

HSBC LIFE (SINGAPORE) PTE. LTD.
(Incorporated in Singapore. Registration No. 199903512M)

ANNUAL REPORT
For the financial year ended 31 December 2024

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Contents

	Page
Directors' Statement	3
Independent Auditor's Report	6
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13

HSBC LIFE (SINGAPORE) PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

The directors present their statement to the member together with the audited financial statements of HSBC Life (Singapore) Pte. Ltd. (the "Company") for the financial year ended 31 December 2024.

In the opinion of the directors,

- (a) the financial statements of the Company as set out on pages 9 to 108 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office during the financial year and up to the date of this statement are as follows:

Edward Charles Lawrence Moncreiffe (Chairman, appointed on 28 June 2024)
Chamberlain Alistair John (Retired on 28 June 2024)
Bindra Harpreet Singh
Chia Kee Seng
Goh Geok Cheng (Appointed on 1 August 2024)
Ng Wai Kin (Appointed on 1 December 2024)
Nikzad Abbasabadi Babak
Yap Chee Meng

Arrangements to enable directors to acquire shares and debentures

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

HSBC LIFE (SINGAPORE) PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Directors' interests in shares or debentures

The sole member of the Company has consented to the directors' statement not containing the information set out in item 9 of the Twelfth Schedule to the Companies Act 1967 (the "Act") and, pursuant to the Companies (Relief for Company Directors under section 202(2)) Order 2024, the Company is relieved from disclosing the information. Full detailed information regarding directors' interests in shares or debentures of the Company or of related corporations, either at the beginning of the financial year, or at the end of the financial year, can be obtained at the registered office of the Company, at 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, Level 48-01 Singapore 018983.

HSBC Holdings plc (the ultimate holding company) maintains Employee Share Plans schemes, under which eligible employees including directors of the Company were granted Share Options and Discretionary Awards of shares in HSBC Holdings plc. Details of Employee Plans can be found from the Annual Report of HSBC Holdings plc. which is publicly available on the website.

Except for the Employee Share Plans, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects were, or one whose object was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Note 26 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

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

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

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

HSBC LIFE (SINGAPORE) PTE. LTD.

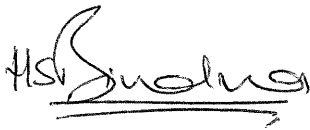
DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

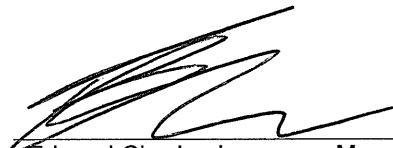
Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to be reappointed.

On behalf of the directors



Bindra Harpreet Singh
Director



Edward Charles Lawrence Moncreiffe
Chairman

30 April 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HSBC LIFE (SINGAPORE) PTE. LTD.

Report on the Audit of the Financial Statements

Our Opinion

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

What we have audited

The financial statements of the Company comprise:

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

Basis for Opinion

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

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

Independence

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF HSBC LIFE (SINGAPORE) PTE. LTD. (continued)**

Report on the Audit of the Financial Statements (continued)

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF HSBC LIFE (SINGAPORE) PTE. LTD. (continued)**

Report on the Audit of the Financial Statements (continued)

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

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.

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

Report on Other Legal and Regulatory Requirements

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



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 30 April 2025

HSBC LIFE (SINGAPORE) PTE. LTD.**STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 December 2024*

	Notes	2024 \$'000	2023 \$'000
Insurance revenue		535,737	608,358
Insurance service expenses		(428,286)	(504,611)
Net income for reinsurance contracts		5,415	5,269
Insurance service result	5	112,866	109,016
Interest revenue		267,017	260,929
Other investment gains		488,844	166,324
Net investment income	6	755,861	427,253
Net finance expenses from insurance contracts issued		(815,979)	(399,762)
Net finance income/(expenses) from reinsurance contracts held		70,127	(8,096)
Net insurance finance expenses	6	(745,852)	(407,858)
Other operating income		20,992	27,689
Other operating expenses	7	(135,496)	(168,074)
Profit/(loss) before tax		8,371	(11,974)
Income tax expense	8	(754)	(2,813)
Profit/(loss) for the year		7,617	(14,787)
Total comprehensive income/(loss) for the year		7,617	(14,787)

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

HSBC LIFE (SINGAPORE) PTE. LTD.**BALANCE SHEET***As at 31 December 2024*

	Notes	31 December 2024 \$'000	31 December 2023 \$'000
ASSETS			
Intangible assets	9	134,227	88,451
Property and equipment	10	86	168
Insurance contract assets	17	30,250	56,292
Reinsurance contract assets	17	128,594	176,194
Financial assets			
- Loans and receivables	12	171,781	199,303
- Derivative financial instruments	13	42,708	117,170
- Financial assets, at fair value through profit or loss	14(a)	11,550,507	10,705,482
- Financial assets, at amortised cost	14(b)	15,325	15,974
Amount due from related companies	15	-	1,105
Cash and cash equivalents	16	156,026	318,655
Total assets		12,229,504	11,678,794
LIABILITIES			
Insurance contract liabilities	17	11,176,612	10,432,446
Reinsurance contract liabilities	17	398,805	522,337
Borrowings	19	103	184
Financial liabilities			
- Derivative financial instruments	13	54,807	50,622
Amount due to related companies	15	31,165	15,296
Other payables and accruals	18	219,780	317,257
Income tax payable	8	2,104	2,560
Total liabilities		11,883,376	11,340,702
NET ASSETS		346,128	338,092
EQUITY			
Share capital	20	1,361,484	1,361,484
Accumulated losses		(458,455)	(466,072)
Other reserves	21	(556,901)	(557,320)
Total equity		346,128	338,092

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

HSBC LIFE (SINGAPORE) PTE. LTD.**STATEMENT OF CHANGES IN EQUITY***For the financial year ended 31 December 2024*

	Notes	Share capital \$'000	Accumulated losses \$'000	Other reserves \$'000	Total equity \$'000
2024					
Balance as at 1 January 2024		1,361,484	(466,072)	(557,320)	338,092
Profit for the year		-	7,617	-	7,617
Total comprehensive income for the year		-	7,617	-	7,617
Value of employee services	21	-	-	419	419
Total transactions with owners, recognised directly in equity		-	-	419	419
End of financial year		1,361,484	(458,455)	(556,901)	346,128
2023					
Balance as at 1 January 2023		873,484	(451,285)	1,635	423,834
Loss for the year		-	(14,787)	-	(14,787)
Total comprehensive loss for the year		-	(14,787)	-	(14,787)
Issuance of new shares	20	488,000	-	-	488,000
Business transfer	21, 27	-	-	(560,743)	(560,743)
Value of employee services	21	-	-	1,788	1,788
Total transactions with owners, recognised directly in equity		488,000	-	(558,955)	(70,955)
End of financial year		1,361,484	(466,072)	(557,320)	338,092

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

HSBC LIFE (SINGAPORE) PTE. LTD.**STATEMENT OF CASH FLOWS***For the financial year ended 31 December 2024*

	Notes	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Profit/(loss) before tax		8,371	(11,974)
<u>Adjustments for:</u>			
Depreciation expense	10	86	79
Amortisation of intangible assets	9	18,404	23,211
Net realised and unrealised gains on financial assets and liabilities at fair value through profit or loss	6	(456,522)	(156,652)
Interest and dividend income	6	(299,339)	(270,601)
Interest expense on lease liabilities	11	7	10
Share-based compensation expense	21	419	1,788
Loss on disposals of intangible assets	9	944	19,392
Operating cash flow before working capital change		(727,630)	(394,747)
<u>Changes in:</u>			
Loans and receivables		109,608	67,822
Other payables and accruals		(97,477)	39,636
Net amount due from/to related companies		16,974	6,723
Insurance contract assets		26,042	(15,073)
Reinsurance contract assets		47,600	79,056
Insurance contract liabilities		744,166	266,390
Reinsurance contract liabilities		(123,532)	132,433
Purchases of financial assets		(2,847,062)	(2,839,178)
Proceeds from sale and maturity of financial assets		2,457,780	2,454,392
Cash outflow from operations		(393,531)	(202,546)
Interest and dividends received		297,328	161,239
Income tax paid	8	(1,210)	(1,910)
Net cash used in by operating activities		(97,413)	(43,217)
Cash flows from investing activities			
Acquisition via business transfer, net of cash acquired		-	(274,587)
Purchases of intangible assets	9	(65,124)	(34,715)
Purchases of property and equipment	10	(4)	-
Net cash used in investing activities		(65,128)	(309,302)
Cash flows from financing activities			
Proceeds from issue of share capital	20	-	488,000
Principal payment of lease liabilities	19	(81)	(70)
Interest paid	19	(7)	(10)
Net cash (used in)/provided by financing activities		(88)	487,920
Net (decrease)/increase in cash and cash equivalents		(162,629)	135,401
Cash and cash equivalents at beginning of financial year		318,655	183,254
Cash and cash equivalents at end of financial year	16	156,026	318,655

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

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office is 10 Marina Boulevard #48-01 Marina Bay Financial Centre Singapore 018983.

2. Material accounting policies

2.1 Basis of preparation

The Company is principally engaged in life and non-life insurance businesses in Singapore.

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

These financial statements have been presented in Singapore dollars and values have been rounded to the nearest thousand (\$'000) except when otherwise indicated.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)2.1 Basis of preparation (continued)**New Accounting Standards for 2024 and forthcoming requirements**

On 1 January 2024, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

New or amended accounting Standards and Interpretations that are not mandatory for 31 December 2024 reporting period have not been early adopted by the Company. These are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions except for the following:

SFRS(I) 18 *Presentation and Disclosure in Financial Statements*

SFRS(I) 18 will replace SFRS(I) 1-1 Presentation of Financial Statements and applied for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)2.1 Basis of preparation (continued)**Exemption from preparing consolidated financial statements**

The Company is exempted from preparing the consolidated financial statements as:

- the Company is a wholly owned subsidiary of HSBC Insurance (Asia-Pacific) Holdings Limited;
- the Company's debt or equity instruments are not traded in a public market;
- the Company did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market; and
- the ultimate parent of the Company, HSBC Holdings plc, produces consolidated financial statements available for public use at www.hsbc.com.

2.2 Insurance and reinsurance contracts

FRS 117 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM. The CSM represents the unearned profits that will be released and systematically recognised in insurance revenue as services are provided over the expected coverage period. Previously, the impact of the majority of assumption changes is recognised immediately in the statement of comprehensive income and variances between actual and expected cash flows are recognised in the period they arise.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in statement of comprehensive income. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

Contract classification

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

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

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2.2 Insurance and reinsurance contracts (continued)*Contract classification (continued)*

Contracts entered into by the Company with the legal form of insurance contracts which do not transfer significant insurance risk are classified as financial liabilities and are referred to as 'investment contracts'.

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts for which, at inception:

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

Aggregation of insurance contracts

Individual insurance contracts that are managed together and subject to similar risks are identified as a portfolio. Contracts that are managed together usually belong to the same product group, and have similar characteristics such as being subject to a similar pricing framework or similar product management, and are issued by the same legal entity. If a contract is exposed to more than one risk, the dominant risk of the contract is used to assess whether the contract features similar risks.

Each portfolio is further separated by the contract's expected profitability. The portfolios are split by their profitability into: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and (iii) the remaining contracts. These profitability groups are then divided by issue date, with most contracts the Group issues after the transition date being grouped into calendar quarter cohorts. For multi-currency groups of contracts, the Group considers its groups of contracts as being denominated in a single currency.

The measurement of the insurance contract liability is based on groups of insurance contracts as established at initial recognition, and will include fulfilment cash flows as well as the CSM representing the unearned profit. The Company has elected to update the estimates used in the measurement on a year-to-date basis.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.2 Insurance and reinsurance contracts (continued)***Fulfilment cash flows*

The fulfilment cash flows comprise the following:

(i) Best estimates of future cash flows

These cash flows include amounts expected to be collected from premiums and payouts for claims, benefits and expenses, and are projected using a range of scenarios and assumptions in an unbiased way based on the Company's demographic and operating experience along with external mortality data where the Company's own experience data is not sufficiently large in size to be credible.

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

(ii) Adjustment for the time value of money (i.e. discounting) and financial risks associated with the future cash flows

The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks to derive an expected present value. The Company generally makes use of stochastic modelling techniques in the estimation for products with options and guarantees.

A bottom-up approach is used to determine the discount rate to be applied to a given set of expected future cash flows. This is derived as the sum of the risk-free yield and an illiquidity premium. The risk-free yield is determined based on observable market data, where such markets are considered to be deep, liquid and transparent. When information is not available, management judgement is applied to determine the appropriate risk-free yield. Illiquidity premiums reflect the liquidity characteristics of the associated insurance contracts.

(iii) Risk adjustment for non-financial risk

The risk adjustment reflects the compensation required for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk. It is calculated as a 75th percentile level of stress over a one-year period. The level of the stress is determined with reference to external regulatory stresses and internal economic capital stresses.

The Company does not disaggregate changes in the risk adjustment between insurance service result (comprising insurance revenue and insurance service expense) and insurance finance income or expenses. All changes are included in insurance service result.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.2 Insurance and reinsurance contracts (continued)***Measurement models*

The variable fee approach ('VFA') measurement model is used for most of the contracts issued by the Company, which is mandatory upon meeting the following eligibility criteria at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Company expects to pay to the policyholder a substantial share of the fair value returns on the underlying items. The Company considers that a substantial share is a majority of returns; and
- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items. The Company considers that a substantial proportion is a majority proportion of change on a present value probability-weighted average of all scenarios.

The remaining contracts issued and the reinsurance contracts held are accounted for under the general measurement model ('GMM').

CSM and coverage units

The CSM represents the unearned profit and results in no income or expense at initial recognition when the group of contracts is profitable. The CSM is adjusted at each subsequent reporting period for changes in fulfilment cash flows relating to future service (e.g. changes in non-economic assumptions, including mortality and morbidity rates). For initial recognition of onerous groups of contracts and when groups of contracts become onerous subsequently, losses are recognised in insurance service expense immediately. 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.

For groups of contracts measured using the VFA, changes in the Company's share of the underlying items, and economic experience and economic assumption changes adjust the CSM, whereas these changes do not adjust the CSM under the GMM, but are recognised in statement of comprehensive income as they arise. However, under the risk mitigation option for VFA contracts, the changes in the fulfilment cash flows and the changes in the Company's share in the fair value return on underlying items that the instruments mitigate are not adjusted in CSM but recognised in statement of comprehensive income.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.2 Insurance and reinsurance contracts (continued)***CSM and coverage units (continued)*

The CSM is systematically recognised in insurance revenue to reflect the insurance contract services provided, based on the coverage units of the group of contracts. Coverage units are determined by the quantity of benefits and the expected coverage period of the contracts.

The Company identifies the quantity of the benefits provided as follows:

- For insurance coverage - based on the expected net policyholder insurance benefit at each period after allowance for decrements, where net policyholder insurance benefit refers to the amount of sum assured less the fund value or surrender value;
- For investment services (including both investment-return service and investment-related service), based on a constant measure basis which reflects the provision of access for the policyholder to the facility;
- For contracts that provide both insurance coverage and investment services, coverage units are weighted according to the expected present value of the future cash outflows for each service.

Onerous contracts

Losses on onerous contracts are taken to the statement of comprehensive income as incurred.

Experience variance and other

'Experience variance and other' or 'Expected incurred claims and other insurance service expenses' represents the expected expenses, claims and recovery of acquisition cash flows, which are reported as part of the insurance revenue. This is offset with the actual expenses and claims incurred in the period and amortisation of acquisition cash flows, which are reported as part of insurance service expense.

