's assets and liabilities excluding the prepayments and insurance contract issued and reinsurance contracts held balances based on remaining undiscounted contractual obligations.

| | 2024 | | | | |
|---|---|---|---|---|---|
| | <3 months $'000 | 3 - 12 months $'000 | > 1 year $'000 | Total $'000 | Carrying Amount $'000 |
| **Investments** | | | | | |
| **At FVTPL** | | | | | |
| Unit trust* | **29,153** | **–** | **–** | **29,153** | **29,153** |
| Debt securities | **–** | **–** | **5,048** | **5,048** | **4,692** |
| **At FVOCI** | | | | | |
| Debt securities | **37,934** | **29,851** | **159,438** | **227,223** | **219,130** |
| Equity securities* | **132,232** | **–** | **–** | **132,232** | **132,232** |
| Non-trade debtors and accrued interest receivables excluding prepayments | **7,223** | **–** | **–** | **7,223** | **7,223** |
| Bank balances and fixed deposits | **97,976** | **1,045** | **387** | **99,408** | **99,408** |
| Investment property | **28,530** | **–** | **–** | **28,530** | **28,530** |
| **Assets** | **333,048** | **30,896** | **164,873** | **528,817** | **520,368** |
| Non-trade creditors and accrued liabilities | **9,385** | **–** | **–** | **9,385** | **9,385** |
| Lease liabilities | **23** | **1** | **–** | **24** | **24** |
| Amount owing to related companies | **2,344** | **–** | **–** | **2,344** | **2,344** |
| Derivative financial liabilities | **2,776** | **–** | **–** | **2,776** | **2,776** |
| **Liabilities** | **14,528** | **1** | **–** | **14,529** | **14,529** |

* No maturity date

# Notes to the Financial Statements

for the financial year ended 31 December 2024

## 33. Financial Risk Factors and Management (continued)

### (f) Liquidity Risk (continued)

*Maturity Profile (continued)*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | <3 months $'000 | 3 - 12 months $'000 | > 1 year $'000 | Total $'000 | Carrying Amount $'000 |
| **Investments** | | | | | |
| **At FVTPL** | | | | | |
| Unit trust* | 18,692 | – | – | 18,692 | 18,692 |
| Debt securities | – | – | 4,881 | 4,881 | 4,804 |
| **At FVOCI** | | | | | |
| Debt securities | 2,201 | 37,788 | 211,516 | 251,505 | 238,829 |
| Equity securities* | 128,955 | – | – | 128,955 | 128,955 |
| Non-trade debtors and accrued interest receivables excluding prepayments | 4,493 | – | – | 4,493 | 4,493 |
| Bank balances and fixed deposits | 65,960 | 1,454 | 198 | 67,612 | 67,612 |
| Derivative financial assets | 5,217 | – | – | 5,217 | 5,217 |
| Investment property | 28,530 | – | – | 28,530 | 28,530 |
| **Assets** | 254,048 | 39,242 | 216,595 | 509,885 | 497,132 |
| | | | | | |
| Non-trade creditors and accrued liabilities | 8,173 | – | – | 8,173 | 8,173 |
| Lease liabilities | 23 | 2 | – | 25 | 25 |
| Amount owing to related companies | 879 | – | – | 879 | 879 |
| **Liabilities** | 9,075 | 2 | – | 9,077 | 9,077 |

* No maturity date

## 33. Financial Risk Factors and Management (continued)

### (f) Liquidity Risk (continued)

***Maturity Profile (continued)***

The following table summarises the maturity profile of portfolios of insurance contract issued and portfolios of reinsurance contracts held that are liabilities of the Company based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

| | Present value of future cash flows | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1 year or less | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | Total $'000 |
| **As at 31 December 2024** | | | | | | | |
| - Insurance contract liabilities | **(10,853)** | **31,628** | **27,128** | **15,857** | **9,081** | **10,957** | **83,798** |
| - Reinsurance contract liabilities | **2,829** | **(111)** | **(214)** | **(151)** | **(58)** | **(89)** | **2,206** |
| | **(8,024)** | **31,517** | **26,914** | **15,706** | **9,023** | **10,868** | **86,004** |
| As at 31 December 2023 | | | | | | | |
| - Insurance contract liabilities | (848) | 34,859 | 28,440 | 16,061 | 9,431 | 11,212 | 99,155 |
| - Reinsurance contract liabilities | 2,732 | (136) | (259) | (163) | (63) | (99) | 2,012 |
| | 1,884 | 34,723 | 28,181 | 15,898 | 9,368 | 11,113 | 101,167 |

