

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

**ANNUAL REPORT**  
*For the financial year ended 31 December 2022*

**TOKIO MARINE INSURANCE SINGAPORE LTD.**  
*(Incorporated in Singapore)*

**ANNUAL REPORT**  
*For the financial year ended 31 December 2022*

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## **TOKIO MARINE INSURANCE SINGAPORE LTD.**

### **DIRECTORS' STATEMENT**

*For the financial year ended 31 December 2022*

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The directors present their statement to the member together with the audited financial statements for the financial year ended 31 December 2022.

In the opinion of the directors,

- (a) the financial statements as set out on pages 6 to 70 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### **Directors**

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

Tan Cheng Han  
Cher Ah Kow  
Katsuhiro Sawada  
Ooi Chee Kar  
Vezio Philippe Guy Stephane

#### **Arrangements to enable directors to acquire shares and debentures**

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

#### **Directors' interests in shares or debentures**

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

#### **Share options**

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

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

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**DIRECTORS' STATEMENT**

*For the financial year ended 31 December 2022*

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**Independent auditor**

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

On behalf of the directors



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Cher Ah Kow  
Director  
21 March 2023



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Katsuhiro Sawada  
Director

## **TOKIO MARINE INSURANCE SINGAPORE LTD.**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TOKIO MARINE INSURANCE SINGAPORE LTD.**

*For the financial year ended 31 December 2022*

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#### ***Report on the Audit of the Financial Statements***

##### **Our opinion**

In our opinion, the accompanying financial statements of Tokio Marine Insurance Singapore Ltd. (the "Company") are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the financial position of the Company as at 31 December 2022 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 2022;
- the general insurance revenue account for the financial year then ended;
- the balance sheet as at 31 December 2022;
- 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 a summary of significant accounting policies.

##### **Basis for Opinion**

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

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

##### *Independence*

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

##### **Other Information**

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

Our opinion on the financial statements does not cover the other information and we do not and will 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.

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## **TOKIO MARINE INSURANCE SINGAPORE LTD.**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TOKIO MARINE INSURANCE SINGAPORE LTD.**

*For the financial year ended 31 December 2022*

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
TOKIO MARINE INSURANCE SINGAPORE LTD.**

*For the financial year ended 31 December 2022*

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 UP*

Public Accountants and Chartered Accountants  
Singapore  
21 March 2023

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**STATEMENT OF COMPREHENSIVE INCOME**

*For the financial year ended 31 December 2022*

	Note	2022 \$'000	2021 \$'000
Gross premiums written		341,717	300,172
Underwriting profit from general insurance business		29,005	29,339
Investment income	4	20,077	19,382
Other gains/(losses) - net	5	729	3,002
		49,811	51,723
Expenses not charged to general insurance revenue account:			
- Employee compensation	6(a)	(541)	(600)
- Depreciation expense	6(b)	(1,140)	(1,135)
- Other operating expenses	6(c)	(3,426)	(3,319)
		(5,107)	(5,054)
Profit before income tax		44,704	46,669
Income tax expense	7(a)	(5,380)	(6,338)
Profit after income tax		39,324	40,331
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Available-for-sale financial assets			
- Fair value losses - net	10	(46,467)	(15,918)
- Reclassification on disposal	5	111	(1,781)
- Deferred tax on fair value changes	18	7,928	3,048
<b>Other comprehensive loss, net of tax</b>		<b>(38,428)</b>	<b>(14,651)</b>
<b>Total comprehensive income</b>		<b>896</b>	<b>25,680</b>

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



**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**GENERAL INSURANCE REVENUE ACCOUNT**

*For the financial year ended 31 December 2022*

	Note	2022 \$'000	2021 \$'000
<b>General Insurance Business</b>			
Gross premiums written		341,717	300,172
Outward reinsurance premiums		(220,214)	(186,920)
Net premiums written		121,503	113,252
Movements in reserves for unexpired risks, net of deferred acquisition cost ("DAC")	12	(3,994)	1,207
Net earned premiums		117,509	114,459
Gross claims paid		(134,075)	(107,041)
Reinsurers' share of claims paid		85,926	54,575
Net claims paid	11	(48,149)	(52,466)
Change in net outstanding claims		(6,590)	1,076
Net claims incurred	11	(54,739)	(51,390)
Commissions payable		(69,222)	(59,860)
Commissions receivable		64,316	53,873
Net commissions		(4,906)	(5,987)
Other gains/(losses) - net	5	33	457
Employee compensation	6(a)	(19,325)	(18,796)
Depreciation expense	6(b)	(1,409)	(1,546)
Other operating expenses	6(c)	(8,158)	(7,858)
		(28,859)	(27,743)
<b>Total underwriting profit from general insurance business</b>		<b>29,005</b>	<b>29,339</b>

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**BALANCE SHEET**

*As at 31 December 2022*

	Note	2022 \$'000	2021 \$'000
<b>ASSETS</b>			
Cash and cash equivalents	8	101,131	91,898
Trade receivables	9	54,368	44,347
Other assets	9	8,748	8,792
Available-for-sale financial assets	10	345,565	406,262
Reinsurance assets:			
- Claims recoverable from reinsurers	11	285,910	274,404
- Reserves for unexpired risks, net of DAC on reinsurance ceded	12	110,512	102,555
Investment properties	13	40,243	40,982
Property, plant and equipment	14	18,142	18,318
Right-of-use assets	15(a)	280	633
Deferred income tax assets	18	7,435	281
<b>Total assets</b>		<b>972,334</b>	<b>988,472</b>
<b>LIABILITIES</b>			
Trade payables	17	59,686	50,809
Other payables	17	45,650	38,974
Lease liabilities	15(b)	265	620
Insurance liabilities:			
- Gross outstanding claims reserves	11	380,193	362,097
- Reserves for unexpired risks, net of DAC	12	172,914	160,963
Current income tax liabilities	7(b)	8,844	10,494
Deferred income tax liabilities	18	-	329
<b>Total liabilities</b>		<b>667,552</b>	<b>624,286</b>
<b>NET ASSETS</b>		<b>304,782</b>	<b>364,186</b>
<b>EQUITY</b>			
Share capital	19	100,000	100,000
Fair value reserve		(28,137)	10,291
Retained earnings		232,919	253,895
<b>Total equity</b>		<b>304,782</b>	<b>364,186</b>

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**STATEMENT OF CHANGES IN EQUITY**

*For the financial year ended 31 December 2022*

	Note	Share capital \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>2022</b>					
<b>Beginning of financial year</b>		<b>100,000</b>	<b>10,291</b>	<b>253,895</b>	<b>364,186</b>
Profit for the year		-	-	39,324	39,324
Other comprehensive loss for the year		-	(38,428)	-	(38,428)
<b>Total comprehensive income</b>		<b>-</b>	<b>(38,428)</b>	<b>39,324</b>	<b>896</b>
<b>Total transactions with owners, recognised directly in equity</b>					
Dividend paid	20	-	-	(60,300)	(60,300)
<b>End of financial year</b>		<b>100,000</b>	<b>(28,137)</b>	<b>232,919</b>	<b>304,782</b>
<b>2021</b>					
<b>Beginning of financial year</b>		<b>100,000</b>	<b>24,942</b>	<b>259,564</b>	<b>384,506</b>
Profit for the year		-	-	40,331	40,331
Other comprehensive loss for the year		-	(14,651)	-	(14,651)
<b>Total comprehensive income</b>		<b>-</b>	<b>(14,651)</b>	<b>40,331</b>	<b>25,680</b>
<b>Total transactions with owners, recognised directly in equity</b>					
Dividend paid	20	-	-	(46,000)	(46,000)
<b>End of financial year</b>		<b>100,000</b>	<b>10,291</b>	<b>253,895</b>	<b>364,186</b>

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**STATEMENT OF CASH FLOWS**

*For the financial year ended 31 December 2022*

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Profit after tax		39,324	40,331
Adjustments for:			
- Income tax expense		5,380	6,338
- Depreciation of property, plant and equipment		1,334	1,498
- Depreciation of right-of-use assets		476	445
- Depreciation of investment properties		739	738
- Decrease in allowance for impairment of club membership		(163)	(59)
- Amortisation of available-for-sale financial assets		217	231
- Net gain on disposal of property, plant and equipment		(15)	(118)
- Net loss/(gain) on disposal of available-for-sale financial assets		111	(1,781)
- Net gain on lease modification		(1)	-
- Interest expense on lease liabilities		19	24
- Interest income		(9,919)	(9,451)
- Dividend income		(2,593)	(2,638)
		<u>34,909</u>	<u>35,558</u>
Changes in working capital:			
- Trade receivables		(10,021)	682
- Other assets		588	(1,364)
- Outstanding claims reserves		6,590	(1,076)
- Reserves for unexpired risks, net of DAC		3,994	(1,207)
- Trade payables		8,877	(1,977)
- Other payables		6,676	7,602
		<u>51,613</u>	<u>38,218</u>
Cash generated from operations		(6,585)	(8,550)
Income tax paid			
<b>Net cash provided by operating activities</b>		<u>45,028</u>	<u>29,668</u>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(1,178)	(1,223)
Disposal of property, plant and equipment		35	118
Purchases of available-for-sale financial assets		(44,831)	(91,482)
Disposal of available-for-sale financial assets		58,844	77,411
Interest received		9,538	9,535
Dividends received		2,593	2,638
<b>Net cash provided by/(used in) investing activities</b>		<u>25,001</u>	<u>(3,003)</u>
<b>Cash flows from financing activities</b>			
Principal payment of lease liabilities		(496)	(465)
Dividend paid		(60,300)	(46,000)
<b>Net cash used in financing activities</b>		<u>(60,796)</u>	<u>(46,465)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>9,233</u>	<u>(19,800)</u>
<b>Cash and cash equivalents</b>			
Beginning of financial year		91,898	111,698
<b>Cash and cash equivalents at end of financial year</b>	8	<u>101,131</u>	<u>91,898</u>