Insurance service result

Insurance revenue reflects the consideration to which the Company expects to be entitled in exchange for the provision of coverage and other insurance contract services (excluding any investment components). Insurance service expenses comprise the incurred claims and other incurred insurance service expenses (excluding any investment components), and losses on onerous groups of contracts and reversals of such losses.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.2 Insurance and reinsurance contracts (continued)***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 the effects of the time value of money, financial risk and changes therein. For VFA contracts, changes in the fair value of underlying items (excluding additions and withdrawals) are recognised in insurance finance income or expenses.

Insurance finance income and expenses, are presented separately from insurance revenue and insurance service expenses. Income and expenses from reinsurance contracts other than insurance finance income and expenses are presented as a single net amount in statement of comprehensive income.

Reinsurance contracts

To measure a group of reinsurance contracts held, the Company applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts held at each reporting date is the sum of the carrying amount for remaining coverage and the asset for incurred claims. The carrying amount for remaining coverage comprises (a) the fulfilment cash flows 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 statement of comprehensive income. The risk adjustment for non-financial risk is the amount of risk being transferred by the Company to the reinsurer.

The CSM of a group of reinsurance contracts held represents a net cost or net gain on purchasing reinsurance at initial recognition. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase by the Company, then the Company recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM is then reassessed at each reporting date and the Company adjusts the CSM of the group to which a reinsurance contract held belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract held is entered into before or at the same time as the onerous underlying contracts are recognised.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.3 Revenue recognition****(a) Insurance service revenue**

Under FRS 117, insurance service revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included.

Noted 2.2 details the profit recognition for groups of contracts measured using the VFA and GMM models.

(b) Investment income

Net investment income comprises interest income, dividend income, net gains/losses on the disposal of financial instruments, changes in the fair value of financial instruments at fair value through profit or loss, and impairment losses recognised on financial instruments.

Interest income from financial instruments is recognised using the effective interest rate method. Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured.

2.4 Business combination under common control

Business combinations arising from transfers of interests from entities that are under the control of the same ultimate parent are accounted for at the date of the transfer of business. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the transferring entity with any gain/loss arising is recognised directly in other reserves in equity.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.5 Employee compensation**

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

(a) Defined contributions plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contributions to defined contribution plans are recognised as employee compensation expense when they are due.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they are accrued 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.

(c) Share-based compensation

The Company's ultimate holding company grants share options to its employees, including the Company's employees. The fair value of share options granted is recognised as an employee expense, with a corresponding increase in capital reserve. The fair value is measured at grant date and spread over the vesting period during which the employees unconditionally become entitled to the share options.

The fair value is measured at grant date using a binomial lattice model methodology. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total expense is spread over the vesting period, taking into account the probability that the option will vest.

At each reporting date, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year under review. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest, with a corresponding adjustment to the capital reserve.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.6 Income taxes**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Company establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

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

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

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

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.7 Property and equipment****(a) Measurement**

Items of property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

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

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

(b) Depreciation

Work in progress assets are not depreciated. Depreciation on items of property and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold improvements	Term of the lease
Leasehold buildings	Term of the lease
Motor vehicle	Term of the lease
Furniture, fixtures and office equipment	3 to 5 years
Computers	3 to 10 years

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

(c) Subsequent expenditure

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

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.7 Property and equipment (continued)****(d) Disposal**

On disposal of an item of property and equipment, the difference between the disposal proceeds and its carrying amount is recognised in statement of comprehensive income.

2.8 Intangible assets**(a) Goodwill on acquisition**

Goodwill arose upon the acquisition of the Employee Benefits portfolio. The goodwill represents the excess of the consideration transferred over the fair value of the net identifiable assets acquired. Goodwill is measured at cost less accumulated impairment losses.

(b) Distribution channel

Distribution channel represents amounts paid to secure a distribution arrangement with SingPost which has a finite life expected to be not less than 10 years. It is measured at cost less accumulated amortisation and impairment. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life.

(c) Computer software

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred. Costs directly attributable to the internally developed computer software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Company has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 to 10 years.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.9 Impairment of non-financial assets***Property and equipment*

Items of property and equipment are tested for impairment whenever there is any indication that these assets may be impaired.

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

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

Items of property and equipment are assessed at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss of an asset is recognised in profit or loss.

Goodwill and intangible assets

The carrying amounts of the Company's goodwill and intangible assets that have indefinite useful lives or that are not available for use, are tested for impairment annually or whenever there is an indication of impairment. For intangible assets with finite lives, impairment charges will be recognised in profit or loss where evidence of such impairment is observed.

For the purpose of impairment testing, goodwill and intangible assets are allocated to each of the Company's CGUs expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill and intangible assets, exceeds the recoverable amount of the CGU.

The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

Goodwill and intangible assets (continued)

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill and intangible assets allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

Impairment loss on goodwill and intangible assets is recognised as an expense. Impairment loss on goodwill is not reversed in subsequent periods, while impairment loss on intangible assets is reversed and recognised in profit or loss only to the extent that the carrying amount that would have been determined (net of amortisation) had no impairment loss been recognised in prior years.

The recoverable amounts are determined based on value-in-use calculations which are the discounted post-tax cash flow projections. The key assumptions used in the value-in-use calculation are as follows:

- a) Premium growth projections from management's expectations of market developments as well as the Company's strategic direction.
- b) SingPost profit margins have been projected based on actuarial assumptions reflecting the Company's experience.
- c) The discount rate used for assessment is 10.3%.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.10 Financial assets****(i) Classification and measurement**

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

- Amortised cost; and
- Fair value through profit or loss (FVPL);

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement**a) *Debt instruments***

FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost is classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises.

b) *Equity investments*

The Company subsequently measures all its equity investments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise, except for those equity securities which are not held for trading.

Dividends from equity investments are recognised in profit or loss as "dividend income".

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.10 Financial assets (continued)****(ii) Impairment**

The Company assesses on forward looking basis the expected credit losses associated with its financial assets carried at amortised cost.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 4.3 details how the Company determines whether there has been a significant increase in credit risk.

(iii) Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.11 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting loss or gain depends on whether the derivatives is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.12 Other payables**

Other payables represent liabilities for goods and services provided to the Company prior to end of financial year and which are unpaid.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Offsetting financial instruments

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

2.14 Leases**When the Company is the lessee**

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- **Right-of-use (“ROU”) assets**

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

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

Right-of-use assets (except for those which meets the definition of an investment property) are presented within “Property and equipment”.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.14 Leases (continued)****When the Company is the lessee (continued)**

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate. Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

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

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short-term and low-value leases

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

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.14 Leases (continued)****When the Company is the lessor - subleases**

The Company leases office spaces under operating leases to related companies.

The Company as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

The Company classifies its subleases as operating lease. The Company recognises lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provision comprise employee termination payments.

2.16 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

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

2.17 Cash and cash equivalents

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

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.18 Government grant**

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

Government grants receivable are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate. Government grants relating to expenses are shown as offset against the related expenses. Government grants relating to assets are deducted against the carrying amount of the assets.

2.19 Dividends

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

2.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.21 Currency translation

The financial statements are presented in Singapore dollars, which is the functional currency of the Company. Transactions in a currency other than the Singapore dollar ("foreign currency") are translated into the Singapore dollar using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

2. Material accounting policies (continued)**2.22 Subsidiaries**

Subsidiaries are companies in which the Company, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the Board of Directors. Subsidiaries are considered to be controlled when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's balance sheet, investments in subsidiaries are stated at fair value.

2.23 Structured entities

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

The Company considers all of its investments in other funds to be investments in unconsolidated structured entities. The Company invests in funds whose objectives range from achieving medium to long term capital growth. The funds are managed by unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. The funds finance their operations by issuing redeemable shares/units which are puttable at the holder's option and entitle the holder to a proportional stake in the respective fund's net assets. The Company holds redeemable shares/units in each of these funds.

The change in fair value of the funds is included in the Company's statement of comprehensive income in "investment income/(loss)".

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

3. Critical accounting estimates, assumptions and judgements

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

The Company makes estimates, assumptions and judgements in determining the reported amount of policy liabilities. These estimates, assumptions and judgements are best estimates of future experience, based on historical experience, trends and other factors.

3.1 Insurance and reinsurance contracts**(i) Estimates of future cash flows**

As set out in note 2.2, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date in estimating future cash flows. 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:

- claims handling, maintenance and administration costs;
- recurring commissions payable on instalment premiums receivable within the contract boundary;
- costs that the Company will incur in providing investment services;

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

3. Critical accounting estimates, assumptions and judgements (continued)**3.1 Insurance and reinsurance contracts (continued)****(i) Estimates of future cash flows (continued)**

- costs that the Company will incur in performing investment activities to the extent that the Company performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and income tax and other costs specifically chargeable to the policyholders under the terms of the contracts

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.

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 FRS 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.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. 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 statement of comprehensive income as they are incurred.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

3. Critical accounting estimates, assumptions and judgements (continued)**3.1 Insurance and reinsurance contracts (continued)****(i) Estimates of future cash flows (continued)***Discount rate*

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

	2024				
	1 year	5 years	10 years	15 years	20 years
All insurance contracts					
SGD	2.99%	3.02%	3.12%	3.16%	3.26%
USD	4.86%	5.09%	5.30%	5.52%	5.65%

	2023				
	1 year	5 years	10 years	15 years	20 years
All insurance contracts					
SGD	3.85%	2.93%	2.97%	3.03%	3.16%
USD	5.55%	4.64%	4.68%	4.78%	5.11%

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

3. Critical accounting estimates, assumptions and judgements (continued)**3.1 Insurance and reinsurance contracts (continued)****(i) Estimates of future cash flows (continued)***Discount rate (continued)*

Cash flows that vary based on the returns on any financial underlying items are adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk free rates as adjusted for illiquidity.

When the present value of future cash flows is estimated by stochastic modelling, the cash flows are discounted at scenario-specific rates calibrated, on average, to be the risk-free rates as adjusted for illiquidity.

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the Company would require for bearing non-financial risk, separately for the non-life and other contracts, 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 Company, 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. 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.

Contract boundaries

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Company's substantive rights and obligations under the contract.

Judgements might be involved to determine when the Company is capable of repricing the entire contract to reflect the reassessed risks, when policyholders are obliged to pay premiums and when premiums reflect risks beyond the coverage period. Where such features as options and guarantees are included in the insurance contracts, judgement may be required to assess the entity's practical ability to reprice the entire contract to determine if related cash flows are within the contract boundary.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

3. Critical accounting estimates, assumptions and judgements (continued)**3.1 Insurance and reinsurance contracts (continued)****(ii) Contractual service margin ("CSM")**

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

(iii) Coverage unit

The number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period, are reviewed and updated at each reporting date. In determination of the coverage units, the type of service is identified based on the terms and features of the insurance contracts. Management then applied judgment in determining the appropriate coverage unit against the type of service identified.

For insurance contracts that provide both insurance coverage and investment services, the assessment of the quantity of benefits entails determining the relative weighting of the benefits provided to the policyholder by these services, determining how the benefits provided by each service change over the coverage period and aggregating those different benefits.

For contracts measured under VFA, or those measured under GMM which meets the criteria to be defined as including an investment return service, the coverage units reflect a weighted sum of insurance service profile (i.e. sums at risk scaled down by opening sum at risk) and the constant measure as set out for investment services with weighting of each profile based on relative present value outgo at the valuation date.

For contracts measured under GMM which does not meet the criteria for having an investment return service, the coverage unit reflects insurance service only. Where there is only insurance service and no non-distinct investment component, the coverage unit reflect a weighted sum of the amounts payable to the policyholder in each of the relevant insured events.

3.2 Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

4. Risk management

This section describes the Company's risk exposure, its concentration and the way the Company manages them.

4.1 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares and retained earnings of the Company.

There were no changes in the Company's approach to capital management during the year.

All insurers and reinsurers that carry on insurance business in Singapore are registered with the MAS and are subject to the prudential standards which set out the basis for calculating the fund solvency requirements ("FSR") and capital adequacy requirement ("CAR") which is a minimal level of capital that must be held to meet policyholders' obligations. The FSR and CAR apply a risk-based approach to capital adequacy and is determined to be the sum of the aggregate of the total risk requirement of all insurance funds established and maintained by the insurer under the Insurance Act. It is the Company's policy to hold capital levels in excess of the minimum FSR and CAR and any capital add on prescribed by MAS.

The Company seeks to maintain a balance between achieving higher returns while maintaining a sound capital position.

The MAS pursuant to section 18 and 64(2) of the Insurance Act 1966 issued final regulations on 28 Feb 2020 making the new capital regime (RBC2) effective from 31 March 2020. The Company manages its capital based on the new capital regime.

4.2 Insurance risk management

The primary insurance activity carried out by the Company assumes the risk of loss from persons or organisations that are directly subject to the risk. Such risks may relate to life, accident, health, financial or other perils that may arise from an insurable event. As such, the Company is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The Company also has exposure to market and credit risks through its insurance and investment activities.

The Company manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance and monitoring of emerging issues.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

4. Risk management (continued)**4.2 Insurance risk management (continued)**

The Company uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity analyses, scenario analyses and stress testing. The Risk Management Committee reviews all risks in accordance with the Risk Management Framework (RMF) for HSBC Holdings plc and its subsidiaries, collectively as HSBC group, on a regular basis and reports these to the Board of Directors.

(a) Underwriting strategy

The Company's underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a large portfolio of similar risks over a number of years and, as such, it is believed that this reduces the variability of the outcome.

The underwriting strategy is prepared as part of an annual business plan that sets out individual business to be written. This strategy is cascaded down to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write in order to enforce appropriate risk selection within the portfolio.

(b) Reinsurance strategy

The Company reinsures a portion of the risks it underwrites in order to control its exposures to losses and protect capital resources. The Company buys a combination of proportionate and non-proportionate reinsurance treaties to reduce the net exposure to the Company.

Ceded reinsurance contains credit risk, and such reinsurance recoverables are reported after deductions for known insolvencies and uncollectible items. The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically. The Company complies with the HSBC Group's Policies and Procedures for acceptable reinsurance and monitors the reinsurance exposure based on the outlined framework. The Board of Directors reviews the Reinsurance Management Strategy on an annual basis.

(c) Terms and conditions of insurance contracts

The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts are set out below.

The following gives an assessment of the Company's main products and the ways in which it manages the associated risks.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

4. Risk management (continued)**4.2 Insurance risk management (continued)****(c) Terms and conditions of insurance contracts (continued)**

- (i) Long-term non-unit linked insurance contracts and investment contracts – with discretionary participation features

Product features

The Company writes participating business, comprising insurance and savings products including whole life and endowment plans. These plans offer benefit payout upon death, surrender or policy maturity. The bonus payments are designed to distribute to policyholder, the income on assets in the with-profits fund based on a long-term rate of return. These contracts provide more capital security to policyholders than unit-linked contracts.

Management of risks

The Company has complete contractual discretion on the timing and quantum of bonuses declared. In practice the Company considers policyholders' reasonable expectations when setting bonus levels. The Company's reputation may be at risk should the policyholders' dividend payment drop significantly from their expectation. It is the Company's intention to maintain a smooth dividend scale based on long-term rate of return. Annual reviews are performed to confirm whether the current bonus scale is supportable taking into account the overall experience on investment, claims, operating expense and lapse rate.

Investment risks are managed through matching assets and liabilities. The investment strategy has to ensure sufficient investment return is available to fulfill future policyholders' expected payout. Mortality risks are managed through reinsurance and sound underwriting.

