Singlife Philippines

Risk Management Framework Policy

Version Number:	1.0	**Effectivity Date:**	September 1, 2022
Approved by:	Singlife Philippines Risk Oversight Committee	**Approval Date:**	
Approved by:	Singlife Philippines Board of Directors	**Approval Date:**	

I. Purpose, Scope and Principles

Purpose and Scope

The purpose of this Risk Management Framework (RMF) Policy is to establish a consistent approach to managing risk at Singlife Philippines. Singapore Life Philippines, Inc. ("SLPH" or "Company") pursues to optimise its performance subject to remaining within risk appetite and meeting the expectations of stakeholders. This is achieved by embedding rigorous and consistent risk management in the company.

This policy outlines SLPH's risk strategy and approach, risk categories, risk appetite, culture, governance and fundamental principles for managing risk. It sets the requirements and responsibilities for all staff to establish a consistent approach to managing risk.

The SLPH RMF is aligned with ***Singlife Group Risk Management Framework Policy*** considering the current risk management maturity level of the company and is also designed to meet the risk management regulatory requirements of the ***Philippines Insurance Commission (IC)*** and other relevant regulation applicable to SLPH's business operations. It enables the achievement of SLPH's strategic agenda and business objectives by articulating relevant regulation applicable to the SLPH's business operations such as the ***Corporate Governance for Insurance Regulated Companies (IC CL No. 2020-71)***.

It applies to all functional units, operations, and employees, including outsourcing arrangements.

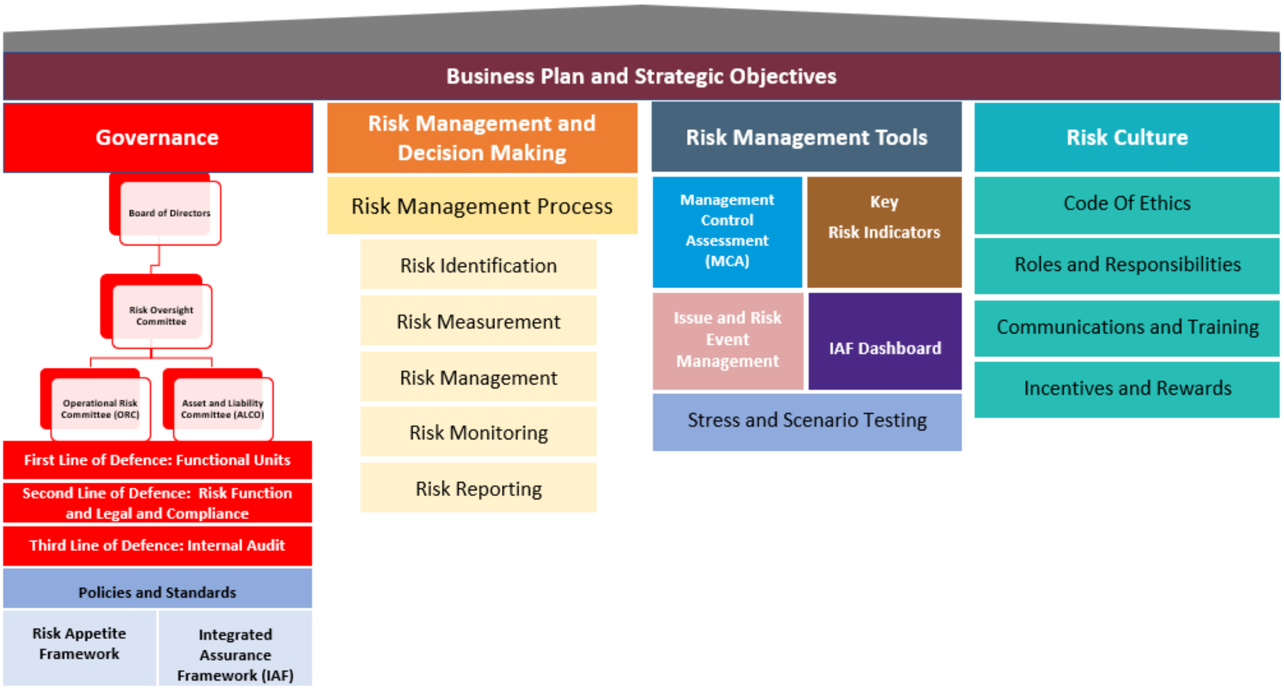
Risk Management Principles

This policy provides management with a framework for managing risk across the company. The following principles are applied to facilitate the Company's risk management goals.