## 34. Fair Values of Financial Instruments

The carrying values of the financial assets and financial liabilities as at the balance sheet date approximate their fair values as shown in the balance sheet.

## 35. Comparative Information

Where necessary, comparative figures have been reclassified to conform to the current year's presentation. The reclassification did not have any effect on the current year financial performance.

## 36. Authorisation of Financial Statements

The financial statements were authorised for issue in accordance with a resolution of the directors on 14 February 2025.

## United Overseas Insurance Limited

(Incorporated in Singapore)

31 December 2024

# Investor Reference

# Additional Information on Directors Seeking Re-election

Pursuant to SGX-ST Listing Manual – Appendix 7.4.1 (Information as at 14 February 2025)

| Name of Director | Wee Ee Cheong |
|---|---|
| **Date of Appointment** | 20 March 1991 |
| **Date of last reappointment (if applicable)** | 27 April 2022 |
| **Age** | 72 |
| **Country of principal residence** | Singapore |
| **The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)** | Having considered Mr Wee Ee Cheong's performance on and contributions to the Board and Board Committees, the Board agreed with the Nominating Committee's (NC) recommendation on the re-election of Mr Wee as a non-executive and non-independent director and Chairman of the Board. Mr Wee continues to provide leadership and bring valuable insights to the Board with his wealth of experience in the financial industry. |
| **Whether appointment is executive, and if so, the area of responsibility** | Non-executive |
| **Job Title (e.g. Lead ID, AC Chairman, AC Member, etc)** | • Non-executive and non-independent director<br>• Chairman of the Board<br>• Member of Nominating Committee<br>• Member of Remuneration Committee |
| **Professional Qualifications** | • Master of Arts (Applied Economics), American University, Washington, DC<br>• Bachelor of Science (Business Administration), American University, Washington, DC |
| **Working experience and occupation(s) during the past 10 years** | • United Overseas Bank Limited (UOB) – 2007 to present - Deputy Chairman and Chief Executive Officer |
| **Shareholding interest in the listed issuer and its subsidiaries** | 4,762 UOI ordinary shares |
| **Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries** | Mr Wee Ee Cheong is a substantial shareholder of UOB. The Company is a subsidiary of UOB. |
| **Conflict of interests (including any competing business)** | Nil |
| **Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer** | Yes |

# Additional Information on Directors Seeking Re-election

Pursuant to SGX-ST Listing Manual – Appendix 7.4.1 (Information as at 14 February 2025)

| Name of Director | Wee Ee Cheong |
|---|---|
| **Other Principal Commitments including Directorships:** | |
| **Past (for the last five years)** | • Visa Asia Pacific Senior Client Council (Member) (till March 2020) |
| **Present** | • United Overseas Bank (Deputy Chairman and Chief Executive Officer)<br>• PT Bank UOB Indonesia (President Commissioner)<br>• United Overseas Bank (China) (Chairman)<br>• United Overseas Bank (Thai) Public Company (Chairman)<br>• United Overseas Bank (Malaysia) (Deputy Chairman)<br>• The Association of Banks in Singapore (Council Member)<br>• The Institute of Banking and Finance (Council Member)<br>• Singapore-China Foundation (Member, Board of Governors)<br>• Singapore Chinese Chamber of Commerce & Industry (Honorary Council Member)<br>• Nanyang Academy of Fine Arts (Patron)<br>• Wee Foundation (Director) |