**Reconciliation of lease liabilities arising from financing activities**

	Beginning of financial year \$'000	Principal payment \$'000	Interest expense \$'000	Addition – new leases \$'000	Modifications of lease liabilities \$'000	End of financial year \$'000
2022	620	(496)	19	146	(24)	265
2021	319	(465)	24	752	(10)	620

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

## TOKIO MARINE INSURANCE SINGAPORE LTD.

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2022*

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

#### 1. General information

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

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

#### 2. Significant accounting policies

##### 2.1 Basis of preparation

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

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

##### ***Adoption of FRS***

The Accounting Standards Council Singapore ("ASC") has issued a number of new FRS and amendments to FRS that are effective in the current accounting period of the Company. Of these, the following developments are relevant to the Company's financial statements:

(a) Temporary exemption on adoption of FRS 109 *Financial Instruments*

FRS 109 replaces FRS 39 *Financial instruments: Recognition and Measurement* and its relevant interpretations.

FRS 109 addresses the classification, measurement and recognition of financial assets and financial liabilities. FRS 109 requires financial assets to be classified into separate measurement categories: those measured as at fair value with changes either recognised in profit or loss or in other comprehensive income and those measured at amortised cost. The determination is made at initial recognition depending on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. In addition, a revised expected credit loss model will replace the incurred loss impairment model in FRS 39.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**2. Significant accounting policies (continued)**

**2.1 Basis of preparation (continued)**

***Adoption of FRS* (continued)**

**(a) Temporary exemption on adoption of FRS 109 *Financial Instruments* (continued)**

For financial liabilities, the standard retains most of the FRS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, part of the fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch. In addition, the new standard revises the hedge accounting model to more closely align with the entity's risk management strategies. The ASC made further changes to two areas of FRS 109. Financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if the cash flow represents solely payments of principal and interest. Non-substantial modifications or exchange of financial liabilities that do not result in derecognition will be required to be recognised in profit or loss.

The standard is mandatorily effective for financial periods beginning on or after 1 January 2018 (except for prepayment features with negative compensation and modifications or exchange of financial liabilities that do not result in derecognition which will become effective for financial periods beginning on or after 1 January 2019), but the Company qualifies for a temporary exemption as explained in Note 2.1(b).

**(b) Applying FRS 109 *Financial Instruments* with FRS 104 *Insurance Contracts* (Amendments to FRS 104)**

As stated in Note 2.1(a), these amendments provide a temporary option for companies whose activities are predominantly connected with insurance to defer the effective date of FRS 109 until the earlier of the effective date of FRS 117 and financial reporting periods beginning on or after 1 January 2023, as well as an approach that allows an entity to remove from profit or loss the effects of certain accounting mismatches that may occur before FRS 117 is applied.

Based on the amendments to FRS 104, the Company is eligible for and will elect to apply the temporary option to defer the effective date of FRS 109 in order to implement the changes in parallel with FRS 117.

Additional disclosures required by FRS 109 is made in Note 25.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**2. Significant accounting policies (continued)**

**2.1 Basis of preparation (continued)**

***Adoption of FRS (continued)***

**(c) Deferral for FRS 117 *Insurance Contracts***

ASC adopted International Financial Reporting Standards ("IFRS") 17 *Insurance Contracts* and IFRS 9 *Financial Instruments* without modification into FRS 117 and FRS 109. FRS 117 *Insurance Contracts* will replace the current FRS 104 insurance contract standard. FRS 117 includes some fundamental differences to current accounting in both insurance contract measurement and profit recognition. The general model is based on a discounted cash flow model with a risk adjustment and deferral of unearned profits. A separate approach applies to insurance contracts that are linked to returns on underlying items and meet certain requirements. Additionally, FRS 117 requires more granular information and a new presentation format for the statement of comprehensive income as well as extensive disclosures.

The International Accounting Standard Board ("IASB") proposed in June 2019 to defer IFRS 17 and extend the temporary IFRS 9 exemption available to insurers until the financial period beginning on or after 1 January 2022. This was consequently approved on 17 March 2020 where the effective date has now been deferred to periods beginning on or after 1 January 2023. ASC has announced on 2 October 2020 that they are aligning with IASB's proposed deferral for FRS 117.

In July 2021, the IASB proposed a narrow-scope amendment to the transition requirements in IFRS 17 by allowing an option for insurer to present comparative information for certain financial assets in a manner consistent with IFRS 9. An Exposure Draft was issued for public consultation, which ended on 27 September 2021. This was subsequently approved on 28 October 2021. ASC adopted the amendment without modification to FRS 117.

**(d) FRS 117 *Insurance Contracts***

FRS 117 *Insurance Contracts* will come into effect on 1 January 2023, to be applied retrospectively. If full retrospective application to a group of contracts is impracticable, the modified retrospective or fair value methods may be used.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**2. Significant accounting policies (continued)**

**2.1 Basis of preparation (continued)**

***Adoption of FRS* (continued)**

**(d) FRS 117 *Insurance Contracts* (continued)**

FRS 117 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. It introduces the general measurement model that measures groups of contracts based on the present value of future cash flows with an explicit risk adjustment for non-financial risk (the fulfilment cash flows); and a contractual service margin, representing the unearned profit to be recognised in profit or loss over the service period (coverage period). Losses on contracts that are onerous at inception are recognised immediately. The core of FRS 117 is the general measurement model, supplemented by a simplified approach (the premium allocation approach) for short-duration contracts.

**FRS 117 transition approach**

Changes in accounting policies resulting from the adoption of FRS 117 shall apply the full retrospective approach to the extent practicable. The Company will adopt the modified retrospective approach when it is impracticable to use a full retrospective approach in determining transition amounts at the FRS 117 transition date.

**Level of aggregation**

Groups of insurance contracts have been determined by identifying portfolios of insurance contracts, comprising contracts subject to similar risks that are managed together, and dividing each portfolio into annual cohorts by year of issue. Each annual cohort is then further subdivided into three groups based on the profitability of contracts determined at initial recognition.



**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**2. Significant accounting policies (continued)**

**2.1 Basis of preparation (continued)**

***Adoption of FRS* (continued)**

**(d) FRS 117 *Insurance Contracts* (continued)**

**Measurement models**

There are two measurement models that apply to the Company's business as follows:

- i. **General measurement model (GMM)**  
The GMM is the default FRS 117 measurement model. The GMM requires a group of insurance contracts to be measured on the basis of a probability-weighted expected value (the fulfilment cash flows), a risk adjustment, plus the unearned profit remaining in the contract (the contractual service margin).
- ii. **Premium allocation approach (PAA)**  
The PAA is a simplified measurement model which can be applied to all short duration contracts and to longer duration contracts that meet PAA eligibility criteria.

**Financial impact on the transition to FRS 117**

The Company will adopt FRS 117 for the first time on 1 January 2023. The Company is in the midst of conducting a detailed assessment on the impact to the financial statements on adopting the new standard. The Company will restate the comparative information based on the transition approaches taken on adoption of FRS 117.

**2.2 Insurance contracts**

The Company issues contracts that transfer insurance risk.

Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur under general insurance contract.

## TOKIO MARINE INSURANCE SINGAPORE LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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#### 2. Significant accounting policies (continued)

##### 2.2 Insurance contracts (continued)

###### (a) *Premiums*

Premium is taken up as income at the commencement date of the risk. For inward treaty reinsurance, premium will be booked upon receipt of cedants' statements.

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

###### (b) *Claims*

Claims and loss adjustment expenses are charged to profit or loss as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claim settlement costs and arise from events that have occurred up to the balance sheet date inclusive of provisions for incurred but not reported claims and incurred but not enough reported claims.

###### (c) *Liability adequacy test*

At each balance sheet date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related deferred acquisition cost. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses are used. Any deficiency is immediately charged to profit or loss.

###### (d) *Deferred acquisition cost*

Commission and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are netted off against the reserves for unexpired risks.

###### (e) *Receivables and payables related to insurance contracts*

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in profit or loss. The Company gathers objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables. The impairment loss is calculated under the same method used for these financial assets.

## TOKIO MARINE INSURANCE SINGAPORE LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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#### 2. Significant accounting policies (continued)

##### 2.2 Insurance contracts (continued)

###### (f) *Outstanding claims reserves*

Provision is made for the estimated costs of all claims notified but not settled at the date of the balance sheet, less reinsurance recoveries, using the best information available at that time. For reinsurance inward, an additional provision is made based on developmental trends as discerned in the running-off of outstanding claims in respect of prior underwriting years.

In addition, provision is made for claims incurred but not reported and incurred but not enough reported claims for all business written, based on actuarial assessment as at balance sheet date as required under the Singapore Insurance Act 1966 (the "Insurance Act").