1. The risk management requirements of local and Group regulators as applicable must be met.
2. An appropriate culture must be in place to ensure the effective management of exposures to remain within risk appetite where this is within management's control. Action plans for risks out of appetite must be documented and once agreed, followed without undue delay.
3. An effective and robust mechanism is in place to enforce and support individual accountability and conduct for senior managers and material risk personnel, and to drive a strong culture of responsibilities and ethical behavior within the company.
4. The business strategy must align with the risk strategy, considering risk and return, and deliberately taking the enterprise from its current risk profile to a desired future risk profile and articulating the business's risk appetite.
5. Risk must be taken into account in all key business decisions. A risk-based decision-making process must be in place, supported by an independent 2nd line risk opinion.
6. Management should seek to take on only those risks for which there exists the appropriate skills, capability and resources for managing them and should seek to avoid concentrations of exposure.
7. Business products, services and market practices must deliver fair dealing and good customer outcomes and addresses the long-term sustainability impact on the environment and society.
8. An appropriate governance structure, supported by documented Board and committee terms of reference, must exist to ensure effective implementation of the risk management framework.
9. The Three Lines of Defence model for risk management must be operated effectively, supported by clear and documented delegations of authority and role profiles.
10. Material existing or emerging risks must be actively identified, measured, managed, monitored and reported. Risk identification must be forward-looking to allow management to take proactive action.
11. Singlife Philippines must put in place an effective system of internal controls that is validated regularly through an assurance program.
12. Risks must be measured by considering the significance of the risk to the enterprise and its stakeholders (both internal, such as employees, and external, such as customers) in the context of strategy, objectives and risk appetite.
13. Singlife Philippines must ensure it has adequate capital to support the overall solvency and liquidity needs at all times. The economic capital model and stress and scenario testing must be employed to assess the resilience of its solvency and liquidity position.

14. Singlife Philippines must ensure it can provide documented evidence of effective risk management and annual review of both the Risk Management Framework and systems of governance.

The Framework



The Singlife Philippines Risk Management Framework aims to identify and manage risk events and potential risk events that have significant impact to the company and provide reasonable assurance that our company's objectives will be achieved.

It is comprised of four interconnected components:

- Business Plan and Strategic Objectives
  Singlife Philippines is committed to embed risk-based decision-making in the formulation of the business strategy and in its strategic and operational planning process. The business plan must include consideration of the current risk profile, key risks to and arising from the execution of the plan, exposure against risk appetite throughout the plan horizon, and the expected future state against the desired risk profile.

- Governance
  Singlife adopts the Integrated Assurance Framework (IAF) for the management of risks within the company's risk appetite which provides the Board with assurance on the adequacy and effectiveness of the risk management systems, processes and procedures of the company. The IAF will also provide a common understanding of the vocabulary and measurement framework across the 3 lines of defence which is our risk governance model approach. Section V below provides the details of the of the IAF, three lines of defence and the roles and responsibilities of board of directors, executive and management committees, management, and all employees including outsourced resources.

- Risk Management and Decision Making
  Risk must be taken into account in all key business decisions. A risk-based decision-making process must be in place, supported by an independent 2nd line risk opinion. The risk management process which consists of five stages, namely identification, measurement, management, monitoring and reporting (IMMMR) enables the company's dynamic risk-based decision-making.

- Risk Management Tools
  The Risk Management tools such as the Issue and Risk Event Management (IREM), Management Control Assessment (MCA), Key Risk Indicators (KRI) Monitoring and Stress and Scenario Testing are the tools that will be conducted covering the embedding of risk-based decision-making, compliance with the risk management policies, and the maturity of risk culture. Details of these tools are in Section VI.

- Risk Culture
  The RMF aims to maintain an open and healthy risk culture which helps Singlife employees practice good risk management day to day, driving decisions that appropriately balance risk and reward. The Board of Directors and the Company leaders are responsible for ensuring a positive risk culture is embedded in the way Singlife operates – influencing actions and decision-making.

II. Risk Culture

Our culture underpins all aspects of the risk management framework. The effectiveness of risk management and internal controls depend on the judgements, decisions and actions of our people. Our judgements, decisions and actions are shaped by our values and culture as much as the strategies, policies, tools, governance arrangements and processes defined in this framework. It is the application of both this framework and the maintenance of a healthy, sustainable culture that helps ensure that we drive the right outcomes for our customers and other stakeholders.