- (ii) Long-term insurance/investment contracts

Product features

The Company writes non-participating life insurance policies and investment contracts. These plans offer benefit payout upon death, surrender or policy maturity. Policyholders can also choose to protect themselves against morbidity risks such as health, disability, critical illness and personal accident.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

4. Risk management (continued)**4.2 Insurance risk management (continued)****(c) Terms and conditions of insurance contracts (continued)****(ii) Long-term insurance/investment contracts (continued)***Management of risks*

Investment risks are managed through matching assets and liabilities. The investment strategy has to ensure sufficient investment return is available to fulfill future policyholders' expected payout. Mortality and morbidity risks are managed through reinsurance and sound underwriting. The assumptions underlying the calculation of the liabilities under the contracts and adopted in product pricing are also reviewed regularly to ensure that they remain appropriate.

(iii) Long-term insurance contracts – unit-linked products*Product features*

The Company writes unit-linked life insurance policies, which provide policyholders life insurance protection with direct investment in a variety of funds. Premiums received are invested into chosen funds after deduction of charges for the cost of mortality, morbidity and administration. Funds accumulated within the account will belong to the policyholder.

Management of risks

For unit-linked products, the market risk, defined as the risk of loss of fair value resulting from adverse fluctuations in interest and foreign currency exchange rates and equity prices of linked assets, is mostly borne by the policyholders. As a result, the Company is not directly exposed to movements in market values of the underlying assets, except the second order impact on investment management revenues, which is relatively insignificant. The Company assumes reputational risk, as policyholders may compare the performance of the Company's products against similar products in the market.

Mortality and morbidity risks are managed through reinsurance and sound underwriting. Claims and expenses are reviewed regularly to ensure current charges are sufficient to cover the costs. The assumptions underlying the calculation of the liabilities under the contracts and adopted in product pricing are also reviewed regularly to ensure that they remain appropriate.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management** (continued)4.2 Insurance risk management (continued)

(d) Concentrations of insurance risks

For an insurance company, concentration risk can arise when the Company holds large insurance positions in a specific geographical location, sector, product or individual counterparty. Though the Company's business focus is predominantly on risks originating from Singapore, this geographical concentration does not pose a significant risk to the Company given that Singapore has limited exposure to natural catastrophe. The Company also evaluates the concentration of exposures to individual and cumulative insurance risk and establishes appropriate risk limits and reinsurance policy to ensure that no significant concentrations to individual company or sector arise and reduce any such exposure to levels acceptable to the Company.

The following tables disclose the concentration of gross and net policy liabilities in relation to the type of insurance risk for general insurance activities accepted by the Company:

Policy liabilities	<u>Gross</u> \$'000	<u>Net</u> \$'000
2024		
Lines of business		
- Motor	58,850	9,806
- Accident and health	14,606	11,456
- Commercial lines	32,310	4,699
- Others	246	246
	106,012	26,207
2023		
Lines of business		
- Motor	99,127	16,190
- Accident and health	29,016	26,328
- Commercial lines	31,493	5,629
- Others	2,148	2,148
	161,784	50,295

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management (continued)****4.2 Insurance risk management (continued)****(d) Concentrations of insurance risks (continued)***Claims development information for general insurance activities*

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the claims development disclosure below.

*Development and Movement of General Insurance liability for incurred claims**(Gross of Reinsurance) - \$000*

	2019	2020	2021	2022	2023	2024	Total
End of accident year	246,975	168,472	180,879	147,719	79,022	39,269	
1 year later	233,251	161,225	170,862	139,077	75,920		
2 years later	231,362	151,245	170,416	138,766			
3 years later	227,528	147,061	166,976				
4 years later	224,513	154,477					
5 years later and beyond	224,290						
Estimate of Ultimate Claims	224,290	154,477	166,976	138,766	75,920	39,269	799,698
Cumulative Payments	221,949	144,764	150,685	120,307	61,876	32,540	732,121
Estimate of liability for incurred claims	2,341	9,713	16,291	18,459	14,044	6,729	67,577
Estimate of liability for incurred claims of Prior Accident Years							7,318
Effect of discounting							(2,165)
Effect of the risk adjustment margin for non-financial risk							10,407
Total Estimate of liability for incurred claims							83,137

*Development and Movement of General Insurance liability for incurred claims**(Net of Reinsurance) - \$000*

	2019	2020	2021	2022	2023	2024	Total
End of accident year	186,157	147,758	159,933	54,337	37,668	18,522	
1 year later	181,299	142,636	96,733	45,977	36,129		
2 years later	181,938	116,732	95,218	45,787			
3 years later	164,696	115,899	96,321				
4 years later	164,284	116,447					
5 years later and beyond	164,204						
Estimate of Ultimate Claims	164,204	116,447	96,321	45,787	36,129	18,522	477,410
Cumulative Payments	163,665	115,361	93,921	42,783	33,284	13,850	462,864
Estimate of liability for incurred claims	539	1,086	2,400	3,004	2,845	4,672	14,546
Estimate of liability for incurred claims of Prior Accident Years							823
Effect of discounting							(189)
Effect of the risk adjustment margin for non-financial risk							694
Total Estimate of liability for incurred claims							15,874

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

4. Risk management (continued)4.2 Insurance risk management (continued)

(d) Concentrations of insurance risks (continued)

Reinsurance strategy in managing concentrations

The Company cedes insurance risk to limit exposure to underwriting losses under various agreements that cover individual risks, defined blocks of business, and on a co-insurance basis, yearly renewable term, excess or catastrophe excess basis. These reinsurance agreements spread the risk and minimise the effect of losses. The amount of each risk retained depends on the Company's evaluation of the specific risk, subject in certain circumstances, to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount or sums surplus of deductibles on non-proportional reinsurance in the event the claim is paid. However, the Company remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

For long-term business, the level of reinsurance required is assessed by the use of specific modelling of the Company's exposure to life risks, and also to manage the retained risk profile against the approved Insurance Risk Mandate. The financial projections produced from these models are based on a number of possible scenarios providing a detailed analysis of the potential exposures.

When selecting a reinsurer, the Company considers their relative credit strength, assessed from public rating information and internal assessments, in accordance with prescribed HSBC Group's Policies and Procedures.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

4. Risk management (continued)4.2 Insurance risk management (continued)

(e) Sensitivity analysis

Changes in insurance risk variables mainly affect the CSM, profit or loss and equity as follows. The effects on profit or loss and equity are presented net of the related income tax.

CSM:

- Changes in fulfilment cash flows not relating to any loss components, other than those recognised as insurance finance income or expenses.

Profit or loss:

- Changes in fulfilment cash flows relating to loss components.

- Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in profit or loss.

Equity

- Changes in fulfilment cash flows that are recognised as insurance finance income

- The effect on profit or loss as above

The table below analyses how the CSM, profit or loss and equity would have increased (decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

	CSM		2024 Profit or loss after tax		Equity	
	Gross \$'000	Net \$'000	Gross \$'000	Net \$'000	Gross \$'000	Net \$'000
Life - Participating						
- Mortality and/or morbidity rates increased by 5%	(68,887)	(19,589)	1,507	(5,695)	1,507	(5,695)
- Mortality and/or morbidity rates decreased by 5%	73,561	24,666	(1,613)	4,245	(1,613)	4,245
- Expenses increased by 10%	(15,863)	(15,845)	(1,398)	(1,403)	(1,398)	(1,403)
- Expenses decreased by 10%	15,841	15,823	1,366	1,371	1,366	1,371
- Lapse rates increased by 10%	(59,201)	(33,231)	2,376	(4,211)	2,376	(4,211)
- Lapse rates decreased by 10%	71,328	42,335	(2,296)	5,148	(2,296)	5,148

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management (continued)****4.2 Insurance risk management (continued)****(e) Sensitivity analysis (continued)**

	CSM		2024 Profit or loss after tax		Equity	
	Gross \$'000	Net \$'000	Gross \$'000	Net \$'000	Gross \$'000	Net \$'000
Other						
- Loss ratio increased by 10%	(4,387)	(4,199)	(2,846)	(1,494)	(2,846)	(1,494)
- Loss ratio decreased by 10%	3,918	3,659	2,374	1,093	2,374	1,093
- Mortality and/or morbidity rates increased by 5%	(22,798)	(10,940)	(2,796)	(1,767)	(2,796)	(1,767)
- Mortality and/or morbidity rates decreased by 5%	23,583	11,362	2,215	1,400	2,215	1,400
- Expenses increased by 10%	(2,913)	(2,831)	(930)	(1,007)	(930)	(1,007)
- Expenses decreased by 10%	2,909	2,826	936	1,014	936	1,014
- Lapse rates increased by 10%	4,611	7,389	(817)	(670)	(817)	(670)
- Lapse rates decreased by 10%	(6,931)	(10,096)	711	523	711	523

HSBC LIFE (SINGAPORE) PTE. LTD.

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

4. Risk management (continued)

4.2 Insurance risk management (continued)

(e) Sensitivity analysis (continued)

	CSM		2023 Profit or loss after tax		Equity	
	Gross \$'000	Net \$'000	Gross \$'000	Net \$'000	Gross \$'000	Net \$'000
Life - Participating						
- Mortality and/or morbidity rates increased by 10%	(87,269)	(31,673)	(34,119)	(9,008)	(34,119)	(9,008)
- Mortality and/or morbidity rates decreased by 10%	125,011	29,875	11,049	10,847	11,049	10,847
- Expenses increased by 10%	(16,812)	(16,797)	(439)	(443)	(439)	(443)
- Expenses decreased by 10%	14,964	15,090	1,780	1,780	1,780	1,780
- Lapse rates increased by 10%	(43,126)	(39,070)	(16,934)	(3,482)	(16,934)	(3,482)
- Lapse rates decreased by 10%	65,248	44,497	6,646	5,622	6,646	5,622

HSBC LIFE (SINGAPORE) PTE. LTD.

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

4. Risk management (continued)

4.2 Insurance risk management (continued)

(e) Sensitivity analysis (continued)

	CSM		2023 Profit or loss after tax		Equity	
	Gross \$'000	Net \$'000	Gross \$'000	Net \$'000	Gross \$'000	Net \$'000
Other						
- Loss ratio increased by 10%	(4,837)	(4,142)	(2,174)	(1,188)	(2,174)	(1,188)
- Loss ratio decreased by 10%	4,648	3,683	1,088	422	1,088	422
- Mortality and/or morbidity rates increased by 10%	(32,752)	(14,675)	(3,501)	(2,301)	(3,501)	(2,301)
- Mortality and/or morbidity rates decreased by 10%	34,774	15,443	1,787	1,429	1,787	1,429
- Expenses increased by 10%	(4,265)	(4,476)	(1,211)	(983)	(1,211)	(983)
- Expenses decreased by 10%	4,006	4,220	1,450	1,221	1,450	1,221
- Lapse rates increased by 10%	1,868	4,033	(938)	(878)	(938)	(878)
- Lapse rates decreased by 10%	(3,620)	(6,076)	766	720	766	720

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Risk management (continued)

4.3 Financial risk management

(a) Investment risk

Investment philosophy

The core concepts of the Company's investment philosophy centre on the following principles:

- Insurance funds are segregated into distinct categories based on return or risk objectives and requirements such as time horizon, nature of liabilities.
- Return and risk objectives of the life insurance funds are determined in consultation with the Appointed Actuary, taking into account guaranteed returns and required returns, nature and duration of liabilities and tax considerations.
- Investment portfolios are constructed based on fund return objectives and the Company's risk appetite statements.
- Investment limits, including those stipulated by the MAS, Central Provident Fund ("CPF") and HSBC Group, are considered constraints and communicated to Fund Managers.
- Liquidity requirements that are known (maturity and coupon payments) are communicated to Fund Managers.
- The approved Market Risk and Credit Risk Mandates and Investment Policy will be provided to Fund Managers on an annual basis, or communicated when changed.

The philosophy serves as guidelines for the investment decisions and activities of the Company. It ensures consistency in the investment practice of the Company.

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Risk management (continued)

4.3 Financial risk management (continued)

(a) Investment risk (continued)

Investment objectives

The Participating Fund aims to achieve investment return that satisfies the implied guaranteed rate and the projected bonus level for policyholders and a reasonable return for shareholders.

The Non-participating Fund aims to achieve investment returns that satisfies the guaranteed rate and reasonable return for shareholders.

The General Insurance Fund aims to achieve a reasonable return for shareholders while meeting the short term liquidity requirements.

The Shareholder's Fund aims to preserve the capital and achieve reasonable return for shareholders.

Investment processes

The Company aims to maximise the economic benefits from investment activities whilst ensuring investment risks are prudently managed. This will include the development of an investment process for strategic and tactical asset allocation, implementation and monitoring of investment risks and hedging strategies for the Insurance and Shareholder funds, manage all investment related risks, monitor investment performance, conduct fund manager search and evaluation, perform investment product due diligence, design and implement appropriate control measures to ensure compliance with risk limits, regulations and internal restrictions.

The Insurance and Shareholder funds of the Company are predominantly managed by HSBC Global Asset Management (Singapore) Private Limited ("AMSG"). AMSG is provided with the Investment Policy and Market & Credit Risk Mandates for the funds under their management and are required to apply reasonable level of diligence and prudence to manage the funds.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management** (continued)4.3 Financial risk management (continued)

(a) Investment risk (continued)

Asset allocation by insurance funds:

	Participating <u>fund</u>	Non- participating <u>fund</u>	General Insurance <u>fund</u>
31 December 2024			
Asset class			
Bonds	69%	97%	55%
Growth assets (including equities and alternative investments)	30%	3%	43%
Cash	1%	0%	2%
<hr/>			
31 December 2023			
Asset class			
Bonds	68%	97%	63%
Growth assets (including equities and alternative investments)	31%	2%	26%
Cash	1%	1%	11%
<hr/>			

The Participating Fund is invested in both fixed income assets and growth assets; while Non-participating and General Insurance Funds are invested predominantly in fixed income assets. Investment-grade corporate bonds in the Insurance funds are mainly denominated in US Dollar and Singapore Dollar. Hedging is typically used in the fixed income portfolios to manage foreign exchange risk.

Growth assets exposures in the Participating Fund are acquired through Exchange-traded funds ("ETFs"), collective investment schemes and derivative instruments. Currency risk derived from investment in foreign growth assets is managed tactically.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management** (continued)4.3 Financial risk management (continued)

(a) Investment risk (continued)

Underlying items

The following table sets out the composition and the fair value of underlying items of the Company's direct participating contracts at the reporting date.

\$'000	<u>2024</u>	<u>2023</u>
Financial assets		
Cash and cash equivalents	146,623	290,954
Financial assets, at fair value through profit or loss	11,346,705	10,443,257
Derivative financial instruments	38,232	115,205
Amount due from related companies	-	1,105
Other receivables	91,347	146,756
	<u>11,622,907</u>	<u>10,997,277</u>

Asset-liability management

The Company actively manages its assets using an approach that balances quality, diversification, asset/liability matching, liquidity and investment return. The goal of the investment process is to optimise the investment income and risk-adjusted total return, whilst ensuring that the assets and liabilities are managed on a cash flow and duration basis. The Asset-Liability Management Committee reviews and approves target portfolios on a periodic basis, establishing investment guidelines and limits, and providing oversight of the asset/liability management process.

The Company establishes target asset portfolios for each insurance class of products, which represents the investment strategies used to profitably fund its liabilities within acceptable levels of risk. Many of these estimates are inherently subjective and could impact the Company's ability to achieve its asset/liability management goals and objectives.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

4. Risk management (continued)4.3 Financial risk management (continued)

(b) Market risk

Market risk arises when the market values of assets and liabilities do not move consistently as financial markets change. Changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

HSBC Group and the Asset and Liability Committee ("ALCO") actively manage risks through setting of investment policy and strategic asset allocation, approving risk measurement methodologies and annual limits in the market risk mandate. Investment limits monitoring is in place at various levels to ensure that all investment activities are aligned with the Group's risk management principles and philosophies.