###### (g) *Reserves for unexpired risks*

Reserves for unexpired risks comprise the sum of unearned premium reserves and premium deficiency reserves.

The unearned premium reserves for all classes of business other than inward treaty reinsurance business are calculated on a basis using the 1/365th method based on gross premiums written less premiums on reinsurance, reduced by the actual commission to the corresponding premiums.

Unearned premium reserves on inward treaty reinsurance business are calculated using the 1/24th method based on gross premiums written less premiums on reinsurance, reduced by the actual commission to the corresponding premiums.

Premium deficiency reserves are derived using actuarial methods based on the Company's loss statistics.

###### (h) *Reinsurance contracts held*

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses for one or more insurance contracts issued by the Company where significant insurance risk is transferred are classified as reinsurance contracts held. Insurance contracts entered into by the Company under which the contract holder is another insurer (inward reinsurance) are included in insurance contracts.

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets, being the reinsurers' share of insurance liabilities. These assets consist of short-term balances due from reinsurers, as well as longer-term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts.

## TOKIO MARINE INSURANCE SINGAPORE LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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#### 2. Significant accounting policies (continued)

##### 2.3 Revenue recognition

Revenue is recognised as follows:

(a) *Premium income (see Note 2.2(a))*

(b) *Interest income*

Interest income is recognised using the effective interest method.

(c) *Dividend income*

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

(d) *Rental income*

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

##### 2.4 Government grants

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

##### 2.5 Property, plant and equipment

(a) *Measurement*

(i) *Freehold land*

Freehold land is initially recognised at cost and subsequently carried at cost less accumulated impairment losses (Note 2.8).

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**2. Significant accounting policies (continued)**

**2.5 Property, plant and equipment (continued)**

*(a) Measurement (continued)*

*(ii) Other property, plant and equipment*

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.8).

*(iii) Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if such an obligation is incurred as a consequence of acquiring or using the asset.

*(b) Depreciation*

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

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

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

*(c) Subsequent expenditure*

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

## TOKIO MARINE INSURANCE SINGAPORE LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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#### 2. Significant accounting policies (continued)

##### 2.5 Property, plant and equipment (continued)

###### (d) *Disposal*

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

##### 2.6 Investment properties

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

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

The effects of any revision are included in profit or loss when the changes arise. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor impairment is recognised in profit or loss when incurred.

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

##### 2.7 Transferable club memberships

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

##### 2.8 Impairment of non-financial assets

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**2. Significant accounting policies (continued)**

**2.8 Impairment of non-financial assets (continued)**

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

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

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

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

**2.9 Financial assets**

*(a) Classification*

The Company classifies its financial assets as loans and receivables or available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

*(i) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade receivables", "other assets" (exclude transferrable club membership and prepayments), "reinsurance assets" and "cash and cash equivalents" on the balance sheet respectively.

## TOKIO MARINE INSURANCE SINGAPORE LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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#### 2. Significant accounting policies (continued)

##### 2.9 Financial assets (continued)

###### (a) *Classification* (continued)

###### (ii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

###### (b) *Recognition and derecognition*

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal, the difference between the carrying amount and the net sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

###### (c) *Measurement*

Financial assets are initially recognised at fair value plus transaction costs. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Changes in the fair values of available-for-sale debt securities (i.e. monetary assets) are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.



**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**2. Significant accounting policies (continued)**

**2.9 Financial assets (continued)**

*(d) Impairment*

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

*(i) Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

*(ii) Available-for-sale financial assets*

In addition to the objective evidence of impairment described in Note 2.9(d)(i), a significant or prolonged decline in the fair value of an equity security below its cost and the disappearance of an active trading market are considered as indicators that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is transferred to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss.

## TOKIO MARINE INSURANCE SINGAPORE LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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#### 2. Significant accounting policies (continued)

##### 2.10 Offsetting of financial instruments

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

##### 2.11 Fair value estimation of financial assets and liabilities

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

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

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

##### 2.12 Trade and other payables

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

##### 2.13 Leases

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

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**2. Significant accounting policies (continued)**

**2.13 Leases (continued)**

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

- *Right-of-use assets*

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

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The average useful life of these right-of-use assets are between 2 to 5 years.

- *Lease liabilities*

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

Lease payments may include the following:

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**2. Significant accounting policies (continued)**

**2.13 Leases (continued)**

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

- *Lease liabilities (continued)*

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

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

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

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

- *Short-term and low value leases*

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

*(b) When the Company is the lessor*

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**2. Significant accounting policies (continued)**

**2.14 Income taxes**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

Deferred income tax is measured:

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

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity. Deferred tax arising from the fair value gains and losses on available-for-sale financial assets are charged or credited directly to other comprehensive income in the same period the temporary differences arise.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**2. Significant accounting policies (continued)**

**2.15 Employee compensation**

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

*(a) Defined contribution plans*

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

*(b) Employee leave entitlement*

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

**2.16 Provisions for other liabilities and charges**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

**2.17 Currency translation**

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

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

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Foreign exchange gains and losses impacting profit or loss are presented within "other gains/(losses) - net".

## TOKIO MARINE INSURANCE SINGAPORE LTD.

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2022*

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#### 2. Significant accounting policies (continued)

##### 2.18 Cash and cash equivalents

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

##### 2.19 Share capital

Ordinary shares are classified as equity.

##### 2.20 Dividends

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

#### 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.

##### 3.1 Liabilities of insurance business

One of the Company's critical accounting estimate is the estimation of the ultimate liabilities arising from claims and unearned premiums under insurance contracts. The process of estimating the liabilities of insurance business is described as follows:

###### (a) *Claims reserves - Sensitivity analysis*

The methods used in the valuation of liabilities and preparing the sensitivity analysis are primarily the Paid and Incurred Chain Ladder, Paid and Incurred Bornhuetter-Ferguson and the Expected Loss Ratio. These are actuarial methods, which produce more stable results.

The key assumptions, which have the greatest effect on the Company's claims liabilities, are the initial expected loss ratio ("IELR"), first incurred development factor ("IDF"), indirect claims handling expenses ("CHE") and provisions for adverse deviation ("PAD").

In the case of IELR, the actuary has taken into consideration the Company's view on pricing, the history of ultimate loss ratios adjusted where appropriate, industry experience and the Company's business plan.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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

**3.1 Liabilities of insurance business (continued)**

**(a) *Claims reserves - Sensitivity analysis* (continued)**

For IDF, the selected factors are based on the trends of the development factors for each accident/underwriting and development period and the impact of large losses or changes in settlement and case reserving practice.

In the case of CHE, the actuary has applied 9% across all lines of business at 31 December 2022, which is an increase from 8.5% applied at 31 December 2021. This CHE assumption was selected based on 2022 management expense allocation furnished by the Company.

For PAD margin, the actuary has generally relied on the results produced by the Mack and Bootstrapping approach and where appropriate has considered the industry benchmark as well.

The PAD margins for all lines of business used at 31 December 2022 valuation ranged from 10% to 20% and are generally similar to those used in the previous valuation at 31 December 2021. The diversification credit applied to the PAD margins was 20%, same as the previous valuation at 31 December 2021.

The Company believes that the outstanding claims reserves carried at year-end is adequate. The reasonableness of the estimation process is tested by an analysis of sensitivity around the four major assumptions namely IELR, IDF, CHE and PAD.

	<b>2022</b>
	<b>\$'000</b>
Claims liability:	
- Gross	<b>380,193</b>
- Net	<b>94,283</b>

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**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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

**3.1 Liabilities of insurance business (continued)**

*(a) Claims reserves - Sensitivity analysis (continued)*

<u>Assumption</u>	<u>Percentage change in assumption</u>	<u>Change in reported outstanding claim reserves</u>	
		<u>Value</u> \$'000	<u>Percentage</u>
<u>Gross analysis</u>			
Increase in IELR/IDF	+5%	19,821	5.3%
Decrease in IELR/IDF	-5%	(19,972)	-5.3%
Increase in CHE	+5%	15,036	4.0%
Decrease in CHE	-5%	(15,036)	-4.0%
Increase in PAD	+5%	13,680	3.6%
Decrease in PAD	-5%	(13,680)	-3.6%
<u>Net analysis</u>			
Increase in IELR/IDF	+5%	6,085	6.8%
Decrease in IELR/IDF	-5%	(6,136)	-6.9%
Increase in CHE	+5%	4,095	4.6%
Decrease in CHE	-5%	(4,095)	-4.6%
Increase in PAD	+5%	3,252	3.6%
Decrease in PAD	-5%	(3,252)	-3.6%

*(b) Premium reserves - Sensitivity analysis*

To calculate the premium liability, for each line of business, the actuary multiplies the Company's unearned premium reserve with his selected loss ratio for the unearned business. The loss ratio is based on the ultimate loss ratio for the 2022 accident/underwriting year and where appropriate, adjusted for large claims and changes in premium rates. This amount, together with an allowance for future expenses including reinsurance costs forms the best estimate of the "unexpired risk reserve".

The PAD margins for all lines of business used at 31 December 2022 valuation ranged from 13% to 26% and are generally similar to those used in the previous valuation at 31 December 2021. The diversification credit applied to the PAD margins was 20%, same as the previous valuation at 31 December 2021.