SLPH is committed to fulfill the appropriate Risk Culture requirements ***(see Reference #1 - Group RMF Mandatory Requirements)*** stipulated in the Group Risk Management Framework Policy to promote and embed the right risk management culture in all core business functions, regulated entities and joint ventures companies are as follows.

III. Risk Strategy

Risk Management Goals

SLPH's risk strategy is to invest its available capital to optimise the balance between return and risk to achieve its business objectives while maintaining an appropriate level of economic and regulatory capital. This includes investing in appropriate systems and process controls and capabilities to ensure an effective control environment is in place to ensure that we are operating in a sound and safe manner.

With this strategy we aim to:

1. Embed appropriate risk management throughout the business with defined limits/tolerance, keeping the risk exposure within risk appetite.
2. Ensure that capital is allocated where it will make adequate return on a risk-weighted basis.
3. Meet the expectations of the customers, investors, and regulators that the company will consistently deliver on its promises/regulatory obligations and ensure that the company's solvency and liquidity position are sufficiently resilient.

Key Business Decisions

The RMF requires that risk is considered in key business decisions. Early involvement of the Risk Management and Compliance Functions (second line of defence) in key decisions or projects is also required to enable the second line of defence to perform its role of reviewing and challenging the completeness and accuracy of risk identification, measurement, management, monitoring and reporting, and the adequacy of, and progress against, risk mitigation plans.

The Risk and Compliance Functions must be engaged as early as practicable in all key business decisions
1. Functional Units must consult the Risk and Compliance Functions to ensure that any regulatory obligations and material risks are considered in the decision-making process.

2. Where material proposals are presented to boards in the initial discussion stage, the Risk Management Function should provide clear initial opinions setting out any material concerns and any conditions which management should address in order for the Risk Management Function to be supportive.
3. Decisions for board approval should be accompanied by risk opinions supporting approval, outlining any residual conditions for such support or explaining why the Risk Management Function is not supportive.

Key business decisions would typically be expected to be those that are considered material or significant from a business or control perspective, and/or include decisions that are ultimately bound to a senior committee for decision or approval.

See the mandatory requirements to deliver on the desired outcomes of the risk strategy in ***Reference # 1 - Group Risk Management Framework Policy Version 2.0***

IV. Risk Appetite Framework

SLPH's risk appetite framework is aligned with the risks that the group selects and manages in the pursuit of return, the risks the group accepts but which it seeks to minimise and the risks the group seeks to avoid or transfer. It comprises of:

1. Risk Appetite, which are quantitative overarching expressions of the level of risk the business is willing to accept. These are set at an aggregate level for key risks such as solvency, liquidity and operational risk, and which act as a hard constraint.
2. Risk Preferences, which are qualitative statements for each individual risks defined in the risk register that expresses the degree of risk the business desires to take in pursuit of return, to mitigate or to avoid.
3. Operating risk limits and tolerances quantify specific boundaries. The key controls defined with support from the 2nd line functions must be adopted by all businesses, where relevant to ensure a sound and robust control environment is in place and inform risk owners where a risk may be assessed to be within or outside tolerance. Each risk in the risk register is assigned a tolerance threshold.

Refer to ***Reference #1 - Group Risk Management Framework Policy Version 2.0*** for the risk appetite mandatory requirements.

V. Governance

Integrated Assurance Framework (IAF)

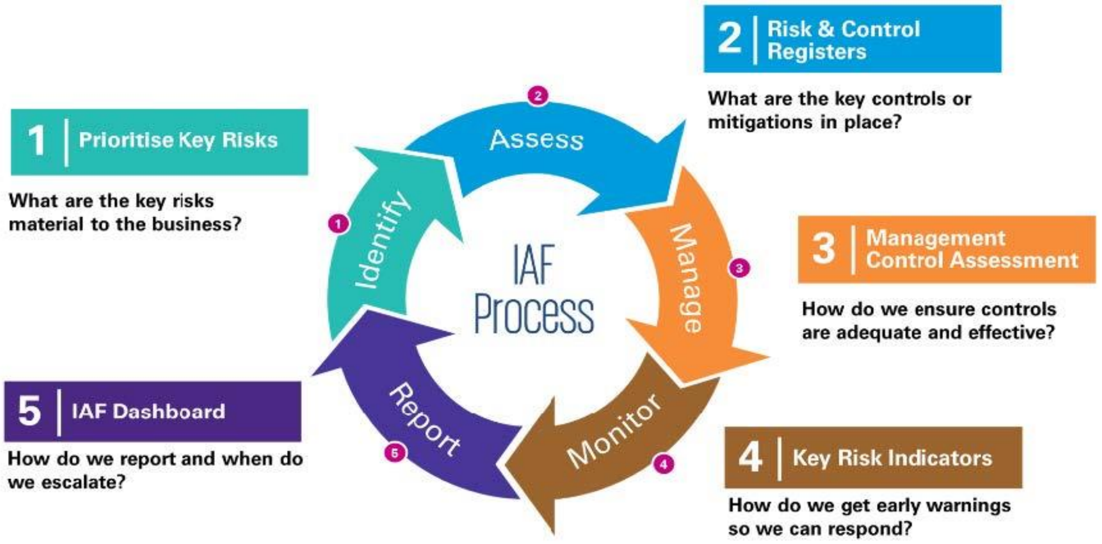
Singlife adopts the Integrated Assurance Framework (IAF) for the management of risks. The IAF provides a robust framework for Management that adequately manages and controls key risks consistent with the agreed risk appetite. In addition, IAF provides the Board with assurance on the adequacy and effectiveness of the risk management systems, processes, and procedures of the company. It must be used as a key management tool for risk management.