(i) Cash flows and fair value interest rate risk

The Company's exposure to market risk for changes in interest rate is concentrated in its investment portfolio and insurance liabilities. The Company monitors this exposure through periodic reviews of its asset and liability positions. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance liabilities, are modelled and reviewed regularly. The overall objective of these strategies is to limit the net changes in the value of assets and liabilities arising from interest rate movements. The Company is also exposed to reinvestment risk arising from the changes in future interest rates.

The VFA measurement model is used for most of the contracts issued by the Company, with changes in the fair value of underlying items (excluding additions and withdrawals) recognised in insurance finance income or expenses. The exposure to interest rate risk from the Company's financial assets is minimal.

Any changes in the interest rate would affect the CSM, profit or loss and equity. At the balance sheet date, if interest rates had been 100 basis points lower or higher with all other variables, including the tax rate, being held constant, the effect on profit or loss after tax on the non-participating fund, general insurance and the shareholder fund would have been:

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Risk management (continued)

4.3 Financial risk management (continued)

(b) Market risk (continued)

(i) Cash flows and fair value interest rate risk (continued)

	CSM \$'000	2024 Profit or loss \$'000	Equity \$'000	CSM \$'000	2023 Profit or loss \$'000	Equity \$'000
Interest rate changes						
- decreased by 100 bps	(22,007)	(5,495)	(5,495)	(50,065)	(15,465)	(15,465)
- increased by 100 bps	(4,525)	(15,419)	(15,419)	16,800	(2,439)	(2,439)

The Company is subject to duration mismatch due to the longer policy liability duration than the available bond durations. The tables below show the interest-bearing financial assets and liabilities by ageing bucket:

\$'000	Fixed rates			Floating Over 5 years	Non-interest bearing	Total
	Less than 1 year	1 to 5 years	Over 5 years			
2024						
Financial assets						
Cash and cash equivalents	156,026	-	-	-	-	156,026
Financial assets, at fair value through profit and loss	423,097	395,219	5,230,510	-	5,501,681	11,550,507
Financial assets, at amortised cost	429	14,896	-	-	-	15,325
Loans and receivables*	157,619	-	-	-	-	157,619
Derivative financial instruments	9,376	8,317	25,015	-	-	42,708
	746,547	418,432	5,255,525	-	5,501,681	11,922,185
Financial liabilities						
Derivative financial instruments	33,295	3,061	18,451	-	-	54,807
Income tax payable	2,104	-	-	-	-	2,104
Amount due to related companies	31,165	-	-	-	-	31,165
Borrowings	103	-	-	-	-	103
Other payables and accruals	8,432	-	-	-	211,348	219,780
	75,099	3,061	18,451	-	211,348	307,959

* excluded prepayment

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

4. Risk management (continued)4.3 Financial risk management (continued)

(b) Market risk (continued)

(i) Cash flows and fair value interest rate risk (continued)

\$'000	Fixed rates			Floating Over 5 years	Non-interest bearing	Total
	Less than 1 year	1 to 5 years	Over 5 years			
2023						
Financial assets						
Cash and cash equivalents	318,655	-	-	-	-	318,655
Financial assets, at fair value through profit and loss	568,172	381,395	5,001,157	88,029	4,666,729	10,705,482
Financial assets, at amortised cost	-	15,974	-	-	-	15,974
Loans and receivables*	191,368	-	-	-	-	191,368
Amount due from related companies	1,105	-	-	-	-	1,105
Derivative financial instruments	60,063	19,933	37,174	-	-	117,170
	<u>1,139,363</u>	<u>417,302</u>	<u>5,038,331</u>	<u>88,029</u>	<u>4,666,729</u>	<u>11,349,754</u>
Financial liabilities						
Derivative financial instruments	28,639	5,151	16,832	-	-	50,622
Income tax payable	2,560	-	-	-	-	2,560
Amount due to related companies	15,296	-	-	-	-	15,296
Borrowings	98	86	-	-	-	184
Other payables and accruals	13,542	-	-	-	303,715	317,257
	<u>60,135</u>	<u>5,237</u>	<u>16,832</u>	<u>-</u>	<u>303,715</u>	<u>385,919</u>

* excluded prepayment

The estimated maturity profile in respect of insurance contracts is disclosed in Note 4.3(d).

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management (continued)****4.3 Financial risk management (continued)****(b) Market risk (continued)****(ii) Equity price risk**

The Company's portfolio of marketable equity securities, which are carried at fair value, has exposure to price risk, defined as the potential loss in market value resulting from an adverse change in asset prices. The Company's objective is to earn competitive relative returns by investing in a diverse portfolio of high quality, liquid securities. Portfolio characteristics are analysed regularly where holdings are diversified across industries, and concentrations in any one company or industry are limited by parameters established by the HSBC Group.

There is no significant effect on profit or loss after tax arising from equity price risk as all the equities are held in the participating fund where the risks are borne by the policyholders.

If prices for equity securities listed in stock exchanges in Singapore and overseas had changed by 10% with all other variables, including the tax rate, being held constant, the effect on CSM and profit or loss after tax in 2024 would have been:

	2024			2023		
	CSM	Profit or loss	Equity	CSM	Profit or loss	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Quoted equity securities						
- increased by 10%	-	11,436	11,436	-	8,905	8,905
- decreased by 10%	-	(11,436)	(11,436)	-	(8,905)	(8,905)

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management (continued)****4.3 Financial risk management (continued)****(b) Market risk (continued)****(iii) Foreign exchange risk**

The Company is exposed to foreign currency exchange rate risks in respect of its asset holdings in foreign currency denominated investments and cash deposits and in respect of foreign currency denominated liabilities. In managing exchange rate risks, the Company enters into forward exchange contracts and currency swaps to hedge foreign currency risks.

The Company's foreign currency exchange position of financial assets and liabilities by major currencies are shown in the following tables:

\$'000	<u>EUR</u>	<u>USD</u>	<u>GBP</u>
2024			
Financial assets			
- Loans and receivables	205	102,653	267
- Derivative financial instruments	378	149	-
- Financial assets, at fair value through profit or loss	388,628	6,883,968	131,455
- Financial assets, at amortised cost	-	15,325	-
- Cash and cash equivalents	1	61,754	163
Total financial assets	389,212	7,063,849	131,885
Insurance contract assets	-	-	-
Reinsurance contracts assets	-	21,706	-
	389,212	7,085,555	131,885
Financial liabilities			
- Other payables and accruals	18,407	484,333	4,388
Total financial liabilities	18,407	484,333	4,388
Insurance contract liabilities	-	3,567,519	-
Reinsurance contract liabilities	-	167,936	-
	18,407	4,219,788	4,388
Net position	370,805	2,865,767	127,497
Less: Net currency forwards	(31,090)	(1,130,976)	-
Less: Net currency swaps	378	(312,539)	-
Currency exposures	340,093	1,422,252	127,497

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management (continued)****4.3 Financial risk management (continued)****(b) Market risk (continued)****(iii) Foreign exchange risk (continued)**

\$'000	<u>EUR</u>	<u>USD</u>	<u>GBP</u>
2023			
Financial assets			
- Loans and receivables	23	100,796	321
- Derivative financial instruments	781	258	-
- Financial assets, at fair value through profit or loss	89,959	5,834,341	140,378
- Financial assets, at amortised cost	-	15,974	-
- Cash and cash equivalents	1,988	109,678	263
Total financial assets	92,751	6,061,047	140,962
Insurance contract assets	-	1,149	-
Reinsurance contracts assets	-	152,820	-
	92,751	6,215,016	140,962
Financial liabilities			
- Other payables and accruals	5	383,635	1,415
Total financial liabilities	5	383,635	1,415
Insurance contract liabilities	-	3,674,377	-
Reinsurance contract liabilities	-	356,058	-
	5	4,414,070	1,415
Net position	92,746	1,800,946	139,547
Less: Net currency forwards	(70,220)	(1,096,076)	(1,422)
Less: Net currency swaps	781	(309,914)	-
Currency exposures	23,307	394,956	138,125

Certain EUR and GBP financial assets and liabilities are used to support USD denominated insurance liabilities. The VFA measurement model is used for most of the contracts issued by the Company, with changes in the foreign currency gain or losses of underlying items shared with policyholders, the exposure to foreign exchange risk from the Company's EUR and GBP financial assets and liabilities is minimal.

If the USD change against the SGD by 10% (2023: 10%) with all other variables, including the tax rate, being held constant, the effects on CSM, profit or loss and equity arising from the net financial asset/liability position will be as follows:

	CSM	2024 Profit or loss after tax	Equity	CSM	2023 Profit or loss after tax	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
USD against SGD						
- strengthened	20,705	905	905	7,898	(11,906)	(11,906)
- weakened	(20,705)	(905)	(905)	(7,898)	11,906	11,906

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management (continued)****4.3 Financial risk management (continued)****(c) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and hence, arises primarily from the Company's investment securities.

The carrying amount of financial assets in the balance sheet represents the Company's respective maximum exposure to credit risk, before taking into account any collateral held.

The Company is not exposed to significant credit risk arising from financial assets and liabilities held in the investment linked funds as the risk is borne by the policyholders. For reinsurance receivables, the Company limits its credit risk exposure by contracting with reputable counterparties that have sound credit ratings above investment grade. At 31 December 2024, the maximum exposure to credit risk from insurance contracts assets are \$30.3 million (2023: \$56.3 million), which primarily relates to premiums receivable for services that the Company has already provided, and the maximum exposure to credit risk from reinsurance contracts assets are \$170.6 million (2023: \$176.2 million). As such corresponding financial assets and liabilities have been excluded from the disclosures below.

The following table sets out information about the credit quality of investments securities measured at FVTPL and amortised cost.

	AAA \$'000	AA- to AA+ \$'000	A- to A+ \$'000	BBB- to BBB+ \$'000	Not rated \$'000	Total \$'000
2024						
Financial assets, at fair value through profit or loss	812,104	796,893	2,749,320	865,937	824,732	6,048,986
Financial assets, at amortised cost	-	-	-	-	15,325	15,325
Derivative financial instruments	-	-	42,708	-	-	42,708
	812,104	796,893	2,792,028	865,937	840,057	6,107,019
2023						
Financial assets, at fair value through profit or loss	1,134,400	689,645	2,796,979	856,084	561,645	6,038,753
Financial assets, at amortised cost	-	-	-	-	15,974	15,974
Derivative financial instruments	-	-	117,170	-	-	117,170
	1,134,400	689,645	2,914,149	856,084	577,619	6,171,897

* Based on public ratings assigned by external rating agencies including S&P, Fitch and Moody's

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management (continued)****4.3 Financial risk management (continued)****(c) Credit risk (continued)**

The Company uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Performing	Borrower or issuer have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Underperforming	Borrower or issuer for which there is a significant increase in credit risk; a significant increase in credit risk is presumed if interest and/or principal repayment are 30 days past due	Lifetime expected credit losses
Non-performing	Interest and/or principal payment are 90 days past due	Lifetime expected credit losses
Write-off	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery	Asset is written off

Cash and investments

Cash and equivalents are placed with banks and financial institutions which are regulated. The Company's portfolio of fixed income securities is subject to credit risk, defined as potential loss in market value due to adverse changes in the borrower's ability to repay the debt. This risk is managed by investing in a diversified portfolio of securities, coupled with stringent review of credit risk up-front and regular reviews of credit developments by ALCO. The Company limits its credit risk exposure from fixed income securities by investing in more liquid securities and with counterparties that have sound credit ratings.

For investment in corporate bonds, financial loss may also materialise as a result of credit spread widening. When spreads widen between corporate bonds of different credit ratings, it implies that the market is factoring more risk of default on lower rated bonds. Credit spread widening will result in devaluation of the Company's bond portfolios. The Company limits its credit spread risk by adhering to parameters established by the HSBC Group. Group-wide credit risk managed by HSBC Group stipulates internal limits by issuer or counterparty and by credit rating. Approved limits in the Credit Risk Mandate are actively monitored to manage the credit and concentration risk.

Policy loans are fully collateralised against the cash value of the policies. Therefore, the Company has no material credit risk on policy loans.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

4. Risk management (continued)4.3 Financial risk management (continued)

(c) Credit risk (continued)

Insurance and other receivables

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of insurance receivables. This allowance comprises a specific loss component that relates to individually significant exposures.

The allowance account in respect of other receivables is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible. At that point the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date there were no significant concentrations of credit risk. There may be exposure to significant credit risk relating to the reinsurance solution upon the occurrence of a significant adverse event in the future, however, the likelihood of occurrence of this event is remote.

Impairment of financial assets

As at 31 December 2024 and 31 December 2023, the impairment of the financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

Credit quality analysis

The following table sets out information about the credit quality of investment securities measured at amortised cost.

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Risk management (continued)

4.3 Financial risk management (continued)

(c) Credit risk (continued)

Credit quality analysis (continued)

Movement in credit loss allowance for financial assets are set out as follows:

	Financial assets at amortised	
	<u>cost</u> \$'000	<u>Total</u> \$'000
Balance as at 1 January 2024	20	20
Movement in allowance recognised in profit or loss during the year on:		
- Asset acquired/originated	132	132
- Reversal of unutilised amount	-	-
	132	132
Balance as at 31 December 2024	152	152
 Balance as at 1 January 2023	 -	 -
Movement in allowance recognised in profit or loss during the year on:		
- Asset acquired/originated	20	20
- Reversal of unutilised amount	-	-
	20	20
 Balance as at 31 December 2023	 20	 20

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

4. Risk management (continued)**4.3 Financial risk management (continued)****(d) Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has to meet daily calls on its cash resources, notably from claims arising on its claims maturities and surrenders. Expected liquidity demands are managed through a combination of investment and asset-liability management practices, which are monitored on an ongoing basis.

The Company conducts asset-liabilities modelling to determine exposures to liquidity needs. The Asset Liability Management Committee has considered the nature of the liabilities in terms of their duration and has assessed that the current portfolio mix, combined with the participating nature of the insurance contract liabilities, has adequately mitigated the mismatching risk to an acceptable level.

The nature of insurance business is that the requirements of funding cannot be predicted with absolute certainty as the theory of probability is applied on insurance contracts to ascertain the likely provision and the time period when such liabilities will be settled. The amounts and maturities in respect of insurance and investment contract with discretionary participation features provisions are thus based on the management's best estimate and past experience.

Unexpected liquidity demands are managed through a combination of product design, diversification limits, investment strategies and systematic monitoring. The existence of surrender penalty in insurance contracts also protects the Company from losses due to unexpected surrender trends as well as reduces the sensitivity of surrender to changes in interest rates.

The tables below summarise the maturity profile of the Company's financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

The Company is not exposed to significant liquidity risk arising from financial assets and liabilities held in the investment linked funds as the risk is borne by the policyholders. As such corresponding financial assets and liabilities have been excluded from the disclosures below.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management (continued)****4.3 Financial risk management (continued)****(d) Liquidity risk (continued)**

	Less than 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2024				
Other payables and accruals	219,780	-	-	219,780
Amount due to related companies	31,165	-	-	31,165
Derivative financial instruments	33,295	3,061	18,451	54,807
	<u>284,240</u>	<u>3,061</u>	<u>18,451</u>	<u>305,752</u>
2023				
Other payables and accruals	317,257	-	-	317,257
Amount due to related companies	15,296	-	-	15,296
Derivative financial instruments	28,639	5,151	16,832	50,622
	<u>361,192</u>	<u>5,151</u>	<u>16,832</u>	<u>383,175</u>

The following table provides a maturity analysis of the Company's insurance and reinsurance contracts, which reflects the dates on which the cash flows are expected to occur.