The Company believes that the unearned premium reserves carried at year-end is adequate. The reasonableness of the estimation process is tested by an analysis of sensitivity around three major assumptions, namely the ultimate loss ratio ("ULR"), management expense ratio ("MER") and PAD.



**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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

**3.2 Impairment of available-for-sale financial assets**

The Company reviews its financial assets for objective evidence of impairment on a quarterly basis during the investment committee meeting. Financial assets are considered to be impaired if there has been a significant or prolonged decline in the fair value below its cost or if there is objective evidence of impairment. Debt securities are considered to be impaired if there has been a default in cash flows and a significant decline in credit rating below investment grade. The consideration of this requires management's judgement.

The Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. If actual experience differs negatively from the assumptions and other considerations used in the financial statements, unrealised losses currently in the fair value reserves may be recognised in profit or loss in future periods.

**3.3 Determining the fair value of unquoted investments**

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

**3.4 Uncertain tax positions**

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

<b>4. Investment income</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividend income from available-for-sale financial assets:		
- Equity investments in corporations	<u>2,593</u>	2,638
Interest income from:		
- Available-for-sale financial assets:		
- Government and public authority securities	<u>4,028</u>	3,896
- Debt securities issued by corporations	<u>4,856</u>	5,249
	<u>8,884</u>	9,145
- Fixed deposits with financial institutions	<u>1,035</u>	306
	<u>9,919</u>	9,451
Rental income from investment properties (Note 13) <sup>1</sup> :		
- Ultimate holding corporation	53	53
- Fellow subsidiaries	1,565	2,009
- Non-related parties	<u>5,947</u>	5,231
	<u>7,565</u>	7,293
	<u>20,077</u>	19,382

<sup>1</sup> Included within rental income are COVID-19 related rent concessions provided to lessees of nil (2021: \$105,000).

<b>5. Other gains/(losses) - net</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Available-for-sale financial assets – Reclassification (to)/from fair value reserve on disposal	(111)	1,781
Gain on disposal of property, plant and equipment	15	118
Gain on lease modification	1	-
Recovery of staff rental expense from intermediate holding corporation	351	337
Currency exchange (loss)/gain - net	(334)	414
Increase in allowance for impairment of trade receivables (Note 9)	(1)	(4)
Claims management fee paid by intermediate holding corporation	116	92
Property management fee paid by a fellow subsidiary	33	32
Facilities charges paid by fellow subsidiaries	313	303
Service fee paid by immediate holding company	60	60
Sundry income	<u>319</u>	326
	<u>762</u>	3,459

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**5. Other gains/(losses) - net (continued)**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Other gains/(losses) - net credited to:		
- Statement of comprehensive income	729	3,002
- General insurance revenue account	33	457
	<u>762</u>	<u>3,459</u>

**6. Expenses by nature**

*(a) Employee compensation*

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages and salaries	18,086	17,979
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	1,780	1,715
Less: Government grant <sup>1</sup>	-	(298)
	<u>19,866</u>	<u>19,396</u>
Employee compensation charged to:		
- Statement of comprehensive income	541	600
- General insurance revenue account	19,325	18,796
	<u>19,866</u>	<u>19,396</u>

<sup>1</sup> Grant income of \$298,000 was recognised during the financial year ended 31 December 2021 under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. The scheme had been extended up to 2021 by the Government. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**6. Expenses by nature (continued)**

*(b) Depreciation expense*

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Depreciation of property, plant and equipment (Note 14):		
- Buildings	<b>367</b>	367
- Motor vehicles	<b>156</b>	163
- Furniture and equipment	<b>811</b>	968
	<b>1,334</b>	1,498
Depreciation of investment properties (Note 13):		
Buildings	<b>739</b>	738
Depreciation of right-of-use assets (Note 15(a)):		
Property	<b>476</b>	445
	<b>2,549</b>	2,681
Depreciation expense charged to:		
- Statement of comprehensive income	<b>1,140</b>	1,135
- General insurance revenue account	<b>1,409</b>	1,546
	<b>2,549</b>	2,681

*(c) Other operating expenses*

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Computer services and expenses	<b>3,079</b>	2,679
Building maintenance expenses	<b>2,121</b>	2,038
Management fee to a fellow subsidiary	<b>1,270</b>	971
Investment management fee to a fellow subsidiary	<b>526</b>	584
Directors' fee	<b>150</b>	150
Internal audit fee to a fellow subsidiary	<b>240</b>	203
Professional fee	<b>1,559</b>	1,936
Professional fee to a fellow subsidiary	<b>241</b>	120
Risk engineering survey fee to fellow subsidiaries	<b>102</b>	117
Guarantee fee to intermediate holding corporation	<b>-</b>	314
Consultancy fee to a fellow subsidiary	<b>-</b>	50
Distribution and marketing expenses	<b>376</b>	257
Lease expense - short-term leases (Note 15(c))	<b>147</b>	164
Printing and stationery	<b>132</b>	174
Postage, telephone and telex charges	<b>254</b>	295
Bank charges	<b>365</b>	218
Interest expense on lease liabilities (Note 15(b))	<b>19</b>	24
Other expenses	<b>1,003</b>	883
	<b>11,584</b>	11,177

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*For the financial year ended 31 December 2022*

**6. Expenses by nature (continued)**

(c) *Other operating expenses (continued)*

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Other operating expenses charged to:		
- Statement of comprehensive income	3,426	3,319
- General insurance revenue account	8,158	7,858
	<u>11,584</u>	<u>11,177</u>

**7. Income taxes**

(a) *Income tax expense*

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Tax expense attributable to profit is made up of:		
- Current income tax (Note 7(b))		
- Singapore	5,946	7,149
- Foreign	216	514
	<u>6,162</u>	<u>7,663</u>
- Deferred income tax (Note 18)	445	(166)
	<u>6,607</u>	<u>7,497</u>
- Over provision in prior financial years		
- Current income tax (Note 7(b))		
- Singapore	(1,218)	(1,159)
- Foreign	(9)	-
	<u>(1,227)</u>	<u>(1,159)</u>
	<u>5,380</u>	<u>6,338</u>

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

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*For the financial year ended 31 December 2022*

**7. Income taxes (continued)**

(a) *Income tax expense (continued)*

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

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Profit before tax	<b>44,704</b>	46,669
Tax calculated at a tax rate of 17% (2021: 17%)	<b>7,600</b>	7,934
Effects of :		
- different tax rates in other countries	<b>23</b>	33
- tax incentives	<b>(1,331)</b>	(1,300)
- expenses not deductible for tax purposes	<b>212</b>	230
- income not subject to tax	<b>(170)</b>	(252)
- over provision of tax in prior financial years	<b>(1,227)</b>	(1,159)
- others	<b>273</b>	852
Tax charge	<b>5,380</b>	6,338

(b) *Movement in current income tax liabilities*

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Beginning of financial year	<b>10,494</b>	12,540
Income tax paid	<b>(6,585)</b>	(8,550)
Tax expense (Note 7(a)) - Current financial year	<b>6,162</b>	7,663
Over provision in prior years (Note 7(a))	<b>(1,227)</b>	(1,159)
End of financial year	<b>8,844</b>	10,494

**8. Cash and cash equivalents**

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Cash at bank and on hand	<b>13,038</b>	18,427
Fixed deposits with financial institutions - Maturing within 12 months	<b>88,093</b>	73,471
	<b>101,131</b>	91,898



**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**8. Cash and cash equivalents (continued)**

Cash and cash equivalents were denominated in the following currencies:

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Singapore Dollar	<b>62,512</b>	54,619
Brunei Dollar	<b>17,186</b>	19,194
United States Dollar	<b>19,582</b>	16,932
Australian Dollar	<b>1,760</b>	1,010
Malaysian Ringgit	<b>25</b>	32
New Zealand Dollar	<b>31</b>	45
Euro	<b>35</b>	66
	<b>101,131</b>	91,898

The Company has fixed deposits with financial institutions with an average maturity of 107 days (2021: 95 days) from the end of the financial year with the following weighted average effective interest rates:

	<b>2022</b>	2021
	<b>%</b>	%
Singapore Dollar	<b>3.63</b>	0.45
Brunei Dollar	<b>1.50</b>	0.26
United States Dollar	<b>4.36</b>	0.05
Australian Dollar	<b>1.57</b>	-

The exposure of cash and cash equivalents to interest rate risks is disclosed in Note 21(g).

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**9. Trade receivables and other assets**

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
<b>Trade receivables:</b>		
<b>Current</b>		
- Intermediate holding corporation	501	749
- Fellow subsidiaries	21,930	15,998
- Other related parties	3,964	3,777
- Non-related parties	28,285	24,134
	<b>54,680</b>	44,658
Less: Allowance for impairment		
Beginning of financial year	(311)	(307)
Increase in allowance (Note 5)	(1)	(4)
End of financial year	<b>(312)</b>	(311)
	<b>54,368</b>	44,347
<b>Other assets:</b>		
<b>Current</b>		
- Deposits	396	209
- Interest receivable from non-related parties	3,167	2,786
- Claim management fee due from intermediate holding corporation	12	36
- Sundry expenses due from fellow subsidiaries	21	5
- Sundry debtors	3,911	4,818
- Prepayments	429	291
- Miscellaneous receivables	5	3
	<b>7,941</b>	8,148
<b>Non-current</b>		
- Transferable club membership	807	644
	<b>8,748</b>	8,792
	<b>63,116</b>	53,139

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

Included in sundry debtors is an amount of \$2,598,000 (2021: \$3,536,000) relating to premium billable on a corporate motor fleet account, which is calculated based on the claim liabilities accounted at the close of each period. The Company considers the credit risk exposure of other assets to be insignificant.