The IAF process comprises 5 key components as shown in the diagram below.

An effective management control assessment (MCA) process must be implemented as an integral part of the IAF, with input provided independently across the 3 lines of defence. This process will be supported by identifying and monitoring appropriate key risk indicators.

Risk owners will assess the inherent and residual risks regularly against the risk appetite, based on the Group's common materiality framework. Risks that are outside tolerance shall be reported by the risk owners in accordance with the group escalation protocol.

As Singlife embarks on a new strategy and transformation journey, the IAF will continually evolve to complement the growing business needs and to comply with the increasingly complex regulatory environment.



The key risks of SLPH must be prioritized into 3 tiers and organized under the following categories:

1. Strategic risk - Risks associated with or may significantly impact the overall focus and strategic direction of Singlife.
2. Prudential & Financial Risk - Risks affecting the financial sustainability of Singlife, access to capital/ liquidity to achieve strategic goals.
3. Operational & Technology - Risks resulting from inadequate or failed internal processes, people, or systems that affect business operations.
4. Cyber & Information Security - Risks of IT security failure, with a consequent impact on availability or quality of data.
5. Legal and Compliance Risk - Risks associated with the failure to monitor and/ or comply with key laws and regulations, including market conduct risk.

The subcategories of each Risk Class are further illustrated in ***Appendix 1 - Risk Universe Categories***.

Ownership. The majority of the risks in the IAF Risk Register (Universe) are owned by 1st line management, with a small number owned by the 2nd line. The PH Risk Universe is maintained by the PH risk function who is responsible for ensuring the coverage is sufficiently complete and fit-for-purpose. The Group CRO has the delegated authority to approve any modifications or exceptions requests from business entities such as Singlife Philippines.

The IAF Risk Register (Universe) is reviewed thru the MCA at least once annually. See ***Appendix 2 – Risk Measurement Parameters*** for the common materiality framework to be used in measuring risks.

The IAF will continually evolve to complement the growing business needs and to comply with the changing regulatory environment.

Roles and Responsibilities

Board of Directors (BOD)- is responsible for the oversight of the risk management framework for effective management of the company's risks. The BOD, through their risk oversight role, ensures that the risk management policy and procedures designed and implemented by the risk management function are consistent with the company's strategy and risk appetite.

Risk Oversight Committee (ROC) – assists the BOD in carrying out its oversight of risk and risk management across the company. It is responsible for the oversight of the company's risk management framework to ensure its functionality and effectiveness.

The responsibilities of the ROC includes:

- Overseeing of the risk management framework
- Addressing risk and strategy simultaneously, including consideration of risk appetite
- Monitoring and overseeing company risk exposures
- Provide advice to the board on risk strategy
- Review and approve the ROC charter
- Oversee/Support the risk management function

Chief Executive Officer (CEO) - has ultimate responsibility for the implementation of the risk management framework and is accountable to the Board. The CEO is also responsible for actively pursuing a sound risk management culture where risks are proactively reported and assessed and that effective risk treatments are implemented.

Management Committees

Operational Risk Committee (ORC) - supports its members to oversee the company's operational risk profile, monitor specific operational and conduct risks and the risks impacting reputation and take appropriate action as, and when required.