	Estimates of present value of future cash flows						Total \$'000
	Less than 1 year \$'000	1 to 2 years \$'000	2 to 3 years \$'000	3 to 4 years \$'000	4 to 5 years \$'000	Over 5 years \$'000	
2024							
Insurance contracts							
Liabilities – direct participating contracts*	(37,710)	(242,794)	(203,486)	(215,365)	(136,846)	10,420,558	9,584,357
Liabilities – other contracts	208,663	6,402	(30,592)	(33,948)	(24,135)	50,115	176,505
	<u>170,953</u>	<u>(236,392)</u>	<u>(234,078)</u>	<u>(249,313)</u>	<u>(160,981)</u>	<u>10,470,673</u>	<u>9,760,862</u>
Reinsurance contracts							
Liabilities	(70,035)	(252)	18,709	19,407	19,769	520,961	508,559
2023							
Insurance contracts							
Liabilities – direct participating contracts*	(114,468)	(245,236)	(172,292)	(184,072)	(130,517)	9,777,243	8,930,658
Liabilities – other contracts	209,584	24,820	(14,904)	(21,008)	(11,574)	46,836	233,754
	<u>95,116</u>	<u>(220,416)</u>	<u>(187,196)</u>	<u>(205,080)</u>	<u>(142,091)</u>	<u>9,824,079</u>	<u>9,164,412</u>
Reinsurance contracts							
Liabilities	(91,149)	(15,903)	5,173	5,975	6,473	631,165	541,734

* The insurance contracts balance excludes insurance acquisition cash flows assets and other pre-recognition cash flows.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management** (continued)4.3 Financial risk management (continued)

(d) Liquidity risk (continued)

The amounts from insurance contract liabilities that are payable on demand are set out below.

	2024		2023	
	Amount payable on demand \$'000	Carrying value \$'000	Amount payable on demand \$'000	Carrying value \$'000
2024				
Direct participating contracts	10,410,880	10,801,871	9,601,719	9,989,616
Other contracts	74,738	344,491	75,082	386,538
	<u>10,485,618</u>	<u>11,146,362</u>	<u>9,676,801</u>	<u>10,376,154</u>

(e) Fair value measurements

The Company is not exposed to significant market risk arising from financial assets and liabilities held in the investment linked funds as the risk is borne by the policyholders. As such corresponding financial assets and liabilities have been excluded from the disclosures below.

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

- quoted price in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- inputs for the asset or liability that are not based on observable market data (Level 3).

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management (continued)****4.3 Financial risk management (continued)****(e) Fair value measurements (continued)**

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
2024				
<i>Assets</i>				
Financial assets, at fair value through profit or loss	5,729,662	4,895,965	924,880	11,550,507
Derivative financial instruments	-	42,708	-	42,708
Total assets	5,729,662	4,938,673	924,880	11,593,215
<i>Liabilities</i>				
Derivative financial instruments	-	54,807	-	54,807
Total liabilities	-	54,807	-	54,807
2023				
<i>Assets</i>				
Financial assets, at fair value through profit or loss	4,348,721	5,687,660	669,101	10,705,482
Derivative financial instruments	-	117,170	-	117,170
Total assets	4,348,721	5,804,830	669,101	10,822,652
<i>Liabilities</i>				
Derivative financial instruments	-	50,622	-	50,622
Total liabilities	-	50,622	-	50,622

The Company has an established control framework with respect to the measurement of fair values. This includes an investment operations team who has an overall responsibility for all significant fair value measurements. This team is supported and receive expert guidance from the parent / group companies.

On receipt of a valuation from the fund managers, the investment operations team runs independent price verification for the securities for which market data is available. Any reasons for variances are investigated and addressed. For the securities where market inputs are unobservable and where derivation of fair value is more judgmental, for ascertaining the reasonableness, it relies on the advice and guidance from the parent / group companies who have established infrastructure & expertise to ascertain the same. In addition, all valuation matters are considered jointly by chief financial officer & chief investment officer and are deliberated, challenged & agreed at the Valuation Committee as part of formal governance process.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024*

4. Risk management (continued)4.3 Financial risk management (continued)

(e) Fair value measurements (continued)

The valuation team regularly reviews significant unobservable inputs if applicable and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is 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 (with Level 3 being the lowest).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Risk management (continued)

4.3 Financial risk management (continued)

(e) Fair value measurements (continued)

A significant increase/(decrease) in net asset value would result in a higher/(lower) fair value measurement. The following table presents the movements in Level 3 instruments:

	2024	2023
	\$'000	\$'000
Beginning of financial year	669,101	120,636
Business transfer	-	277,666
Purchases, net of return on excess capital	208,541	351,362
Net gain/(loss) recognised in profit or loss	47,238	(80,563)
End of financial year	924,880	669,101

The following table shows the valuation technique and input used in Level 3 fair value measurements.

Description	Fair Value at 31 December 2024	Valuation technique	Unobservable inputs	Reasonable possible shift +/-	Change in valuation
	\$'000				\$'000
Private equity funds	\$445,952 (2023: \$382,521)	NAV - Adjusted	NAV and Fair Value Adjustments	+/- 5%	+/- \$63,431 (2023: +/- \$19,126)
Unquoted shares	\$11,845 (2023: \$21)	NAV - Adjusted	NAV and Fair Value Adjustments	+/- 5%	+/- \$11,824 (2023: +/- \$1)
Unquoted debt securities	\$467,083 (2023: \$286,559)	Discounted cash flow	Yield	+/- 5%	+/- \$180,524 (2023: +/- \$14,328)

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***4. Risk management** (continued)**4.3 Financial risk management** (continued)

(e) Fair value measurements (continued)

Financial instruments by category

The aggregate carrying amounts of financial assets and liabilities are as follows:

	2024
	\$'000
Financial assets	
Fair value through profit and loss	11,593,215
Amortised cost	15,325
Loans and other receivables	157,619
Cash and cash equivalents	156,026
Total	11,922,185
Financial liabilities	
Fair value through profit and loss	54,807
Borrowings	103
Amount due to related companies	31,165
Other payables and accruals	219,780
Total	305,855
	2023
	\$'000
Financial assets	
Fair value through profit and loss	10,822,652
Amortised cost	15,974
Loans and other receivables	191,368
Amount due from related companies	1,105
Cash and cash equivalents	318,655
Total	11,349,754
Financial liabilities	
Fair value through profit and loss	50,622
Borrowings	184
Amount due to related companies	15,296
Other payables and accruals	317,257
Total	383,359

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

5. Insurance service result

	2024			2023		
	Life direct participating contracts \$'000	Other contracts \$'000	Total \$'000	Life direct participating contracts \$'000	Other contracts \$'000	Total \$'000
Insurance revenue						
Amounts relating to changes in liabilities for remaining coverage						
- CSM recognised for services provided	101,305	34,852	136,157	99,884	35,667	135,551
- Change in risk adjustment for non-financial risk for risk expired	18,414	7,992	26,406	3,057	14,774	17,831
- Expected incurred claims and other insurance service expenses	93,825	203,088	296,913	95,626	306,046	401,672
- Other	202	-	202	272	-	272
Recovery of insurance acquisition cash flows	37,397	38,662	76,059	12,119	40,913	53,032
Total insurance revenue	251,143	284,594	535,737	210,958	397,400	608,358
Insurance services expenses						
Incurred claims and other insurance services expenses	(92,202)	(280,249)	(372,451)	(98,328)	(259,906)	(358,234)
Loss and reversal of losses on onerous contracts	7,728	(10,765)	(3,037)	(22,816)	(127,619)	(150,435)
Amortisation of insurance acquisition cash flows	(37,397)	(38,662)	(76,059)	(12,119)	(40,913)	(53,032)
Adjustment to liabilities for incurred claims	-	23,261	23,261	-	57,090	57,090
Total insurance services expenses	(121,871)	(306,415)	(428,286)	(133,263)	(371,348)	(504,611)
Insurance service result before reinsurance contract held	129,272	(21,821)	107,451	77,695	26,052	103,747
Income/(expenses) from reinsurance contracts held						
Allocation of reinsurance premiums	-	(90,584)	(90,584)	-	(192,945)	(192,945)
Amounts recoverable from reinsurers for incurred claims	-	97,534	97,534	-	198,214	198,214
Effects of change in non-performance risk reinsurance	-	(1,535)	(1,535)	-	-	-
Net income for reinsurance contracts	-	5,415	5,415	-	5,269	5,269
Insurance service result	129,272	(16,406)	112,866	77,695	31,321	109,016

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

6. Net investment income/(loss)

	2024			2023		
	Life direct participating \$'000	Other \$'000	Total \$'000	Life direct participating \$'000	Other \$'000	Total \$'000
Investment income/(loss)						
Dividend income	31,395	927	32,322	9,672	-	9,672
Interest income						
- Debt securities	242,075	20,133	262,208	230,250	25,803	256,053
- Bank deposits	4,520	289	4,809	4,427	449	4,876
Net realised gains/(losses) on financial instruments at FVPL	106,422	(12,827)	93,595	24,314	(1,460)	22,854
Fair value gains/(losses) on remeasurement of financial instruments at FVPL	359,678	3,249	362,927	144,091	(10,293)	133,798
Total investment income	744,090	11,771	755,861	412,754	14,499	427,253
Net finance (expenses)/income from insurance contracts						
Changes in fair value of underlying items of direct participating contracts	(743,464)	-	(743,464)	(388,006)	-	(388,006)
Effect of risk mitigation option	(70,298)	-	(70,298)	-	-	-
Interest accreted	-	(5,872)	(5,872)	-	(14,803)	(14,803)
Effect of changes in interest rates and other financial assumptions	-	(121)	(121)	-	(1,303)	(1,303)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	3,776	3,776	-	4,350	4,350
Total net finance (expenses)/income from insurance contracts	(813,762)	(2,217)	(815,979)	(388,006)	(11,756)	(399,762)
Net finance income/(expenses) from reinsurance contracts						
Interest accreted	-	(15,274)	(15,274)	-	(12,651)	(12,651)
Net finance income from reinsurance contracts	-	85,401	85,401	-	4,555	4,555
Total net finance income/(expenses) from reinsurance contracts	-	70,127	70,127	-	(8,096)	(8,096)

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***7. Expenses**

	2024	2023
	\$'000	\$'000
Employee compensation:		
Wages and salaries	90,435	99,600
Employer's contribution to defined contribution plans	8,026	9,272
Other staff benefits	17,902	17,785
Share-based compensation	1,820	3,795
Government grant*	-	(174)
	118,183	130,278
Others:		
Claims and benefits	257,143	367,686
Fees and commissions	246,962	184,068
Management and service fees	19,337	67,934
Information technology and other project costs	76,563	23,429
Amortisation of intangible assets	18,404	23,211
Loss on disposals of intangible assets	944	19,392
Net foreign exchange (gain)/loss	(276)	9,096
Legal and professional fees	7,467	4,589
Rental and office related expenses	11,566	1,658
Depreciation	86	79
Other expenses	2,966	12,064
	641,162	713,206
Amounts attributed to insurance acquisition cash flows incurred during the year	(271,622)	(223,831)
Amortisation of insurance acquisition cash flows	76,059	53,032
	563,782	672,685
Represented by:		
Insurance service expenses	428,286	504,611
Other operating expenses	135,496	168,074
	563,782	672,685

*The Jobs Growth Incentive is a scheme to support employers to expand local hiring (Singapore Citizens and Singapore Permanent Residents) from September 2020 to March 2023 (inclusive).

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***8. Income taxes**

(a) Income tax expense

	2024	2023
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
- Current income tax	2,104	2,560
- (Over)/under provision in prior years	(1,350)	253
Tax charge	<u>754</u>	<u>2,813</u>

The tax expense on the loss differs from the amount that would arise using the Singapore standard rate of income tax is as follows:

	2024	2023
	\$'000	\$'000
Profit/(loss) before tax	8,371	(11,974)
Tax calculated at a tax rate of 17% (2023: 17%)	1,423	(2,036)
Effects of:		
- expenses not deductible for tax purposes	2,490	540
- income not subject to tax	(1,986)	(774)
- income taxed at different rates	(22)	(1,245)
- Par fund policyholder return tax	2,104	1,424
- utilisation of previously unrecognised deferred tax assets	(1,905)	(24,680)
- deferred tax assets not recognised	-	29,331
- (Over)/under provision in prior years	(1,350)	253
Tax charge	<u>754</u>	<u>2,813</u>

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***8. Income taxes (continued)**

(b) Movement in current income tax liabilities

	2024	2023
	\$'000	\$'000
Beginning of financial year	2,560	1,657
Income tax paid	(1,210)	(1,910)
Tax payable on profit for current year	2,104	2,560
(Over)/under provision in prior years	(1,350)	253
End of financial year	2,104	2,560

(c) Deferred income tax

The realisation of the future income tax benefits from tax losses carried forward is available for an unlimited future period (except for donations which is available for 5 years) subject to the conditions imposed by law including the retention of majority shareholders.

Following the change in the Company's shareholder due to the acquisition by the HSBC Group, the Company filed a request to the tax authority in July 2022 for a waiver of the requirement to satisfy the shareholding test pursuant to Section 37(16) of the Singapore Income Tax Act to carry forward unutilised capital allowances, tax losses and donations arising from the financial years ended 31 December 2006 to 31 December 2021, which was approved by tax authority on 5 June 2024. As at 31 December 2024, the Company has not recognised deferred tax assets of \$79.0 million (2023 \$67.7 million) in respect of this tax losses carried forward of \$464.9 million (2023 \$398.0 million), to be set off against the Company's future taxable income.

In addition to the above, there is also unrecognised deferred tax assets of \$81.4million in respect of its tax losses carried forward of \$478.7million at the time of acquisition in respect of business transferred from HSBC Insurance (Singapore) Pte. Limited, which is subjected to the tax authority approval to carry over these pre-SOT tax losses for utilisation against the Company's future taxable income under Section 34CA of Income Tax Act.

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8. Income taxes (continued)

(d) Organisation for Economic Cooperation and Development ('OECD')

In July 2023, legislation was substantively enacted in the UK, the jurisdiction of the Company's ultimate parent entity, HSBC Holdings plc, to introduce the 'Pillar Two' Global Minimum Tax model rules (the 'model rules') of the OECD under the Inclusive Framework on Base Erosion and Profit Shifting ('BEPS') and a Qualified Domestic Minimum top-up tax ('QDMTT'), with effect from 1 January 2024.

Under these rules, a top-up tax liability arises where the effective tax rate of the HSBC Group's operations in a jurisdiction, calculated based on principles set out in the OECD's Pillar Two model rules, is below 15%. Any top-up tax arising in relation to jurisdictions in which a QDMTT applies will be payable to the tax authority in that jurisdiction. Where there is no QDMTT, the top-up tax is payable by HSBC Holdings plc, being the Company's ultimate parent, to the UK tax authority.