The exposures to interest rate risk and credit risk are disclosed in Note 21(g) and Note 21(j) respectively.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**9. Trade receivables and other assets (continued)**

Trade receivables and other assets were denominated in the following currencies at the balance sheet date:

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Singapore Dollar	<b>20,651</b>	21,418
United States Dollar	<b>10,495</b>	7,600
Brunei Dollar	<b>787</b>	802
Thai Baht	<b>12,406</b>	12,268
Philippine Peso	<b>2,985</b>	2,915
Malaysian Ringgit	<b>7,815</b>	3,474
Taiwan Dollar	<b>1,576</b>	-
Others	<b>6,401</b>	4,662
	<b>63,116</b>	53,139

**10. Available-for-sale financial assets**

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Beginning of financial year	<b>406,262</b>	408,340
Additions	<b>44,831</b>	91,482
Disposals	<b>(58,844)</b>	(77,411)
Amortisation	<b>(217)</b>	(231)
Fair value losses recognised in other comprehensive income - net	<b>(46,467)</b>	(15,918)
End of financial year	<b>345,565</b>	406,262
Current	<b>64,859</b>	81,844
Non-current	<b>280,706</b>	324,418
	<b>345,565</b>	406,262

At the balance sheet date, available-for-sale financial assets included the following:

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Equity securities	<b>60,172</b>	78,036
Government and public authority securities	<b>147,178</b>	171,073
Debt securities issued by corporations	<b>138,215</b>	157,153
	<b>345,565</b>	406,262

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**10. Available-for-sale financial assets (continued)**

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

	<b>2022</b>	2021
	%	%
Government and public authority securities	<b>2.52</b>	2.46
Debt securities issued by corporations	<b>3.27</b>	3.18

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

	Less than <u>1 year</u> \$'000	Between 1 and 2 <u>years</u> \$'000	Between 2 and 5 <u>years</u> \$'000	More than <u>5 years</u> \$'000	<u>Total</u> \$'000
<b>2022</b>					
Government and public authority securities	2,258	6,672	35,923	102,325	147,178
Debt securities issued by corporations	4,220	13,194	71,755	49,046	138,215
	<b>6,478</b>	<b>19,866</b>	<b>107,678</b>	<b>151,371</b>	<b>285,393</b>
<b>2021</b>					
Government and public authority securities	1,766	10,005	33,369	125,933	171,073
Debt securities issued by corporations	3,556	5,364	74,092	74,141	157,153
	5,322	15,369	107,461	200,074	328,226

Available-for-sale financial assets were denominated in the following currencies at the balance sheet date.

	<b>2022</b>	2021
	\$'000	\$'000
Singapore Dollar	<b>343,774</b>	404,749
Philippine Peso	<b>1,791</b>	1,513
	<b>345,565</b>	406,262

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**11. Outstanding claims reserves**

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Gross outstanding claims reserves:		
- Current	<b>250,079</b>	250,234
- Non-current	<b>130,114</b>	111,863
	<b>380,193</b>	362,097
Claims recoverable from reinsurers:		
- Current	<b>(191,410)</b>	(196,120)
- Non-current	<b>(94,500)</b>	(78,284)
	<b>(285,910)</b>	(274,404)
	<b>94,283</b>	87,693

Movements in the outstanding claims reserves are as follows:

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Beginning of financial year	<b>87,693</b>	88,769
Net claims paid	<b>(48,149)</b>	(52,466)
Net claims incurred	<b>54,739</b>	51,390
End of financial year	<b>94,283</b>	87,693

**12. Reserves for unexpired risks, net of DAC**

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Reserves for unexpired risks, net of DAC:		
- Current	<b>107,035</b>	102,839
- Non-current	<b>65,879</b>	58,124
	<b>172,914</b>	160,963
Reserves for unexpired risks, net of DAC on reinsurance ceded:		
- Current	<b>(66,250)</b>	(64,057)
- Non-current	<b>(44,262)</b>	(38,498)
	<b>(110,512)</b>	(102,555)
	<b>62,402</b>	58,408

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

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*For the financial year ended 31 December 2022*

**12. Reserves for unexpired risks, net of DAC (continued)**

Movements in the reserves for unexpired risks, net of DAC are as follows:

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Beginning of financial year	58,408	59,615
Transfer from/(to) general insurance revenue account	<b>3,994</b>	(1,207)
End of financial year	<b>62,402</b>	58,408

**13. Investment properties**

	<u>Freehold land</u>	<u>Buildings</u>	<u>Total</u>
	\$'000	\$'000	\$'000
<b>2022</b>			
<b>Cost</b>			
Beginning and end of financial year	13,988	36,916	50,904
<b>Accumulated depreciation</b>			
Beginning of financial year	-	9,922	9,922
Depreciation charge (Note 6(b))	-	739	739
End of financial year	-	10,661	10,661
<b>Net book value at end of financial year</b>	<b>13,988</b>	<b>26,255</b>	<b>40,243</b>
<b>2021</b>			
<b>Cost</b>			
Beginning and end of financial year	13,988	36,916	50,904
<b>Accumulated depreciation</b>			
Beginning of financial year	-	9,184	9,184
Depreciation charge (Note 6(b))	-	738	738
End of financial year	-	9,922	9,922
<b>Net book value at end of financial year</b>	<b>13,988</b>	<b>26,994</b>	<b>40,982</b>

Fair value of the investment properties at balance sheet date was \$292,590,000 (2021: \$281,640,000). The investment properties of the Company were valued by an independent professional valuer based on the properties' highest and best use using the sales comparison methods. These are registered as Level 3 of the fair value measurement hierarchy. Under the sales comparison method, the recent sales prices of properties in close proximity are adjusted for differences in key attributes such as tenure, location and condition of the properties. The most significant input into this valuation approach is selling price per square foot.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**13. Investment properties (continued)**

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

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Rental income (Note 4) <sup>1</sup>	<b>7,565</b>	7,293
Direct operating expenses arising from investment properties that generate rental income	<b>(2,566)</b>	(2,470)

<sup>1</sup> Included within rental income are COVID-19 related rent concessions provided to lessees of nil (2021: \$105,000).

**14. Property, plant and equipment**

	Freehold land \$'000	Buildings \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Furniture and equipment \$'000	Total \$'000
<b>2022</b>						
<b>Cost</b>						
Beginning of financial year	3,459	18,356	21,916	1,233	12,281	57,245
Additions	-	-	-	276	902	1,178
Disposals	-	-	-	(232)	(834)	(1,066)
End of financial year	<u>3,459</u>	<u>18,356</u>	<u>21,916</u>	<u>1,277</u>	<u>12,349</u>	<u>57,357</u>
<b>Accumulated depreciation</b>						
Beginning of financial year	-	4,731	21,916	815	11,465	38,927
Depreciation charge (Note 6(b))	-	367	-	156	811	1,334
Disposals	-	-	-	(212)	(834)	(1,046)
End of financial year	<u>-</u>	<u>5,098</u>	<u>21,916</u>	<u>759</u>	<u>11,442</u>	<u>39,215</u>
<b>Net book value at end of financial year</b>	<u><b>3,459</b></u>	<u><b>13,258</b></u>	<u><b>-</b></u>	<u><b>518</b></u>	<u><b>907</b></u>	<u><b>18,142</b></u>
<b>2021</b>						
<b>Cost</b>						
Beginning of financial year	3,459	18,356	21,916	1,066	11,613	56,410
Additions	-	-	-	522	701	1,223
Disposals	-	-	-	(355)	(33)	(388)
End of financial year	<u>3,459</u>	<u>18,356</u>	<u>21,916</u>	<u>1,233</u>	<u>12,281</u>	<u>57,245</u>
<b>Accumulated depreciation</b>						
Beginning of financial year	-	4,364	21,916	1,007	10,530	37,817
Depreciation charge (Note 6(b))	-	367	-	163	968	1,498
Disposals	-	-	-	(355)	(33)	(388)
End of financial year	<u>-</u>	<u>4,731</u>	<u>21,916</u>	<u>815</u>	<u>11,465</u>	<u>38,927</u>
<b>Net book value at end of financial year</b>	<u><b>3,459</b></u>	<u><b>13,625</b></u>	<u><b>-</b></u>	<u><b>418</b></u>	<u><b>816</b></u>	<u><b>18,318</b></u>

TOKIO MARINE INSURANCE SINGAPORE LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

15. Leases – The Company as a lessee

Nature of the Company's leasing activity - Property

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

(a) *Right-of-use assets*

	2022 \$'000	2021 \$'000
<b>Property</b>		
<b>Cost</b>		
Beginning of financial year	994	1,028
Additions	146	755
Disposals	(86)	(789)
End of financial year	<u>1,054</u>	<u>994</u>
<b>Accumulated depreciation</b>		
Beginning of financial year	361	695
Depreciation charge (Note 6(b))	476	445
Disposals	(63)	(779)
End of financial year	<u>774</u>	<u>361</u>
<b>Net book value at end of financial year</b>	<u>280</u>	<u>633</u>

(b) *Lease liabilities*

	2022 \$'000	2021 \$'000
Current	220	447
Non-current	45	173
	<u>265</u>	<u>620</u>

Movements in lease liabilities are as follows:

	2022 \$'000	2021 \$'000
Beginning of financial year	620	319
Additions	146	752
Modifications of lease liabilities	(24)	(10)
Principal payment of lease liabilities	(496)	(465)
Interest expense on lease liabilities (Note 6(c))	19	24
End of financial year	<u>265</u>	<u>620</u>



**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**15. Leases – The Company as a lessee (continued)**

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

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Lease expense – short-term leases (Note 6(c))	<b>147</b>	164

(d) Total cash outflow for all the leases (including short-term leases) in 2022 was \$643,000 (2021: \$629,000).