| Name of Director | Leong Yung Chee |
|---|---|
| **Date of Appointment** | 1 March 2023 |
| **Date of last reappointment (if applicable)** | 14 April 2023 |
| **Age** | 52 |
| **Country of principal residence** | Singapore |
| **The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)** | Having considered Mr Leong Yung Chee's performance on and contributions to the Board, the Board agreed with the NC's recommendation on the re-election of Mr Leong as a non-executive and non-independent director. Mr Leong continues to contribute meaningfully and bring valuable insights to the Board with his extensive experience in the financial sector. |
| **Whether appointment is executive, and if so, the area of responsibility** | Non-executive |
| **Job Title (e.g. Lead ID, AC Chairman, AC Member, etc)** | Non-executive and Non-independent Director |
| **Professional Qualifications** | • Master of Science (Electrical Engineering), Stanford University, USA<br>• Bachelor of Engineering (Electrical and Electronic Engineering) (Hons), Imperial College London<br>• Singapore Institute of Directors - Accredited Director |

| Name of Director | Leong Yung Chee |
|---|---|
| **Working experience and occupation(s) during the past 10 years** | • United Overseas Bank (UOB) (2016 to present)<br>– Group Chief Financial Officer-designate<br>– Managing Director, Head of Group Corporate Banking<br>– Head, Blockchain and Digital Assets<br>– Merger and Acquisition Advisor<br><br>• Macquarie (Singapore) (2010 to 2015)<br>– Country Head<br>– CEO, Macquarie Capital<br>– Chairman, Macquarie Foundation |
| **Shareholding interest in the listed issuer and its subsidiaries** | Nil |
| **Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries** | Mr Leong Yung Chee is a senior executive of UOB, the holding company of UOI. He will be appointed as the Group Chief Financial Officer of UOB with effect from 22 April 2025. |
| **Conflict of interests (including any competing business)** | Nil |
| **Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer** | Yes |
| **Other Principal Commitments including Directorships:** | |
| **Past (for the last five years)** | Nil |
| **Present** | • UOB (Group Chief Financial Officer-designate, Head of Group Corporate Banking, Merger and Acquisition Advisor and Head of Blockchain and Digital Assets)<br>• T3 Capital (Director)<br>• UOB Global Capital LLC (Director)<br>• UOB Global Capital Private Limited (Director)<br>• UOB Capital Partners (Director)<br>• ACIF GP (Director)<br>• UOB Venture Management (Shanghai) (Director) |

| Name of Director | Cheo Chai Hong |
|---|---|
| **Date of Appointment** | 1 June 2024 |
| **Date of last reappointment (if applicable)** | Not applicable |
| **Age** | 72 |
| **Country of principal residence** | Singapore |

# Additional Information on Directors Seeking Re-election

Pursuant to SGX-ST Listing Manual – Appendix 7.4.1 (Information as at 14 February 2025)

| Name of Director | Cheo Chai Hong |
|---|---|
| **The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)** | Having considered Mr Cheo Chai Hong's performance on and contributions to the Board and Board Committees, the Board agreed with the NC's recommendation on the re-election of Mr Cheo as an independent director. Mr Cheo continues to bring valuable insights to the Board based on his in-depth knowledge and experience in the financial sector and corporate governance. |
| **Whether appointment is executive, and if so, the area of responsibility** | Non-executive |
| **Job Title (e.g. Lead ID, AC Chairman, AC Member, etc)** | • Independent director<br>• Chairman of Nominating Committee<br>• Member of Audit and Risk Committee |
| **Professional Qualifications** | • Bachelor of Business Administration (Hons), University of Singapore |
| **Working experience and occupation(s) during the past 10 years** | United Overseas Bank (2005 to 2017) - Managing Director, Group Credit - Credit Approval |
| **Shareholding interest in the listed issuer and its subsidiaries** | Nil |
| **Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries** | Nil |
| **Conflict of interests (including any competing business)** | Nil |
| **Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer** | Yes |
| **Other Principal Commitments including Directorships:** | |
| **Past (for the last five years)** | Nil |
| **Present** | • Low Keng Huat (Singapore) (Lead Independent Director, Chairman of Audit Committee and Member of Nominating Committee)<br>• The Anglo-Chinese Schools Foundation (Chairman and Director)<br>• ACS (international) (Member, Board of Management)<br>• SingHealth Centralised Institutional Review Board (Member) |