As at 31 December 2024, the Government of Singapore had enacted the Multinational Enterprise (Minimum Tax) Act. Under this Act, a QDMTT will be effective from 1 January 2025. Based on preliminary forecasts, no material top-up tax liability is expected to arise in Singapore. Nonetheless, the impact is dependent upon the ongoing evolution of rules and guidance in Singapore. The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***9. Intangible assets**

	<u>Goodwill</u> \$'000	<u>Distribution channel</u> \$'000	<u>Computer software</u> \$'000	<u>Work in progress</u> \$'000	<u>Total</u> \$'000
2024					
Costs					
Beginning of financial year	17,067	86,446	84,284	-	187,797
Transfers from work in progress	-	-	15,146	(15,146)	-
Additions	-	-	8,624	56,500	65,124
Disposals	-	-	(11,677)	-	(11,677)
End of financial year	<u>17,067</u>	<u>86,446</u>	<u>96,377</u>	<u>41,354</u>	<u>241,244</u>
Accumulated amortisation					
Beginning of financial year	-	53,764	18,846	-	72,610
Amortisation charge	-	3,835	14,569	-	18,404
Disposals	-	-	(10,733)	-	(10,733)
End of financial year	<u>-</u>	<u>57,599</u>	<u>22,682</u>	<u>-</u>	<u>80,281</u>
Accumulated impairment					
Beginning of financial year	17,067	9,669	-	-	26,736
Impairment charge	-	-	-	-	-
End of financial year	<u>17,067</u>	<u>9,669</u>	<u>-</u>	<u>-</u>	<u>26,736</u>
Net Book Value					
End of financial year	<u>-</u>	<u>19,178</u>	<u>73,695</u>	<u>41,354</u>	<u>134,227</u>
2023					
Costs					
Beginning of financial year	17,067	86,446	99,912	-	203,425
Business transfer	-	-	13,788	-	13,788
Additions	-	-	34,715	-	34,715
Disposals	-	-	(64,131)	-	(64,131)
End of financial year	<u>17,067</u>	<u>86,446</u>	<u>84,284</u>	<u>-</u>	<u>187,797</u>
Accumulated amortisation					
Beginning of financial year	-	49,929	40,591	-	90,520
Business transfer	-	-	3,618	-	3,618
Amortisation charge	-	3,835	19,376	-	23,211
Disposals	-	-	(44,739)	-	(44,739)
End of financial year	<u>-</u>	<u>53,764</u>	<u>18,846</u>	<u>-</u>	<u>72,610</u>
Accumulated impairment					
Beginning of financial year	17,067	9,669	-	-	26,736
Impairment charge	-	-	-	-	-
End of financial year	<u>17,067</u>	<u>9,669</u>	<u>-</u>	<u>-</u>	<u>26,736</u>
Net Book Value					
End of financial year	<u>-</u>	<u>23,013</u>	<u>65,438</u>	<u>-</u>	<u>88,451</u>

Of the total intangible assets, \$115.8 million is expected to be recovered more than 12 months after the reporting date and being non-current.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***10. Property and equipment**

	<u>Computers</u> \$'000	<u>Motor vehicle</u> \$'000	<u>Total</u> \$'000
2024			
Costs			
Beginning of financial year	-	348	348
Business transfer	-	-	-
Additions	4	-	4
Modification of lease	-	-	-
Transfers from work in progress	-	-	-
Disposals	-	-	-
End of financial year	<u>4</u>	<u>348</u>	<u>352</u>
Accumulated depreciation			
Beginning of financial year	-	180	180
Business transfer	-	-	-
Depreciation charge	-	86	86
Disposals	-	-	-
End of financial year	<u>-</u>	<u>266</u>	<u>266</u>
Net Book Value			
End of financial year	<u>4</u>	<u>82</u>	<u>86</u>
2023			
Costs			
Beginning of financial year	-	-	-
Business transfer	-	348	348
Additions	-	-	-
Modification of lease	-	-	-
Transfers from work in progress	-	-	-
Disposals	-	-	-
End of financial year	<u>-</u>	<u>348</u>	<u>348</u>
Accumulated depreciation			
Beginning of financial year	-	-	-
Business transfer	-	101	101
Depreciation charge	-	79	79
Disposals	-	-	-
End of financial year	<u>-</u>	<u>180</u>	<u>180</u>
Net Book Value			
End of financial year	<u>-</u>	<u>168</u>	<u>168</u>

Of the total property and equipment, \$3.0 million is expected to be recovered more than 12 months after the reporting date and being non-current.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***11. Leases***The Company as a lessee*Nature of the Company's leasing activities – Company as a lessee*Equipment and vehicles*

The Company leases car for the senior management.

There are no externally imposed covenants on these lease arrangements.

ROU assets classified within Property and equipment

(a) Carrying amounts

	2024 \$'000	2023 \$'000
Motor vehicles	82	168
	82	168

(b) Depreciation charge during the year

	2024 \$'000	2023 \$'000
Motor vehicles	86	79
Total	86	79

(c) Interest expense

	2024 \$'000	2023 \$'000
Interest expense on lease liabilities	7	10

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***11. Leases** (continued)*The Company as a lessee* (continued)

- (d) Total cash outflow for all leases that are capitalised as ROU assets in 2024 was \$97,183 (2023: \$Nil).
- (e) Addition of ROU assets from business transfer during the financial year 2024 was \$Nil (2023: \$246,849).
- (f) The Company entered into a lease contract for a vehicle for business purposes. The corresponding measurement of the lease liability is recorded in Note 19.

12. Loans and other receivables

	2024	2023
	\$'000	\$'000
Loans to agents and brokers	-	10,550
Cash collaterals pledged	9,380	6,658
Investment receivables	86,416	122,274
Other deposits and sundry receivables	61,823	51,886
Prepayments	14,162	7,935
	171,781	199,303

Loans to agents and to brokers are unsecured, interest free and repayable in full within 12 months.

Cash collaterals pledged have a weighted average rate of 1.5% (2023: 3.6%) per annum and recoverable.

The carrying amounts of other receivables approximate their fair values and are predominantly in Singapore dollars and US dollars.

Loans and other receivables are current and recoverable within 12 months.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***13. Derivative financial instruments**

	Contractual notional amount \$'000	Fair values	
		Assets \$'000	Liabilities \$'000
2024			
Forward contracts	2,085,897	13,454	(36,657)
Swaps	486,282	19,905	(17,241)
Bond futures	353,000	9,349	(909)
Total		42,708	(54,807)
<i><u>Related parties</u></i>			
- Forward contracts	2,067,693	12,285	(36,657)
- Swaps	144,811	5,755	(9,148)
- Bond futures	228,000	5,893	(107)
Total		23,933	(45,912)
2023			
Forward contracts	3,063,873	86,752	(34,834)
Swaps	493,540	30,418	(15,788)
Total		117,170	(50,622)
<i><u>Related parties</u></i>			
- Forward contracts	2,978,873	82,453	(34,840)
- Swaps	241,405	10,222	(8,567)
Total		92,675	(43,407)

At 31 December 2024, the Company overall debt securities pledged for liabilities in respect of derivative transactions (Note 14) and pledged debt securities received for assets in respect of derivative transactions was a net received of \$3.0 million (2023 net received of \$17.8 million). The pledged and received net debt securities relating to related parties as at 31 December 2024 and 31 December 2023 was net pledged of \$7.7 million and net received of \$17.8 million respectively.

Of the total derivative financial assets, \$33.3 million is expected to be recovered more than 12 months after the reporting date and being non-current. Of the total derivative financial liabilities, \$21.5 million is expected to be settled more than 12 months after the reporting date and being non-current.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***14. (a) Financial assets, at fair value through profit or loss**

	2024 \$'000	2023 \$'000
Current		
Debt securities, quoted	<u>423,504</u>	<u>568,331</u>
Non-current		
Debt securities, quoted	5,625,482	5,470,422
Equity securities, quoted	15,257	10,190
Private equity funds	445,965	382,527
Investment funds	<u>5,040,299</u>	<u>4,274,012</u>
	11,127,003	10,137,151
Total	<u>11,550,507</u>	<u>10,705,482</u>

The Company obtained controls in an investment fund, in which it is exposed to, or has rights to, variable returns from its involvement with these investment funds and has the ability to affect those returns through its power over this investment fund.

As of 31 December 2024, Nikko AM Shenton Thrift Fund (77%) at a carrying value of \$322.6 million is under the Company's control with its principal place of business in Singapore. The Company did not provide any non-contractual financial or other support to this investment fund, and has no current intentions to provide financial or other support in the future.

(b) Financial assets, at amortised cost

	2024 \$'000	2023 \$'000
Non-current		
Debt securities, quoted	<u>15,325</u>	<u>15,974</u>

The investments in quoted debt securities have interest rates ranging from 0.000% to 9.750% (2023: 0.000% to 10.050%) per annum.

No debt securities have been pledged to counterparties in respect of derivative transactions as at 31 December 2024 and 31 December 2023 (Note 13).

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***15. Amount due from/(to) related companies**

	2024	2023
	\$'000	\$'000
Amount due from related companies	-	1,105
Amount due to related companies	<u>(31,165)</u>	<u>(15,296)</u>
	<u>(31,165)</u>	<u>(14,191)</u>

The amounts outstanding are current, unsecured, interest-free and will be settled in cash within 12 months. At the balance sheet date, the carrying amounts due from/(to) related companies approximate their fair values.

16. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Short-term bank deposits	5,519	28,753
Cash at bank and on hand	<u>150,507</u>	<u>289,902</u>
	<u>156,026</u>	<u>318,655</u>

Short-term bank deposits bear interest rates of 2.57% (2023: 4.34%) per annum and have an average maturity of 2 days (2023: 3 days) from the end of the financial year.

Included in cash at bank and on hand are bank deposits amounting to \$8.4 million (2023: \$13.5 million) which are collateral held for derivative financial instrument arrangements of the Company.

Life insurance fund includes cash at bank and short-term bank deposits of the shareholders' fund amounting to \$0.6 million (2023: \$0.9 million).

Cash and cash equivalents are current.

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

17. Insurance and reinsurance contract liabilities

	2024			2023		
	Life direct participating \$'000	Other \$'000	Total \$'000	Life direct participating \$'000	Other \$'000	Total \$'000
31 December 2024						
Insurance contracts						
Insurance contract liabilities	(10,818,333)	(358,279)	(11,176,612)	(10,027,748)	(404,698)	(10,432,446)
Insurance contract assets	16,462	13,788	30,250	38,132	18,160	56,292
	<u>(10,801,871)</u>	<u>(344,491)</u>	<u>(11,146,362)</u>	<u>(9,989,616)</u>	<u>(386,538)</u>	<u>(10,376,154)</u>
Reinsurance contracts held						
Reinsurance contract assets	-	128,594	128,594	-	176,194	176,194
Reinsurance contract liabilities	-	(398,805)	(398,805)	-	(522,337)	(522,337)
	<u>-</u>	<u>(270,211)</u>	<u>(270,211)</u>	<u>-</u>	<u>(346,143)</u>	<u>(346,143)</u>

The carrying amounts of insurance contract assets and insurance contract liabilities expected to be (recovered) settled more than 12 months after the reporting date as of 31 December 2024 are \$33.6 million and \$10,883.8 million respectively (2023: \$66.6 million and \$10,380.0 million respectively), while the carrying amounts of reinsurance contract assets and reinsurance contract liabilities expected to be (recovered) settled more than 12 months after the reporting date as of 31 December 2024 are \$66.4 million and \$468.2 million respectively (2023: \$120.9 million and \$594.1 million respectively).

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. Insurance and reinsurance contract liabilities (continued)

- (a) Movements in insurance and reinsurance (continued)
 (i) Insurance contracts - Life direct participating

	2024				2023			
	Liabilities for remaining coverage			Total \$'000	Liabilities for remaining coverage			Total \$'000
	Excluding loss component \$'000	Loss component \$'000	Liabilities for incurred claims \$'000		Excluding loss component \$'000	Loss component \$'000	Liabilities for incurred claims \$'000	
Opening assets	(40,289)	920	1,237	(38,132)	(8,674)	-	106	(8,568)
Opening liabilities	9,873,511	63,253	90,984	10,027,748	3,531,373	319	65,079	3,596,771
Net opening balance	9,833,222	64,173	92,221	9,989,616	3,522,699	319	65,185	3,588,203
Business transfer	-	-	-	-	6,027,126	56,696	24,360	6,108,182
Changes in the statement of comprehensive income								
Insurance revenue								
Contract under fair value approach	(99,832)	-	-	(99,832)	(123,427)	-	-	(123,427)
Other contracts	(151,311)	-	-	(151,311)	(87,531)	-	-	(87,531)
Total insurance revenue	(251,143)	-	-	(251,143)	(210,958)	-	-	(210,958)
Insurance service expenses								
Incurred claims and other insurance service expenses	-	(3,324)	95,526	92,202	-	(1,809)	100,137	98,328
Amortisation of insurance acquisition cash flows	37,397	-	-	37,397	12,119	-	-	12,119
Losses and reversal of losses on onerous contracts	-	(7,728)	-	(7,728)	-	22,816	-	22,816
Total insurance service expenses	37,397	(11,052)	95,526	121,871	12,119	21,007	100,137	133,263
Investment components	(984,636)	-	984,636	-	(876,812)	-	876,812	-
Insurance service result	(1,198,382)	(11,052)	1,080,162	(129,272)	(1,075,651)	21,007	976,949	(77,695)
Net finance expense from insurance contracts	813,762	-	-	813,762	388,006	-	-	388,006
Effect of movements in exchange rates and other movements	(26,838)	506	568	(25,764)	33,039	(13,572)	349	19,816
Total changes in the statement of comprehensive income	(411,458)	(10,546)	1,080,730	658,726	(654,606)	7,435	977,298	330,127

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

17. Insurance and reinsurance contract liabilities (continued)

(a) Movements in insurance and reinsurance (continued)

(i) Insurance contracts - Life direct participating (continued)

	2024				2023			
	Liabilities for remaining coverage			Total \$'000	Liabilities for remaining coverage			Total \$'000
	Excluding loss component \$'000	Loss component \$'000	Liabilities for incurred claims \$'000		Excluding loss component \$'000	Loss component \$'000	Liabilities for incurred claims \$'000	
Cash flows								
Premiums received	1,436,089	-	-	1,436,089	1,112,972	-	-	1,112,972
Claims and other insurance service expenses paid, including investment components	-	-	(1,062,265)	(1,062,265)	-	-	(973,497)	(973,497)
Insurance acquisition cash flows and other pre-recognition cashflows derecognised and other changes	(219,676)	-	-	(219,676)	(172,413)	-	-	(172,413)
Total cash flows	1,216,413	-	(1,062,265)	154,148	940,559	-	(973,497)	(32,938)
Others	3,883	(4,502)	-	(619)	(2,556)	(277)	(1,125)	(3,958)
Net closing balance	10,642,060	49,125	110,686	10,801,871	9,833,222	64,173	92,221	9,989,616
Closing assets	(16,740)	101	177	(16,462)	(40,289)	920	1,237	(38,132)
Closing liabilities	10,658,800	49,024	110,509	10,818,333	9,873,511	63,253	90,984	10,027,748
Net closing balance	10,642,060	49,125	110,686	10,801,871	9,833,222	64,173	92,221	9,989,616

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. Insurance and reinsurance contract liabilities (continued)

(a) Movements in insurance and reinsurance (continued)

(ii) Insurance contracts - Other

	2024				2023			
	Liabilities for remaining coverage			Total \$'000	Liabilities for remaining coverage			Total \$'000
	Excluding loss component \$'000	Loss component \$'000	Liabilities for incurred claims \$'000		Excluding loss component \$'000	Loss component \$'000	Liabilities for incurred claims \$'000	
Opening assets	(7,372)	(12,836)	2,048	(18,160)	(8,040)	-	1,007	(7,033)
Opening liabilities	188,616	38,248	177,834	404,698	75,462	12,275	219,677	307,414
Net opening balance	181,244	25,412	179,882	386,538	67,422	12,275	220,684	300,381
Business transfer	-	-	-	-	120,325	2,644	5,100	128,069
Changes in the statement of comprehensive income								
Insurance revenue								
Contract under fair value approach	(40,554)	-	-	(40,554)	(152,949)	-	-	(152,949)
Other contracts	(244,040)	-	-	(244,040)	(244,451)	-	-	(244,451)
Total insurance revenue	(284,594)	-	-	(284,594)	(397,400)	-	-	(397,400)
Insurance service expenses								
Incurred claims and other insurance service expenses	-	(9,219)	289,468	280,249	-	(34,574)	294,480	259,906
Amortisation of insurance acquisition cash flows	38,662	-	-	38,662	40,913	-	-	40,913
Losses and reversal of losses on onerous contracts	-	10,765	-	10,765	-	127,619	-	127,619
Adjustments to liabilities for incurred claims	-	-	(23,261)	(23,261)	-	-	(57,090)	(57,090)
Total insurance service expenses	38,662	1,546	266,207	306,415	40,913	93,045	237,390	371,348
Investment components	(13,849)	-	13,849	-	(30,400)	-	30,400	-
Insurance service result	(259,781)	1,546	280,056	21,821	(386,887)	93,045	267,790	(26,052)
Net finance expenses from insurance contracts	1,315	902	-	2,217	10,124	1,632	-	11,756
Total changes in the statement of comprehensive income	(258,466)	2,448	280,056	24,038	(376,763)	94,677	267,790	(14,296)