**16. Leases – The Company as a lessor**

Nature of the Company's leasing activity - Property

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

Rental income from investment properties is disclosed in Note 4.

Maturity analysis of lease payments

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

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Not later than one year	<b>7,587</b>	6,673
Between one and five years	<b>7,218</b>	5,898
Total undiscounted lease payments	<b>14,805</b>	12,571

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

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**17. Trade and other payables**

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
<b>Trade payables:</b>		
<b>Current</b>		
- Intermediate holding corporation	<b>35,144</b>	30,103
- Fellow subsidiaries	<b>10,899</b>	10,561
- Other related parties	<b>2</b>	2
- Non-related parties	<b>13,641</b>	10,143
	<b>59,686</b>	50,809
<b>Other payables:</b>		
<b>Current</b>		
- Cash collaterals held on bond business	<b>22,945</b>	19,849
- Other creditors and accrued operating expenses	<b>20,479</b>	17,312
- Rental deposit received from ultimate holding corporation	<b>9</b>	9
- Rental deposit received from fellow subsidiaries	<b>-</b>	504
- Management and professional fees due to fellow subsidiaries	<b>529</b>	191
	<b>43,962</b>	37,865
<b>Non-current</b>		
- Other creditors and accrued operating expenses	<b>1,443</b>	1,109
- Rental deposit received from fellow subsidiaries	<b>245</b>	-
	<b>1,688</b>	1,109
	<b>45,650</b>	38,974
	<b>105,336</b>	89,783

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.****NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2022***17. Trade and other payables (continued)**

Trade and other payables were denominated in the following currencies:

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Singapore Dollar	<b>60,472</b>	55,053
United States Dollar	<b>10,240</b>	7,506
Brunei Dollar	<b>1,483</b>	1,387
Thai Baht	<b>15,052</b>	16,344
Malaysian Ringgit	<b>4,439</b>	4,034
Indian Rupee	<b>3,230</b>	779
Philippine Peso	<b>2,904</b>	2,831
Korean Won	<b>1,977</b>	2
Vietnamese Dong	<b>1,535</b>	1,547
Others	<b>4,004</b>	300
	<b>105,336</b>	89,783

**18. Deferred income taxes**

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

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

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Deferred tax assets	<b>(7,435)</b>	(281)
Deferred tax liabilities	-	329
Net deferred tax (assets)/liabilities	<b>(7,435)</b>	48

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

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Beginning of financial year	<b>48</b>	3,262
Tax charged/(credited) to:		
- Profit or loss (Note 7(a))	<b>445</b>	(166)
- Other comprehensive income	<b>(7,928)</b>	(3,048)
End of financial year	<b>(7,435)</b>	48

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**18. Deferred income taxes (continued)**

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

*Deferred income tax assets*

	Fair value loss - net \$'000	Other \$'000	Total \$'000
<b>2022</b>			
Beginning of financial year	-	(2,062)	(2,062)
Charged to profit or loss	-	419	419
Credited to other comprehensive income	(5,925)	-	(5,925)
End of financial year	<u>(5,925)</u>	<u>(1,643)</u>	<u>(7,568)</u>
<b>2021</b>			
Beginning of financial year	-	(1,952)	(1,952)
Credited to profit or loss	-	(110)	(110)
End of financial year	<u>-</u>	<u>(2,062)</u>	<u>(2,062)</u>

*Deferred income tax liabilities*

	Accelerated tax depreciation \$'000	Fair value gains - net \$'000	Others \$'000	Total \$'000
<b>2022</b>				
Beginning of financial year	105	2,003	2	2,110
Charged to profit or loss	26	-	-	26
Credited to other comprehensive income	-	(2,003)	-	(2,003)
End of financial year	<u>131</u>	<u>-</u>	<u>2</u>	<u>133</u>
<b>2021</b>				
Beginning of financial year	160	5,051	3	5,214
Credited to profit or loss	(55)	-	(1)	(56)
Credited to other comprehensive income	-	(3,048)	-	(3,048)
End of financial year	<u>105</u>	<u>2,003</u>	<u>2</u>	<u>2,110</u>

**19. Share capital**

The Company's share capital comprise 10,000,000 (2021: 10,000,000) fully paid-up ordinary shares with no par value, amounting to a total of \$100,000,000 (2021: \$100,000,000).

## TOKIO MARINE INSURANCE SINGAPORE LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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#### 20. Dividends

	2022 \$'000	2021 \$'000
<b>Ordinary dividends</b>		
Final dividend paid in respect of the previous financial year of \$6.03 (2021: \$4.60) per share	<u>60,300</u>	<u>46,000</u>

At the next Annual General Meeting, a final dividend of \$3.93 per share amounting to a total of \$39,300,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholder's equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

#### 21. Management of insurance and financial risk

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

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

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**21. Management of insurance and financial risk (continued)**

Some of the main risk groups are as follows:

a. Business risks

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

b. Underwriting risks

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

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

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

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

(a) *Insurance risk*

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

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**21. Management of insurance and financial risk (continued)**

*(a) Insurance risk (continued)*

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

*(i) Motor and work injury compensation policies*

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

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

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

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

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**21. Management of insurance and financial risk (continued)**

(a) *Insurance risk (continued)*

(ii) *Loss reserves*

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

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

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

(iii) *Reinsurance*

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

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



**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**21. Management of insurance and financial risk (continued)**

*(b) Concentration of insurance risk*

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

		Type of risk			
		Motor \$'000	WICA <sup>1</sup> \$'000	Others \$'000	Total \$'000
<b>Territory</b>					
<b>Year ended 31 December 2022</b>					
Singapore	Gross	76,409	30,031	115,786	222,226
	Net	72,075	28,397	35,793	136,265
Others	Gross	5,178	5,962	319,741	330,881
	Net	4,906	5,962	9,552	20,420
<b>Total</b>	<b>Gross</b>	<b>81,587</b>	<b>35,993</b>	<b>435,527</b>	<b>553,107</b>
	<b>Net</b>	<b>76,981</b>	<b>34,359</b>	<b>45,345</b>	<b>156,685</b>
<b>Year ended 31 December 2021</b>					
Singapore	Gross	68,022	28,196	132,246	228,464
	Net	67,038	26,091	34,196	127,325
Others	Gross	5,168	6,233	283,195	294,596
	Net	5,011	6,114	7,651	18,776
<b>Total</b>	<b>Gross</b>	<b>73,190</b>	<b>34,429</b>	<b>415,441</b>	<b>523,060</b>
	<b>Net</b>	<b>72,049</b>	<b>32,205</b>	<b>41,847</b>	<b>146,101</b>

<sup>1</sup>WICA refers to work injury compensation policies.

*(c) Breakdown of policy liabilities into current and non-current*

	Less than	Between	Between	More	<b>Total</b>
	<u>1 year</u>	<u>1 and 2</u>	<u>2 and 5</u>	<u>than</u>	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 December 2022</b>					
<i>Insurance liabilities - Gross of reinsurance</i>					
Outstanding claims reserves	250,079	76,500	51,629	1,985	380,193
Reserves for unexpired risks	107,035	37,935	26,856	1,088	172,914
	<b>357,114</b>	<b>114,435</b>	<b>78,485</b>	<b>3,073</b>	<b>553,107</b>
<i>Insurance liabilities - Net of reinsurance</i>					
Outstanding claims reserves	58,669	19,560	15,433	621	94,283
Reserves for unexpired risks	40,785	12,035	9,190	392	62,402
	<b>99,454</b>	<b>31,595</b>	<b>24,623</b>	<b>1,013</b>	<b>156,685</b>

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**21. Management of insurance and financial risk (continued)**

*(c) Breakdown of policy liabilities into current and non-current (continued)*

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	More than 5 years \$'000	Total \$'000
<b>Year ended 31 December 2021</b>					
<i>Insurance liabilities - Gross of reinsurance</i>					
Outstanding claims reserves	250,234	66,588	43,388	1,887	362,097
Reserves for unexpired risks	102,839	33,713	23,392	1,019	160,963
	<u>353,073</u>	<u>100,301</u>	<u>66,780</u>	<u>2,906</u>	<u>523,060</u>
<i>Insurance liabilities - Net of reinsurance</i>					
Outstanding claims reserves	54,114	17,964	15,054	561	87,693
Reserves for unexpired risks	38,782	10,658	8,628	340	58,408
	<u>92,896</u>	<u>28,622</u>	<u>23,682</u>	<u>901</u>	<u>146,101</u>