Asset and Liability Committee (ALCO) - supports the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) in the discharge of the responsibility delegated to him or her to manage the Group's balance sheet, to oversee investment and the company's financial risk exposure and to monitor the company's position against economic capital and liquidity risk appetite and tolerance what must be reviewed quarterly.

Risk Function – The Risk Function is responsible for ensuring that the Risk Management Framework, Policy and Procedures are implemented in the company accordingly. The Risk Function is also responsible for the maintenance of the Risk Management Framework Policy and for ensuring that staff are provided with access to risk management resources to provide advice and expertise as required.

Senior Leaders and Functional Unit Managers – are responsible for managing risks in their area of responsibility and shared risks with other Functional Units and organisations. They make sure their teams understand their responsibility to manage risk and have the skills, capability, and resources to do so. As company leaders they are expected to demonstrate and influence a positive, risk-aware culture across the organisation.

All Staff – all employees are responsible in managing the risks within their area of influence; follows the risk management policy and procedures; and participates in risk-awareness programs

Three Lines of Defence Model

SLPH's approach to managing risk is outlined in the 'three lines of defence' governance model defined below:

1. **First Line of Defence: Operational Functional Units and Support Functions**
   The first line of defence is handled by the business operations units who have day-to-day ownership and management over risks and controls. This line of defence owns the risk and executes the corresponding controls to enhance the likelihood that the organization's objectives are achieved.

2. **Second Line of Defence: Risk and Compliance (Oversight functions)**
   The second line of defence provides independent oversight and challenge functions and is accountable for establishing and maintaining the Risk Management and Compliance Frameworks including relevant policies and manuals

3. **Third Line of Defence: Internal Audit**

The third line of defence provides independent assurance to senior management and the board that the first- and second-lines' efforts are consistent with expectations. This line of defence is an assurance function performed by the internal auditor function.

VI. Risk Management and Decision-Making Process

Risk Management Process

The risk management process described below enables dynamic risk-based decision-making. The risk management process consists of five stages, namely identification, measurement, management, monitoring and reporting (IMMMR). The cyclical feedback structure of IMMMR ensures that risk management is robust and enables risk-based decision-making in the company.

1. Risk Identification - Risk identification is the critical first step of the risk management process. The objective of risk identification is the early and continuous identification of events that, if they occur, will have negative impacts on the company's ability to achieve performance or capability outcome goals. This process includes documenting and communicating the concern.

2. Risk Measurement - Any risk that has been identified, should be quantified to assess its impact and the likelihood of occurrence to understand whether its exposure is within the risk appetite. Risks that cannot be easily quantified financially is measured by way of a qualitative assessment based on the Singlife Group Common Materiality Framework. ***See Appendix 2 – Risk Measurement Parameters***

3. Risk Management - Management of a risk can take a variety of forms including avoiding, transferring, or accepting the risk with mitigation. SLPH manages risks within its control, with documented action plans to improve risk management that are found to be inadequate, while balancing cost against the benefits of risk reduction.

   The risk management actions include, but not limited to, the following:

   a. Accept. Functional Units may accept risks where the residual exposures are currently and projected to remain managed within the risk appetite. Effective monitoring process must be in place to identify any deterioration of those risks over time. (These are typically, risks that have low frequency and low impact)

   b. Mitigate. Functional Units must implement robust risk management measure, including internal controls to manage all risks associated with the business activities. At minimum, these must be met by implementing the requirements of the minimum control standards to mitigate risk. (These are typically, risks that have high frequency and low impact)

   c. Transfer. Functional Units may choose to transfer certain risks to third parties when the cost for managing the risks exposure further down requires excessive investments or where the aggregate risk exposure is too high relative to the company's risk appetite. Risk transfer may be done by purchasing financial lines insurance to manage operational risk, via reinsurance to mitigate claims cost, or using derivatives to hedge financial risks. Proper cost-benefit analysis (from both qualitative and quantitative aspects) must be conducted to assess the appropriateness of the actions. (These are typically, risks that have low frequency and high impact)

   d. Avoid. Functional Units shall not undertake any risks which they cannot manage within the risk appetite of the company, and/or where the business does not have relevant knowledge and capabilities in managing the risks well. (These are typically, risks that have high frequency and high impact).

4. Risk Monitoring - The effectiveness of risk management approaches (accept, mitigate, transfer or avoid) in place must be monitored regularly. Risk-taking opportunities and areas for improvements should be detected as early as possible through a robust and comprehensive risk monitoring process. The essential tools for risk monitoring and assurance include key risk indicators, stress and scenario testing, tracking of issues and risk

events, risk and control self-assessment, and the risk management system. The Management is responsible for monitoring the business performance, risk profile and risk management activities.