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. Insurance and reinsurance contract liabilities (continued)

(a) Movements in insurance and reinsurance (continued)

(ii) Insurance contracts - Other (continued)

	2024				2023			
	Liabilities for remaining coverage		Liabilities for incurred claims \$'000	Total \$'000	Liabilities for remaining coverage			Total \$'000
	Excluding loss component \$'000	Loss component \$'000			Excluding loss component \$'000	Loss component \$'000	Liabilities for incurred claims \$'000	
Cash flows								
Premiums received	309,848	-	-	309,848	290,018	-	-	290,018
Claims and other insurance service expenses paid, including investment components	-	-	(293,725)	(293,725)	-	-	(313,692)	(313,692)
Insurance acquisition cash flows and other pre-recognition cashflows derecognised and other changes	(73,298)	-		(73,298)	(66,465)	-	-	(66,465)
Total cash flows	236,550	-	(293,725)	(57,175)	223,553	-	(313,692)	(90,139)
Others	(7,145)	(1,660)	(105)	(8,910)	146,707	(84,184)	-	62,523
Net closing balance	152,183	26,200	166,108	344,491	181,244	25,412	179,882	386,538
Closing assets	(7,909)	-	(5,879)	(13,788)	(7,372)	(12,836)	2,048	(18,160)
Closing liabilities	160,092	26,200	171,987	358,279	188,616	38,248	177,834	404,698
Net closing balance	152,183	26,200	166,108	344,491	181,244	25,412	179,882	386,538

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

17. Insurance and reinsurance contract liabilities (continued)

(a) Movements in insurance and reinsurance (continued)

(iii) Reinsurance contracts held - Other

	2024				2023			
	Remaining coverage component			Total \$'000	Remaining coverage component			Total \$'000
	Excluding loss component \$'000	Loss component \$'000	Assets for incurred claims \$'000		Excluding loss component \$'000	Loss component \$'000	Assets for incurred claims \$'000	
Opening assets	54,467	11,876	109,851	176,194	55,623	1,756	152,141	209,520
Opening liabilities	(555,534)	1,860	31,337	(522,337)	(113,410)	-	8,079	(105,331)
Net opening balance	(501,067)	13,736	141,188	(346,143)	(57,787)	1,756	160,220	104,189
Business transfer	-	-	-	-	(254,813)	104	15,866	(238,843)
Changes in the statement of comprehensive income								
Allocation of reinsurance premiums paid	(90,584)	-	-	(90,584)	(192,945)	-	-	(192,945)
Recoveries of incurred claims and other insurance service expenses	-	-	125,658	125,658	-	-	148,195	148,195
Recoveries or reversals of recoveries of losses on onerous underlying contracts	(8,881)	5,555	-	(3,326)	90,091	11,876	-	101,967
Effect of changes in non-performance risk of reinsurers	(1,535)	-	-	(1,535)	-	-	-	-
Adjustments to assets for incurred claims	-	-	(24,798)	(24,798)	-	-	(51,948)	(51,948)
Net (expense)/income from reinsurance contracts held	(101,000)	5,555	100,860	5,415	(102,854)	11,876	96,247	5,269
Net (expense)/income from reinsurance contracts								
Net finance (expense)/income from reinsurance contracts	70,127	-	-	70,127	(8,096)	-	-	(8,096)
Effect of movements in exchange rates and other movements	(6,753)	3	334	(6,416)	(2,265)	-	(28)	(2,293)
Total changes in the statement of comprehensive income	(37,626)	5,558	101,194	69,126	(113,215)	11,876	96,219	(5,120)

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

17. Insurance and reinsurance contract liabilities (continued)

(a) Movements in insurance and reinsurance (continued)

(iii) Reinsurance contracts held – Other (continued)

	2024				2023			
	Remaining coverage component		Assets for incurred claims \$'000	Total \$'000	Remaining coverage component		Assets for incurred claims \$'000	Total \$'000
	Excluding loss component \$'000	Loss component \$'000			Excluding loss component \$'000	Loss component \$'000		
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	118,989	-	-	118,989	(14,822)	-	-	(14,822)
Claims and other recoverable received	-	-	(113,386)	(113,386)	-	-	(131,117)	(131,117)
Total cash flows	118,989	-	(113,386)	5,603	(14,822)	-	(131,117)	(145,939)
Others	1,203	-	-	1,203	(60,430)	-	-	(60,430)
Net closing balance	(418,501)	19,294	128,996	(270,211)	(501,067)	13,736	141,188	(346,143)
Closing assets	19,167	19,218	90,209	128,594	54,467	11,876	109,851	176,194
Closing liabilities	(437,668)	76	38,787	(398,805)	(555,534)	1,860	31,337	(522,337)
Net closing balance	(418,501)	19,294	128,996	(270,211)	(501,067)	13,736	141,188	(346,143)

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. Insurance and reinsurance contract liabilities (continued)

(b) Movements in carrying amounts - Analysis by measurement component

(i) Insurance contracts - Life direct participating

	2024					2023				
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contract under fair value approach \$'000	Other Contracts \$'000	Total \$'000	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contract under fair value approach \$'000	Other Contracts \$'000	Total \$'000
Opening assets	(65,757)	2,123	7,208	18,294	(38,132)	(17,901)	960	4,660	3,713	(8,568)
Opening liabilities	8,949,713	217,434	600,153	260,448	10,027,748	2,876,974	71,507	583,414	64,876	3,596,771
Net opening balance	8,883,956	219,557	607,361	278,742	9,989,616	2,859,073	72,467	588,074	68,589	3,588,203
Business transfer	-	-	-	-	-	5,492,784	82,359	90,118	442,921	6,108,182
Changes in the statement of comprehensive income										
Changes that relate to current services										
CSM recognised for services provided	-	-	(60,040)	(41,265)	(101,305)	-	-	(66,967)	(32,917)	(99,884)
Change in risk adjustment for non-financial risk for risk expired		(18,414)	-	-	(18,414)	-	(3,057)	-	-	(3,057)
Experience adjustments	(1,614)	-	-	-	(1,614)	2,680	-	-	-	2,680
Other movements recognised in insurance service result	-	-	(1,781)	1,570	(211)	-	-	-	-	-
Changes that relate to future services										
Contracts initially recognised in the year	(158,677)	11,812	-	147,984	1,119	(143,957)	12,278	-	131,679	-
Changes in estimates that adjust the CSM	(103,566)	(83,022)	81,272	105,316	-	289,958	49,353	(10,843)	(328,468)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	(13,131)	4,284	-	-	(8,847)	16,886	5,680	-	-	22,566
Insurance service result	(276,988)	(85,340)	19,451	213,605	(129,272)	165,567	64,254	(77,810)	(229,706)	(77,695)
Net finance expense/(income) from insurance contracts	813,762	-	-	-	813,762	388,006	-	-	-	388,006
Effect of movements in exchange rates and other movements	(39,718)	1,471	-	12,483	(25,764)	15,434	264	6,979	(2,861)	19,816
Total changes in the statement of comprehensive income	497,056	(83,869)	19,451	226,088	658,726	569,007	64,518	(70,831)	(232,567)	330,127

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2024

17. Insurance and reinsurance contract liabilities (continued)

(b) Movements in carrying amounts - Analysis by measurement component (continued)

(i) Insurance contracts - Life direct participating (continued)

	2024					2023				
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	CSM		Total \$'000	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	CSM		Total \$'000
Contract under fair value approach \$'000			Other Contracts \$'000	Contract under fair value approach \$'000				Other Contracts \$'000		
Cash flows										
Premiums received	1,436,089	-	-	-	1,436,089	1,112,972	-	-	-	1,112,972
Claims and other insurance service expenses paid, including investment components	(1,062,265)	-	-	-	(1,062,265)	(973,497)	-	-	-	(973,497)
Insurance acquisition cash flows and other pre-recognition cashflows derecognised and other changes	(219,676)	-	-	-	(219,676)	(172,413)	-	-	-	(172,413)
Total cash flows	154,148	-	-	-	154,148	(32,938)	-	-	-	(32,938)
Others	(604)	1,242	(780)	(477)	(619)	(3,970)	213	-	(201)	(3,958)
Net closing balance	9,534,556	136,930	626,032	504,353	10,801,871	8,883,956	219,557	607,361	278,742	9,989,616
Closing assets	(29,024)	1,416	3,847	7,299	(16,462)	(65,757)	2,123	7,208	18,294	(38,132)
Closing liabilities	9,563,580	135,514	622,185	497,054	10,818,333	8,949,713	217,434	600,153	260,448	10,027,748
Net closing balance	9,534,556	136,930	626,032	504,353	10,801,871	8,883,956	219,557	607,361	278,742	9,989,616

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. Insurance and reinsurance contract liabilities (continued)

(b) Movements in carrying amounts - Analysis by measurement component (continued)

(ii) Insurance contracts - Other

	2024					2023				
	CSM					CSM				
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contract under fair value approach \$'000	Other Contracts \$'000	Total \$'000	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contract under fair value approach \$'000	Other Contracts \$'000	Total \$'000
Opening assets	(28,080)	(401)	7,098	3,223	(18,160)	(12,818)	373	3,279	2,133	(7,033)
Opening liabilities	233,754	36,146	99,322	35,476	404,698	166,338	35,822	76,528	28,726	307,414
Net opening balance	205,674	35,745	106,420	38,699	386,538	153,520	36,195	79,807	30,859	300,381
Business transfer	-	-	-	-	-	92,316	1,866	32,206	1,681	128,069
Changes in the statement of comprehensive income										
Changes that relate to current services										
CSM recognised for services provided	-	-	(10,944)	(23,908)	(34,852)	-	-	(14,038)	(21,629)	(35,667)
Change in risk adjustment for non-financial risk for risk expired	-	(7,992)	-	-	(7,992)	-	(14,774)	-	-	(14,774)
Experience adjustments	77,161	-	-	-	77,161	(46,140)	-	-	-	(46,140)
Changes that relate to future services										
Contracts initially recognised in the year	(49,634)	9,272	-	45,029	4,667	(20,765)	10,193	-	40,373	29,801
Changes in estimates that adjust the CSM	5,363	(1,465)	(5,080)	1,182	-	5,885	2,200	6,252	(14,337)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	5,312	786	-	-	6,098	92,931	4,887	-	-	97,818
Changes that relate to past services										
Adjustments to liabilities for incurred claims	(23,125)	(136)	-	-	(23,261)	(52,269)	(4,821)	-	-	(57,090)
Insurance service result	15,077	465	(16,024)	22,303	21,821	(20,358)	(2,315)	(7,786)	4,407	(26,052)
Net finance expenses from insurance contracts	(2,336)	-	2,596	1,957	2,217	7,736	-	2,513	1,507	11,756
Total changes in the statement of comprehensive income	12,741	465	(13,428)	24,260	24,038	(12,622)	(2,315)	(5,273)	5,914	(14,296)

HSBC LIFE (SINGAPORE) PTE. LTD.

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

17. Insurance and reinsurance contract liabilities (continued)

(b) Movements in carrying amounts - Analysis by measurement component (continued)

(ii) Insurance contracts – Other (continued)

	2024 CSM					2023 CSM				
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contract under fair value approach \$'000	Other Contracts \$'000	Total \$'000	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contract under fair value approach \$'000	Other Contracts \$'000	Total \$'000
Cash flows										
Premiums received	309,848	-	-	-	309,848	290,018	-	-	-	290,018
Claims and other insurance service expenses paid, including investment components	(293,725)	-	-	-	(293,725)	(313,692)	-	-	-	(313,692)
Insurance acquisition cash flows and other pre-recognition cashflows derecognised and other changes	(73,298)	-	-	-	(73,298)	(66,465)	-	-	-	(66,465)
Total cash flows	(57,175)	-	-	-	(57,175)	(90,139)	-	-	-	(90,139)
Others	(8,745)	(154)	(11)	-	(8,910)	62,599	(1)	(320)	245	62,523
Net closing balance	152,495	36,056	92,981	62,959	344,491	205,674	35,745	106,420	38,699	386,538
Closing assets	(24,010)	564	6,717	2,941	(13,788)	(28,080)	(401)	7,098	3,223	(18,160)
Closing liabilities	176,505	35,492	86,264	60,018	358,279	233,754	36,146	99,322	35,476	404,698
Net closing balance	152,495	36,056	92,981	62,959	344,491	205,674	35,745	106,420	38,699	386,538

HSBC LIFE (SINGAPORE) PTE. LTD.

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

17. Insurance and reinsurance contract liabilities (continued)

(b) Movements in carrying amounts - Analysis by measurement component (continued)
(iii) Reinsurance contracts - Other

	2024					2023				
	CSM					CSM				
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contract under fair value approach \$'000	Other Contracts \$'000	Total \$'000	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contract under fair value approach \$'000	Other Contracts \$'000	Total \$'000
Opening assets	80,066	(77,318)	24,151	149,295	176,194	174,639	16,916	9,332	8,633	209,520
Opening liabilities	(541,734)	161,220	(16,493)	(125,330)	(522,337)	(124,950)	(12,626)	29,981	2,264	(105,331)
Net opening balance	(461,668)	83,902	7,658	23,965	(346,143)	49,689	4,290	39,313	10,897	104,189
Portfolio Business transfer	-	-	-	-	-	(347,374)	(47,374)	8,181	147,724	(238,843)
Changes in the statement of comprehensive income										
Changes that relate to current services										
CSM recognised for services received	-	-	3,183	(19,258)	(16,075)	-	-	(23,864)	(10,005)	(33,869)
Change in risk adjustment for non-financial risk for risk expired	-	(1,790)	-	-	(1,790)	-	(14,134)	-	-	(14,134)
Experience adjustments	50,920	-	-	-	50,920	(14,867)	-	-	-	(14,867)
Changes that relate to future services										
Contracts initially recognised in the year	(16,951)	3,296	-	14,372	717	1,191	1,976	-	15,644	18,811
Changes in estimates that adjust the CSM	(26,687)	(47,290)	4,136	69,841	-	54,906	127,849	(32,673)	(150,082)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	(4,904)	1,649	(3,255)	-	-	12,241	6,456	18,697
Effect of changes in non-performance risk of reinsurers	(1,535)	-	-	-	(1,535)	-	-	-	-	-
Changes in estimates that do not adjust the contractual service margin	(4,960)	6,191	-	-	1,231	66,462	16,117	-	-	82,579
Changes that relate to past services										
Adjustments to assets for incurred claims	(25,176)	378	-	-	(24,798)	(47,472)	(4,476)	-	-	(51,948)
Net income/(expense) from reinsurance contracts held	(24,389)	(39,215)	2,415	66,604	5,415	60,220	127,332	(44,296)	(137,987)	5,269
Net finance (expense)/income from insurance contracts	69,255	-	164	708	70,127	(11,516)	-	969	2,451	(8,096)
Effect of movements in exchange rates and other movements	(9,220)	(261)	-	3,065	(6,416)	(3,062)	(346)	3,333	(2,218)	(2,293)
Total changes in the statement of comprehensive income	35,646	(39,476)	2,579	70,377	69,126	45,642	126,986	(39,994)	(137,754)	(5,120)

HSBC LIFE (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. Insurance and reinsurance contract liabilities (continued)

(b) Movements in carrying amounts - Analysis by measurement component (continued)

(iii) Reinsurance contracts - Other (continued)

	2024					2023				
	CSM					CSM				
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contract under fair value approach \$'000	Other Contracts \$'000	Total \$'000	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contract under fair value approach \$'000	Other Contracts \$'000	Total \$'000
Cash flows										
Premiums (received)/paid net of ceding commissions and other directly attributable expenses paid	118,989	-	-	-	118,989	(14,822)	-	-	-	(14,822)
Claims and other recoverable received	(113,386)	-	-	-	(113,386)	(131,117)	-	-	-	(131,117)
Total cash flows	5,603	-	-	-	5,603	(145,939)	-	-	-	(145,939)
Others	(2,243)	-	(303)	3,749	1,203	(63,686)	-	158	3,098	(60,430)
Net closing balance	(422,662)	44,426	9,934	98,091	(270,211)	(461,668)	83,902	7,658	23,965	(346,143)
Closing assets	85,897	15,716	13,491	13,490	128,594	80,066	(77,318)	24,151	149,295	176,194
Closing liabilities	(508,559)	28,710	(3,557)	84,601	(398,805)	(541,734)	161,220	(16,493)	(125,330)	(522,337)
Net closing balance	(422,662)	44,426	9,934	98,091	(270,211)	(461,668)	83,902	7,658	23,965	(346,143)

HSBC LIFE (SINGAPORE) PTE. LTD.