*(d) Development of claim liabilities*

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

*(i) Insurance claims (gross)*

Accident Year	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	Total \$'000
- at end of accident year	95,054	68,684	73,185	83,473	84,046	77,983	74,722	
- one year later	105,568	68,073	71,308	80,865	74,658	75,185		
- two years later	107,027	69,115	72,694	79,245	76,494			
- three years later	108,029	76,373	72,422	81,142				
- four years later	108,126	76,137	71,860					
- five years later	108,400	83,273						
- six years later	106,396							
Current estimate of ultimate claims	106,396	83,273	71,860	81,142	76,494	75,185	74,722	569,072
Cumulative payments	(104,974)	(75,645)	(68,388)	(71,041)	(68,846)	(50,200)	(20,865)	(459,959)
Gross outstanding claim liabilities	1,422	7,628	3,472	10,101	7,648	24,985	53,857	109,113
Best estimate for claims liability including indirect claim handling expenses	1,545	7,738	3,693	10,670	8,165	26,135	57,490	115,436
Reserve for prior years								961
Reserve for marine and treaty classes (see following table)								192,964
Provision for adverse deviation								65,800
Additional provision for IBNR								5,032
Outstanding claim liability in financial statements								<u>380,193</u>

TOKIO MARINE INSURANCE SINGAPORE LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

21. Management of insurance and financial risk (continued)

(d) Development of claim liabilities (continued)

(i) Insurance claims (gross) (continued)

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

Underwriting Year	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	Total \$'000
- at end of underwriting year	65,125	80,920	42,483	47,567	59,239	66,777	64,411	
- one year later	32,113	72,142	42,562	61,326	57,442	72,934		
- two years later	23,314	73,581	38,282	55,252	51,387			
- three years later	21,424	70,753	34,739	48,632				
- four years later	20,978	68,525	32,236					
- five years later	22,459	63,548						
- six years later	26,819							
Current estimate of ultimate claims	26,819	63,548	32,236	48,632	51,387	72,934	64,411	359,967
Cumulative payments	(22,440)	(52,549)	(27,745)	(40,930)	(38,690)	(33,469)	11,203	(204,620)
Gross outstanding claim liability	4,379	10,999	4,491	7,702	12,697	39,465	75,614	155,347
Best estimate for claims liability including indirect claim handling expenses	4,441	11,202	4,500	7,783	12,648	39,941	57,450	137,965
Reserve for prior years								54,999
Reserve for marine and treaty classes								192,964

(ii) Insurance claims (net)

Accident Year	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	Total \$'000
- at end of accident year	59,920	58,305	56,779	70,940	55,766	55,038	58,342	
- one year later	57,841	55,771	53,111	66,157	48,375	49,642		
- two years later	57,856	54,592	53,013	65,355	46,936			
- three years later	59,160	55,701	53,277	65,181				
- four years later	59,353	55,532	52,809					
- five years later	59,973	55,889						
- six years later	60,082							
Current estimate of ultimate claims	60,082	55,889	52,809	65,181	46,936	49,642	58,342	388,881
Cumulative payments	(58,711)	(54,676)	(50,359)	(58,851)	(41,194)	(36,858)	(17,985)	(318,634)
Net outstanding claim liabilities	1,371	1,213	2,450	6,330	5,742	12,784	40,357	70,247
Best estimate for claims liability including indirect claim handling expenses	1,493	1,322	2,670	6,900	6,259	13,935	43,990	76,569
Reserve for prior years								801
Reserve for marine and treaty classes (see following table)								3,923
Provision for adverse deviation								7,963
Additional Provision for IBNR								5,027
Outstanding claims liability in financial statements								94,283

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**21. Management of insurance and financial risk (continued)**

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

(ii) *Insurance claims (net) (continued)*

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

Underwriting Year	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	Total \$'000
- at end of underwriting year	3,435	3,011	2,737	3,041	2,115	2,145	2,948	
- one year later	2,746	2,119	3,393	2,403	1,655	2,498		
- two years later	2,683	2,513	3,324	2,218	1,531			
- three years later	3,274	2,491	3,351	2,188				
- four years later	3,249	2,445	3,250					
- five years later	3,251	2,447						
- six years later	3,266							
Current estimate of ultimate claims	3,266	2,447	3,250	2,188	1,531	2,498	2,948	18,128
Cumulative payments	(3,246)	(2,345)	(2,648)	(2,020)	(1,472)	(1,747)	(812)	(14,290)
Net outstanding claim liability	20	102	602	168	59	751	2,136	3,838
Best estimate for claims liability including indirect claim handling expenses	22	111	656	182	65	818	1,988	3,842
Reserve for prior years								81
Reserve for marine and treaty classes								<u>3,923</u>

(e) *Investment market risk*

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

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

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

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**21. Management of insurance and financial risk (continued)**

*(f) Foreign currency risk*

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

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

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

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

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

	Variable rates \$'000	Fixed rates \$'000	Non- interest bearing \$'000	Total \$'000
<b>At 31 December 2022</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	-	88,093	13,038	101,131
Trade receivables	-	-	54,368	54,368
Other assets (exclude transferable club membership and prepayments)	-	-	7,512	7,512
Available-for-sale financial assets	-	285,393	60,172	345,565
Reinsurance assets	-	-	396,422	396,422
	<b>-</b>	<b>373,486</b>	<b>531,512</b>	<b>904,998</b>
<b>Financial Liabilities</b>				
Trade payables	-	-	59,686	59,686
Other payables	-	-	45,650	45,650
Lease liabilities	-	265	-	265
Insurance liabilities	-	-	553,107	553,107
	<b>-</b>	<b>265</b>	<b>658,443</b>	<b>658,708</b>

TOKIO MARINE INSURANCE SINGAPORE LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

21. Management of insurance and financial risk (continued)

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

	Variable rates \$'000	Fixed rates \$'000	Non- interest bearing \$'000	Total \$'000
<b>At 31 December 2021</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	-	73,471	18,427	91,898
Trade receivables	-	-	44,347	44,347
Other assets (exclude transferable club membership and prepayments)	-	-	7,857	7,857
Available-for-sale financial assets	-	328,226	78,036	406,262
Reinsurance assets	-	-	376,959	376,959
	-	401,697	525,626	927,323
<b>Financial Liabilities</b>				
Trade payables	-	-	50,809	50,809
Other payables	-	-	38,974	38,974
Lease liabilities	-	620	-	620
Insurance liabilities	-	-	523,060	523,060
	-	620	612,843	613,463

The Company's interest rate risk sensitivity analysis is disclosed in Note 21(l).

Effect of IBOR Reform

Following the global financial crisis, the reform and replacement of inter-bank offered rates ("IBOR") has become a priority for global regulators. The Company's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate debt securities that are linked to the Singapore Swap Offer Rate ("SOR").

The following table contains details of all the financial instrument that the Company holds at 31 December 2022 which are referenced to SOR and have not yet transitioned to new benchmark rates:

	<u>Carrying amount \$'000</u>	<u>SOR Of which: Not yet transitioned to an alternative benchmark rate \$'000</u>
<b>31 December 2022</b>		
- Available-for-sale financial assets	62,072	62,072

The Company's fund manager is managing the Company's transition plan. There is currently uncertainty around the timing and precise nature of these changes. Such reform has no impact on the Company's risk management strategy. Risks arising from instruments that are subject to such transition are not considered significant.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**21. Management of insurance and financial risk (continued)**

*(h) Equity price risk*

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

	2022	2021
<b>Market</b>		
Singapore Stock Exchange (SGX)	90%	88%
Others including unlisted equities	10%	12%

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The sensitivity analysis of the equity holdings are disclosed in Note 21(l).

*(i) Alternative investment risk*

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

*(j) Credit risk*

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

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

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

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

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**21. Management of insurance and financial risk (continued)**

*(j) Credit risk (continued)*

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

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

	<u>Neither past due nor impaired</u>			<u>Not rated</u>	<u>Past due or impaired</u>	<u>Total</u>
	<u>Investment grade (AAA to A-)</u>	<u>Investment grade (BBB+ to BBB-)</u>	<u>Non-investment grade (BB+ to C)</u>			
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>		<u>\$'000</u>
<b>At 31 December 2022</b>						
Equity securities	4,367	33,879	-	21,926	-	60,172
Government and public authority securities	100,917	-	-	46,261	-	147,178
Debt securities issued by corporations	32,067	28,695	-	77,453	-	138,215
Cash and cash equivalents	90,258	10,873	-	-	-	101,131
Trade receivables	17,289	3,268	-	23,576	10,235	54,368
Reinsurance assets	390,682	671	-	5,069	-	396,422
Other assets (exclude transferable club membership and prepayments)	1,470	421	-	5,621	-	7,512
	<b>637,050</b>	<b>77,807</b>	<b>-</b>	<b>179,906</b>	<b>10,235</b>	<b>904,998</b>
<b>At 31 December 2021</b>						
Equity securities	4,852	42,237	-	30,947	-	78,036
Government and public authority securities	109,514	-	-	61,559	-	171,073
Debt securities issued by corporations	50,018	20,035	-	87,100	-	157,153
Cash and cash equivalents	67,562	22,885	-	1,451	-	91,898
Trade receivables	15,275	2,893	-	20,576	5,603	44,347
Reinsurance assets	369,647	529	-	6,783	-	376,959
Other assets (exclude transferable club membership and prepayments)	1,252	227	-	6,378	-	7,857
	<b>618,120</b>	<b>88,806</b>	<b>-</b>	<b>214,794</b>	<b>5,603</b>	<b>927,323</b>

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



**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**21. Management of insurance and financial risk (continued)**

*(k) Liquidity risk*

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

The projected cash flows from the insurance contract liabilities consist of premiums, commissions and claims. Premiums, commissions and claims are generally stable and predictable. However, companies may be subjected to unexpected liquidity tightening due to adverse implications from the wider economic factors (domestic or global) or undue volatilities and unexpected losses experienced within investments.