| Name of Director | Andrew Lim Chee Hua |
|---|---|
| Date of Appointment | 1 June 2024 |
| Date of last reappointment (if applicable) | Not applicable |
| Age | 60 |
| Country of principal residence | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process) | Mr Andrew Lim Chee Hua is the Chief Executive Officer of UOI. Having considered Mr Lim's performance on and contributions to the Board, the Board agreed with the NC's recommendation on the re-election of Mr Lim as an executive and non-independent director.<br>Mr Lim continues to bring valuable insights to the Board with his knowledge and experience in the insurance industry. |
| Whether appointment is executive, and if so, the area of responsibility | Executive |
| Job Title (e.g. Lead ID, AC Chairman, AC Member, etc) | Executive and Non-independent Director |
| Professional Qualifications | • Bachelor of Arts, National University of Singapore |
| Working experience and occupation(s) during the past 10 years | • UOI (April 2023 to present)<br>– Chief Executive Officer<br><br>• UOI (2019 to April 2023)<br>– General Manager<br><br>• Great Eastern General Insurance (2013 to 2019)<br>– Executive Vice President |
| Shareholding interest in the listed issuer and its subsidiaries | 1,000 UOI ordinary shares |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | Nil |
| Conflict of interests (including any competing business) | Nil |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer | Yes |
| Other Principal Commitments including Directorships: | |
| Past (for the last five years) | • UOI (2019 to April 2023)<br>– General Manager<br><br>• Great Eastern General Insurance (2013 to 2019)<br>– Executive Vice President |

# Additional Information on Directors Seeking Re-election

Pursuant to SGX-ST Listing Manual – Appendix 7.4.1 (Information as at 14 February 2025)

| Name of Director | Andrew Lim Chee Hua |
|---|---|
| **Present** | • Union (2009) (Director)<br>• United Facilities (Director)<br>• Financial Industry Disputes Resolution Centre (Director, Member of Audit Committee) |

| Name of Director: Wee Ee Cheong, Leong Yung Chee, Cheo Chai Hong and Andrew Lim Chee Hua | | |
|---|---|---|
| **Information required**<br>**Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.** | | |
| (a) | Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No |
| (b) | Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No |
| (c) | Whether there is any unsatisfied judgment against him? | No |
| (d) | Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No |

| Name of Director: Wee Ee Cheong, Leong Yung Chee, Cheo Chai Hong and Andrew Lim Chee Hua | | |
|---|---|---|
| (e) | Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No |
| (f) | Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No |
| (g) | Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No |
| (h) | Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No |
| (i) | Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No |
| (j) | Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: | |
| | (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No |

# Additional Information on Directors Seeking Re-election

Pursuant to SGX-ST Listing Manual – Appendix 7.4.1 (Information as at 14 February 2025)

| Name of Director: Wee Ee Cheong, Leong Yung Chee, Cheo Chai Hong and Andrew Lim Chee Hua | | |
|---|---|---|
| | (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No |
| | (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No |
| | (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,<br><br>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | No |
| (k) | Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | No |

# Statistics of Shareholdings

As at 14 March 2025

## Distribution of shareholdings

| Size of shareholdings | No. of shareholders | % | No. of shares | % |
|---|---|---|---|---|
| 1 - 99 | 122 | 7.25 | 2,069 | 0.00 |
| 100 - 1,000 | 375 | 22.30 | 237,176 | 0.39 |
| 1,001 - 10,000 | 933 | 55.47 | 3,611,866 | 5.90 |
| 10,001 - 1,000,000 | 248 | 14.74 | 17,072,305 | 27.92 |
| 1,000,001 and above | 4 | 0.24 | 40,231,584 | 65.79 |
| **Total** | **1,682** | **100.00** | **61,155,000** | **100.00** |

## Public float

As at 14 March 2025, approximately 41.6 per cent of the issued shares of the Company was held by the public and therefore, Rule 723 of the Listing Manual has been complied with.