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

17. Insurance and reinsurance contract liabilities (continued)

(c) Effect of contracts initially recognised in the year
i) Life direct participating

	2024		2023				2023			
	Profitable contracts acquired	Profitable contracts issued	Onerous contracts acquired	Onerous contracts issued	Total	Profitable contracts acquired	Profitable contracts issued	Onerous contracts acquired	Onerous contracts issued	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Insurance contracts										
Estimates of present value of cash outflows	-	1,344,776	-	50,167	1,394,943	-	1,482,848	-	61,747	1,544,595
- Insurance acquisition cash flows and other pre-recognition cashflows derecognised and other changes	-	121,610	-	3,520	125,130	-	121,573	-	4,221	125,794
- Claims and other insurance service expenses payable	-	1,223,166	-	46,647	1,269,813	-	1,361,275	-	57,526	1,418,801
Estimates of present value of cash inflows	-	(1,504,578)	-	(49,042)	(1,553,620)	-	(1,626,044)	-	(62,508)	(1,688,552)
Risk adjustment for non-financial risk	-	11,818	-	(6)	11,812	-	11,517	-	761	12,278
CSM	-	147,984	-	-	147,984	-	131,679	-	-	131,679
Losses recognised on initial recognition	-	-	-	1,119	1,119	-	-	-	-	-

HSBC LIFE (SINGAPORE) PTE. LTD.

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

17. Insurance and reinsurance contract liabilities (continued)

(c) Effect of contracts initially recognised in the year (continued)
ii) Others

	Profitable contracts acquired \$'000	Profitable contracts issued \$'000	2024 Onerous contracts acquired \$'000	2024 Onerous contracts issued \$'000	Total \$'000	Profitable contracts acquired \$'000	Profitable contracts issued \$'000	2023 Onerous contracts acquired \$'000	Onerous contracts issued \$'000	Total \$'000
Insurance contracts										
Estimates of present value of cash outflows	-	219,902	-	36,861	256,763	-	262,649	-	40,592	303,241
- Insurance acquisition cash flows and other pre-recognition cashflows derecognised and other changes	-	35,498	-	13,908	49,406	-	45,745	-	8,088	53,833
- Claims and other insurance service expenses payable	-	184,404	-	22,953	207,357	-	216,904	-	32,504	249,408
Estimates of present value of cash inflows	-	(272,517)	-	(33,880)	(306,397)	-	(310,643)	-	(13,363)	(324,006)
Risk adjustment for non-financial risk	-	7,586	-	1,686	9,272	-	7,621	-	2,572	10,193
CSM	-	45,029	-	-	45,029	-	40,373	-	-	40,373
Losses recognised on initial recognition	-	-	-	4,667	4,667	-	-	-	29,801	29,801

HSBC LIFE (SINGAPORE) PTE. LTD.

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

17. Insurance and reinsurance contract liabilities (continued)

(c) Effect of contracts initially recognised in the year (continued)
(iii) Reinsurance contracts held – Other

	2024				Total	2023				Total
	Contracts acquired without loss-recovery component	Contracts initiated without loss-recovery component	Contracts acquired with loss-recovery component	Contracts initiated with loss-recovery component		Contracts acquired without loss-recovery component	Contracts initiated without loss-recovery component	Contracts acquired with loss-recovery component	Contracts initiated with loss-recovery component	
	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	
Reinsurance contracts held										
Estimates of present value of cash inflows	-	(68,453)	-	(5,976)	(74,429)	-	(62,873)	-	(25,284)	(88,157)
Estimates of present value of cash outflows	-	85,311	-	6,069	91,380	-	71,181	-	15,785	86,966
Risk adjustment for non-financial risk	-	(3,001)	-	(295)	(3,296)	-	(404)	-	(1,572)	(1,976)
CSM	-	(2,941)	-	(11,431)	(14,372)	-	(5,121)	-	(10,523)	(15,644)
Increase/(decrease) in reinsurance contract assets from contracts recognised during the year	-	10,916	-	(11,633)	(717)	-	2,783	-	(21,594)	(18,811)

HSBC LIFE (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2024***17. Insurance and reinsurance contract liabilities (continued)**

(d) Analysis of the remaining contractual service margin

	Within 1 year \$'000	1-2 years \$'000	2-3 years \$'000	3-4 years \$'000	4-5 years \$'000	5-10 years \$'000	Over 10 years \$'000	Total \$'000
Insurance contracts								
Life direct participating	101,933	91,111	82,271	75,080	68,665	255,468	455,857	1,130,385
Others	25,006	14,622	12,631	11,190	9,947	35,599	46,945	155,940
Remaining contractual service margin on insurance contracts at 31 Dec 2024	126,939	105,733	94,902	86,270	78,612	291,067	502,802	1,286,325
Reinsurance contracts held								
Others	(913)	(11,560)	(11,244)	(10,477)	(9,588)	(33,049)	(31,194)	(108,025)
Remaining contractual service margin on reinsurance contracts at 31 Dec 2024	(913)	(11,560)	(11,244)	(10,477)	(9,588)	(33,049)	(31,194)	(108,025)
Insurance contracts								
Life direct participating	79,267	70,731	63,904	58,075	53,164	199,934	361,028	886,103
Others	20,507	14,122	12,060	10,628	9,438	33,967	44,397	145,119
Remaining contractual service margin on insurance contracts at 31 Dec 2023	99,774	84,853	75,964	68,703	62,602	233,901	405,425	1,031,222
Reinsurance contracts held								
Others	(6,558)	(3,518)	(2,957)	(2,533)	(2,193)	(7,644)	(6,220)	(31,623)
Remaining contractual service margin on reinsurance contracts at 31 Dec 2023	(6,558)	(3,518)	(2,957)	(2,533)	(2,193)	(7,644)	(6,220)	(31,623)

HSBC LIFE (SINGAPORE) PTE. LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

18. Other payables and accrued expenses

	2024	2023
	\$'000	\$'000
Cash collaterals withheld	8,432	13,542
Investment payables	8,574	59,326
Accrued staff related costs	24,117	37,108
Accrued operating expenses	61,713	55,198
Accruals for distribution costs	63,183	65,511
Sundry creditors	11,546	52,290
Others	42,215	34,282
Total	219,780	317,257

The carrying amounts of other creditors and accruals approximate their fair values and are predominantly in Singapore dollars and US dollars.

The carrying amounts of other payables and accrued expenses are current and would be settled within 12 months.

19. Borrowings

	2024	2023
	\$'000	\$'000
<i>Current</i>		
Lease liabilities	103	98
<i>Non-current</i>		
Lease liabilities	-	86
Total borrowings	103	184

The carrying amounts of borrowings are current and would be settled within 12 months.

HSBC LIFE (SINGAPORE) PTE. LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

19. Borrowings (continued)

Reconciliation of liabilities arising from financing activities

	1 January 2024 \$'000	Principal and interest payments \$'000	Non-cash changes				31 December 2024 \$'000
			Modification of lease liability \$'000	Interest expense \$'000	Addition - new leases \$'000	Disposals - leases \$'000	
Lease liabilities	184	(88)	-	7	-	-	103

	1 January 2023 \$'000	Principal and interest payments \$'000	Non-cash changes				31 December 2023 \$'000
			Modification of lease liability \$'000	Interest expense \$'000	Addition - new leases \$'000	Disposals - leases \$'000	
Lease liabilities	-	(80)	-	10	254	-	184

HSBC LIFE (SINGAPORE) PTE. LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

20. Share capital

	Number of <u>shares</u> \$'000	Amount \$'000
2024		
Beginning and end of financial year	1,357,827	1,361,484
2023		
Beginning of financial year	869,827	873,484
Issuance of share capital	488,000	488,000
End of financial year	<u>1,357,827</u>	<u>1,361,484</u>

The Company has one class of ordinary shares which carry no right to fixed income.

21. Other reserves

	2024 \$'000	2023 \$'000
Beginning of financial year	(557,320)	1,635
Value of employee services	419	1,788
Business transfer	-	(560,743)
End of financial year	<u>(556,901)</u>	<u>(557,320)</u>

Other reserves comprises of the cumulative value of employee services received for the issue of share options of the ultimate holding company, and the impact from business transfer of an insurance business from a fellow subsidiary, representing the excess of consideration determined on the valuation basis used in the MAS regulatory returns over the net asset value transferred determined on FRS.

Other reserve is non-distributable.

22. Share-based payments

The Company participates in various share option and share plans operated by HSBC whereby share options or shares of HSBC are granted to employees of the group. The Company recognises an expense in respect of these share options and share awards. The cost borne by the ultimate holding company in respect of share options is treated as a capital contribution and is recorded within "Other reserves". In respect of share awards, the Company recognises a liability to the ultimate holding company over the vesting period. This liability is measured at the fair value of the shares at each reporting date, with changes since the award dates adjusted through the capital contribution account within "Other reserves".

HSBC LIFE (SINGAPORE) PTE. LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

23. Commitments and contingent liability

(a) Unfunded capital commitments

Private equity funds contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	2024	2023
	\$'000	\$'000
Private equity funds - call on demand	250,481	279,244

(b) Litigation

The Company is involved in litigation arising in the ordinary course of its business. Taking into account legal advice received, the Board is of the opinion that adequate provisions have been made in the financial statements.

24. Interests in structured entities

The Company invests in unconsolidated structured entities, these are investments in investment funds and private equity funds. These funds may utilise a variety of financial instruments in their trading strategies, including equity and debt securities as well as an array of derivative instruments. Several of these financial instruments contain varying degrees of off-balance sheet risks whereby changes in market values of the securities underlying the financial instruments may be in excess of the amounts recorded on each portfolio fund's balance sheet. However, the Company's risk with respect to such transactions is limited to its capital balance in each fund.

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

The Company's maximum exposure to loss from its interests in funds is equal to the total fair value of its investments in the funds. Once the Company has disposed of its shares/units in a portfolio fund, the Company ceases to be exposed to any risk from that fund.

The following table summarises the carrying value of the assets recognised in the Company's financial statements relating to the interest in unconsolidated structured entities in its investment funds not under its control.

	2024	2023
	\$'000	\$'000
Financial assets, at fair value through profit or loss	5,163,633	4,656,539

HSBC LIFE (SINGAPORE) PTE. LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

24. Interests in structured entities (continued)

The Company did not provide any non-contractual financial or other support to these investment funds in 2024 or 2023, and has no current intentions to provide financial or other support in the future.

25. Holding companies

The Company's immediate holding company is HSBC Insurance (Asia-Pacific) Holdings Limited, incorporated in Hong Kong, which is ultimately held by HSBC Holdings plc, incorporated in England.

Related parties in these financial statements refer to members of the HSBC group of companies.

26. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following related party transactions took place between the Companies and its fellow subsidiaries at terms agreed between the parties:

	2024	2023
	\$'000	\$'000
IT related cost payment	43,702	30,680
Payment of other expense recharges	39,887	23,815
Fund management fees	5,478	3,661
Commission paid	34,213	20,302
Commission received	12,687	120,014
Premium paid	57,243	365
Premium received	-	23,410
Claims recovered	30,299	2,314
Rental cost	11,566	12,627

Key management personnel compensation is as follows:

	2024	2023
	\$'000	\$'000
Salaries	5,299	10,634
Share-based payments	357	315
Directors' fees	368	13
	6,024	10,962

On 1 February 2023, HSBC Insurance (Singapore) Pte. Limited, a fellow subsidiary with the HSBC Group, transferred its insurance business to the Company pursuant to a scheme of transfer ("SoT") under section 119(1)(a) of the Insurance Act 1966. Further information is provided in Note 27.

HSBC LIFE (SINGAPORE) PTE. LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

27. Business transfer

On 1 February 2023, HSBC Insurance (Singapore) Pte. Limited's insurance business was transferred to the Company pursuant to a scheme of transfer ("SoT") under section 119(1)(a) of the Insurance Act 1966. The SoT was approved by the Monetary Authority of Singapore and the High Court of Singapore on 4 November 2022 and 17 January 2023, respectively. The consideration amount was equivalent to the assets and liabilities of HSBC Insurance (Singapore) Pte. Limited transferred as at 1 February 2023 on the valuation basis used in the MAS regulatory returns.

The assets and liabilities transferred from HSBC Insurance (Singapore) Pte. Limited, the excess of consideration over the net asset value transferred is included within the other reserves.

	\$'000
Intangible assets	10,170
Property and equipment	247
Insurance contract assets	25,618
Reinsurance contract assets	45,730
Financial assets	
- Loans and receivables	114,507
- Derivative financial instruments	40,559
- Financial assets, at fair value through profit or loss	6,020,695
- Financial assets, at amortised cost	22,801
Amount due from related companies	22,258
Cash and cash equivalents	332,077
Less:	
Insurance contract liabilities	6,261,869
Reinsurance contract liabilities	284,573
Borrowings	254
Financial liabilities	
- Derivative financial instruments	11,278
Other payables and accruals	30,767
Net asset value transferred	<u>45,921</u>
Total consideration	<u>606,664</u>
	<u>606,664</u>
Excess of consideration over the net asset value	<u>560,743</u>
The consideration arising from the Scheme of Transfer has been fully settled by cash during 2023.	
Net cash outflow arising on business transfer	
- Cash consideration paid	606,664
- Cash and cash equivalents transfer in	332,077
	<u>274,587</u>

HSBC LIFE (SINGAPORE) PTE. LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

27. Business transfer (continued)

Expenses incurred for the business transfer

During year 2023, expenses incurred for the business transfer of \$0.7 million are included as "Other operating expenses" in the statement of comprehensive income and in operating cash flows in the statement of cash flows. No business transfer expenses incurred in year 2024.

28. Post balance sheet event

On 2 April 2025, the United States ("U.S.") announced the implementation of a 10% baseline tariff on all imports, subsequent higher individual reciprocal duties on partners the U.S. has the largest trade deficits with, and a 25% tariff on autos imports; of which a 10% baseline tariff would be applicable to Singapore.

Management will continue to monitor the impact arising from this event on the Company's business.

29. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of HSBC Life (Singapore) Pte. Ltd. on 30 April 2025.