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

As part of managing the gap between assets and liabilities under the Asset and Liability framework, the Company adopts a prudent liquidity management by regularly monitoring its operating liquidity, actual and projected cash inflows and outflows movements to ensure liquidity is available and cash is employed optimally. It aims to generate positive cash inflow from its insurance operations through stringent credit control policy and prompt collection of outstanding premium balances. It also ensures that a reasonably high percentage of its assets are invested in highly liquid assets at all times, such as fixed deposits, government and statutory bonds. The Company held cash and cash equivalents of \$101,131,000 (2021: \$91,898,000) to meet its liquidity requirements.

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

	Less than <u>1 year</u> \$'000	Between 1 <u>and 5 years</u> \$'000	More than <u>5 years</u> \$'000	<u>Total</u> \$'000
<b>At 31 December 2022</b>				
Trade payables	59,686	-	-	59,686
Lease liabilities	225	46	-	271
Other payables	43,962	1,688	-	45,650
	<b>103,873</b>	<b>1,734</b>	<b>-</b>	<b>105,607</b>
<b>At 31 December 2021</b>				
Trade payables	50,809	-	-	50,809
Lease liabilities	463	177	-	640
Other payables	37,865	1,109	-	38,974
	<b>89,137</b>	<b>1,286</b>	<b>-</b>	<b>90,423</b>

## TOKIO MARINE INSURANCE SINGAPORE LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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#### 21. Management of insurance and financial risk (continued)

##### (l) Interest rate sensitivity analysis

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

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

	<u>Impact on profit after tax</u>		<u>Impact on equity</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Change in interest rate</b>				
+100 bps (2021: +100 bps)	-	-	<b>(22,448)</b>	(30,520)
-100 bps (2021: -100 bps)	-	-	<b>22,448</b>	30,520

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

##### (m) Capital risk

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

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

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

Under RBC 2, the prescribed capital requirement is 100%. The capital adequacy ratio of the Company under RBC 2 as at 31 December 2022 is 327% (2021: 347%).

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**21. Management of insurance and financial risk (continued)**

(n) *Fair value measurements*

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

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

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
<b>2022</b>				
<b>Assets – Available-for-sale financial assets</b>				
- Equity securities	-	58,381	1,791	60,172
- Debt securities	35,108	250,285	-	285,393
	<b>35,108</b>	<b>308,666</b>	<b>1,791</b>	<b>345,565</b>
<b>2021</b>				
<b>Assets – Available-for-sale financial assets</b>				
- Equity securities	-	76,523	1,513	78,036
- Debt securities	39,334	288,892	-	328,226
	<b>39,334</b>	<b>365,415</b>	<b>1,513</b>	<b>406,262</b>

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

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

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

As at 31 December 2022 and 31 December 2021, the Company's Level 3 financial instruments consists of investments in unlisted companies. The fair value of these instruments are estimated using the net asset values of the companies.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**21. Management of insurance and financial risk (continued)**

(n) *Fair value measurements (continued)*

The following table presents the changes in Level 3 instruments:

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
<b>Available-for-sale financial assets</b>		
Beginning of financial year	<b>1,513</b>	1,282
Fair value gains recognised in other comprehensive income - net	<b>278</b>	231
End of financial year	<b>1,791</b>	1,513

**22. Holding corporations**

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

**23. Related party transactions**

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

(a) *Income*

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Premiums received from fellow subsidiaries	<b>256</b>	267
Reinsurance premiums received from intermediate holding corporation	<b>37,644</b>	27,607
Reinsurance premiums received from fellow subsidiaries	<b>63,569</b>	61,584
Reinsurance premiums received from other related parties	<b>17,393</b>	20,084
Reinsurance commissions received from intermediate holding corporation	<b>45,259</b>	37,654
Reinsurance commissions received from fellow subsidiaries	<b>7,026</b>	6,461
Reinsurance claims recovered from intermediate holding corporation	<b>64,774</b>	39,991
Reinsurance claims recovered from fellow subsidiaries	<b>11,016</b>	3,056
Miscellaneous reinsurance income received from intermediate holding corporation	<b>290</b>	381

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**23. Related party transactions (continued)**

*(b) Expenses*

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Premiums paid to fellow subsidiaries	73	101
Reinsurance premiums ceded to intermediate holding corporation	139,633	122,037
Reinsurance premiums ceded to fellow subsidiaries	29,952	25,352
Reinsurance commissions paid to intermediate holding corporation	9,909	6,836
Reinsurance commissions paid to fellow subsidiaries	22,411	19,825
Reinsurance commissions paid to other related parties	4,302	4,161
Reinsurance claims paid to intermediate holding corporation	9,064	9,369
Reinsurance claims paid to fellow subsidiaries	28,108	14,113
Reinsurance claims paid to other related parties	7,880	5,459
Miscellaneous claim expenses paid to fellow subsidiaries	226	132
Miscellaneous reinsurance expenses paid to intermediate holding corporation	122	146
Miscellaneous reinsurance expenses paid to fellow subsidiaries	140	137
Miscellaneous reinsurance expenses paid to other related parties	161	208

*(c) Key management personnel compensation*

Key management personnel compensation is as follows:

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Salaries and other short-term employee benefits	2,296	2,266
Employer's contribution to defined contribution plans including CPF	8	7
Directors' fees	150	150
	<b>2,454</b>	<b>2,423</b>

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

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**24. New or revised accounting standards and interpretations**

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

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
<i>FRS 117 Insurance Contracts</i>	} 1 January 2023
<i>Amendments to:</i>	
- <i>FRS 1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)</i>	
- <i>FRS 1 Presentation of Financial Statements and FRS Practice Statement 2 (Disclosure of Accounting Policies)</i>	
- <i>FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)</i>	
- <i>FRS 12 Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)</i>	
- <i>FRS 117 Insurance Contracts</i>	

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 December 2022 reporting periods and 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 FRS 117 as disclosed in Note 2.1(d) and FRS 109 as disclosed in Note 2.1(a).

**25. Disclosure on temporary exemption from FRS 109 *Financial Instruments***

According to Amendments to FRS 104 Insurance Contracts, the Company made the assessment based on the financial position as of 31 December 2015, concluding that the carrying amount of the Company's liabilities arising from contract within the scope of FRS 104 was significant (i.e. greater than 90 percent) compared to the total carrying amount of all its liabilities. There had been no significant change in the activities of the Company since then that requires reassessment. Therefore, the Company's activities are predominantly connected with insurance, meeting the criteria to apply temporary exemption from FRS 109.

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

**25. Disclosure on temporary exemption from FRS 109 *Financial Instruments***  
(continued)

- (a) The table below presents the fair value of the following groups of financial assets under FRS 109 as at balance sheet date and fair value changes for the year:

	Fair value as at 31 December \$'000	Fair value changes for the year ended 31 December \$'000
<b>2022</b>		
Financial assets that met Solely Payments of Principal and Interest ("SPPI") criteria and are not held for trading or managed on a fair value basis	448,404	(40,438)
Others	60,172	(6,029)
	<b>508,576</b>	<b>(46,467)</b>
<b>2021</b>		
Financial assets that met Solely Payments of Principal and Interest ("SPPI") criteria and are not held for trading or managed on a fair value basis	472,328	(15,518)
Others	78,036	(400)
	<b>550,364</b>	<b>(15,918)</b>

- (b) The table below presents the credit risk exposure for debt securities with contractual terms that give rise on SPPI:

	Carrying amount as 31 December \$'000	Fair value as at 31 December \$'000
<b>2022</b>		
AAA	121,712	110,598
AA+ to AA-	5,000	4,706
A+ to A-	19,523	17,680
BBB+ to BBB-	29,975	28,695
BB+ and below or not rated	137,969	123,714
	<b>314,179</b>	<b>285,393</b>
<b>2021</b>		
AAA	119,971	122,604
AA+ to AA-	8,760	9,241
A+ to A-	27,037	27,687
BBB+ to BBB-	19,229	20,035
BB+ and below or not rated	141,772	148,659
	<b>316,769</b>	<b>328,226</b>

**TOKIO MARINE INSURANCE SINGAPORE LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**25. Disclosure on temporary exemption from FRS 109 *Financial Instruments* (continued)**

- (b) The table below presents the credit risk exposure for debt securities with contractual terms that give rise on SPPI: (continued)

For financial assets measured at amortised cost in relation to cash and cash equivalents, other assets, trade receivables and reinsurance assets, carrying amount represents amount before adjusting for impairment allowance. The credit risk exposure for these assets are disclosed in Note 21(j).

**26. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Tokio Marine Insurance Singapore Ltd. on 21 March 2023.