## Twenty largest shareholders *(as shown in the Register of Members and Depository Register)*

| No. | Name of shareholders | No. of shares | % |
|---|---|---|---|
| 1 | Tye Hua Nominees Private Limited | 35,707,500 | 58.39 |
| 2 | Ng Poh Cheng | 2,179,650 | 3.56 |
| 3 | Thia Cheng Song | 1,273,600 | 2.08 |
| 4 | Maybank Securities Pte. Ltd. | 1,070,834 | 1.75 |
| 5 | Chong Chin Chin (Zhang JingJing) | 963,666 | 1.58 |
| 6 | DBS Nominees (Private) Limited | 951,800 | 1.56 |
| 7 | Chong Kian Chun (Zhang JianJun) | 944,168 | 1.54 |
| 8 | Citibank Nominees Singapore Pte Ltd | 937,350 | 1.53 |
| 9 | Chen Swee Kwong | 851,713 | 1.39 |
| 10 | OCBC Securities Private Limited | 764,401 | 1.25 |
| 11 | India International Insurance Pte Ltd - SIF | 603,750 | 0.99 |
| 12 | Chong Kian Phang | 526,616 | 0.86 |
| 13 | Ng Ean Nee Mrs. Chee Ying Lin @ Ooi Ean Nee | 500,000 | 0.82 |
| 14 | Singapore Reinsurance Corporation Ltd - Shareholders | 500,000 | 0.82 |
| 15 | United Overseas Bank Nominees (Private) Limited | 395,850 | 0.65 |
| 16 | Yeoh Phaik Ean | 375,000 | 0.61 |
| 17 | Chen Swee Shing | 295,642 | 0.48 |
| 18 | Phillip Securities Pte Ltd | 261,025 | 0.43 |
| 19 | Tan Suat Lay @ Tan Suat Ngor | 245,250 | 0.40 |
| 20 | Estate of Thian Thin Khoon, Deceased | 225,274 | 0.37 |
| | **Total** | **49,573,089** | **81.06** |

## Substantial shareholder *(as shown in the Register of Substantial Shareholders)*

| Name of substantial shareholder | Shareholding registered in the name of substantial shareholder No. of shares | Other shareholding in which the substantial shareholder is deemed to have an interest No. of shares |
|---|---|---|
| United Overseas Bank Limited | – | *35,707,500 |

**Note:**

* United Overseas Bank Limited is deemed to have an interest in the 35,707,500 shares held by Tye Hua Nominees Private Limited.

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# Corporate Information
As at 14 February 2025

## Board of Directors
Wee Ee Cheong *(Chairman)*
Chua Kim Leng
Winston Ngan Wan Sing
Leong Yung Chee
Tan Yian Hua
Cheo Chai Hong
Andrew Lim Chee Hua

## Audit and Risk Committee
Winston Ngan Wan Sing *(Chairman)*
Chua Kim Leng
Tan Yian Hua
Cheo Chai Hong

## Nominating Committee
Cheo Chai Hong *(Chairman)*
Wee Ee Cheong
Chua Kim Leng

## Remuneration Committee
Chua Kim Leng *(Chairman)*
Wee Ee Cheong
Winston Ngan Wan Sing

## Secretary
Sherylene Wang

## Chief Executive Officer
Andrew Lim Chee Hua

## Business Address
146 Robinson Road
UOI Building #02-01
Singapore 068909
Telephone: (65) 6222 7733
Facsimile: (65) 6327 3869/6327 3870
E-mail: contactus@uoi.com.sg
Website: UOI.com.sg

## Registered Office
80 Raffles Place
UOB Plaza
Singapore 048624
Company Registration No: 197100152R
Telephone: (65) 6222 2121

## Director Emeritus
Hwang Soo Jin

## Investor Relations
Tanya Godbeer
146 Robinson Road
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## External Auditor
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Partner-in-charge: Du Xiaolin
*(appointed on 23 April 2021)*

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Company Registration No.: 197100152R

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