5. Risk Reporting - Risk reporting is a feedback loop to inform the Board and management of any significant issues or changes to the risk profile of SLPH and/or the business environment. An effective reporting process helps to ensure all stakeholders have the relevant risk information. This enables better risk-based decision making. Risk reporting must be conducted regularly. Risk reporting should provide adequate information covering the risk profile against appetite, key risks and trends. It should be provided on a timely basis to enable prompt actions to be taken to address or mitigate the risks. These include all risk reporting to management by business functions, reports presented to management committees such as ALCO and ORC, and the Board, and regulatory reports submitted to the regulatory bodies.

Risk Management Tools

Risk management tools are risk identification, measurement, monitoring and reporting tools that fulfils the risk management process of this RMF. Below are the risk management tools that SLPH will execute to manage its risks. As the IAF evolves, changes to the design and execution of these tools are likely to happen to complement the growing business needs and comply with the changing regulatory environment.

1. Management Control Assessment (MCA)
   MCA is an annual risk management exercise that identifies the key risks and assess the effectiveness of the key controls. It aims to improve the control environment within SLPH by raising control consciousness and engaging the Functional Units in the assessment. Actions to further mitigate the risks are required for risks that will have high and very high residual risk ratings. Each Functional Unit's assessment is collected and compiled to create a comprehensive understanding of the overall risk profile of SLPH which can be used in important business decisions.

2. Issue and Risk Event Management (IREM)
   IREM is a Risk Management tool that allows the company to better manage risk and drive continuous improvement through proactive identification, reporting, analyzing and mitigating of risk events and issues that may lead to actual risk events.

   An Issue is a weakness that either has, or could, give rise to a Risk Event. It is defined as a detected deficiency in either the design adequacy (DA) or operating effectiveness (OE) of controls that is associated to managing risks to within the approved risk appetite. If the issue is not fixed, weaknesses of the key controls could potentially lead to the occurrence of risk events which results in poor outcomes for our customers, for our employees or for our business performance and reputation.

   A Risk Event is an actual event caused by an external event and/ or a failure in processes, people or systems, resulting to a significant impact on customers or on Singlife's reputation, or a financial reporting misstatement or financial loss to Singlife. This also includes all breaches of applicable regulations.

   An Issue and Action Plan will be raised if the Loss Event warrants a root cause analysis and ineffective/ missing controls are identified and remediation actions are required.

3. KRI (Key Risk Indicator) Monitoring
   Key Risk Indicators are metrics to provide an early signal of increasing risk exposures for each Functional Unit. KRIs are agreed between the Functional Unit and the Risk function and are monitored regularly. An annual review is also required to ensure appropriateness of the KRIs to the changing business requirements and environment.

4. Stress and Scenario Testing
   Stress and Scenario Testing is the process of evaluating the impact of specified scenarios on the company's financial position. Measurement of material risk exposures must consider both normal conditions and stressed situations and are assessed using appropriate stress and scenario testing methodologies. Where

appropriate, the causal links and correlations between risk factors should be considered. The business must ensure it has adequate capital to support the overall solvency and liquidity needs at all times.

5. Risk Assessment on material changes and new processes/products/third parties. A change criterion is set based on the materiality and impact of the change to the business. If the change meets these criteria, an assessment on the 5 risk categories will be conducted. Actions to further mitigate the risks are required for risks that will have high and very high residual risk ratings.

Risk Management System

SLPH will utilise the Singapore Risk Management System (MetricStream) as necessary and available. Manual files and monitoring trackers will be used in executing the Risk Management Tools if it is unavailable.

VII. Policy Review, Modifications and Exceptions

This policy and any supplementary risk standards, guidelines, or manuals must be reviewed at least once annually, with changes approved by the Risk Oversight Committee (ROC). Where no changes to the risk policies are proposed after the annual review, the Risk Oversight Committee (ROC) must be informed.

Exceptions

Non-compliance to this policy where there is no approved modification or exception in place should be reported to the SLPH Risk function and the CEO.

VIII. Version Control

Version	Date	Status	Author	Remarks
1.0	August 2022	Draft	Imee Martinez, Operational Risk Manager	For Singlife Philippines ROC and BOD Approval

IX. References

Number	Name	Policy Section/s Discussed	Copy of the Document
1	Group Risk Management Framework Policy Version 2.0	II and IV	PDF Group Risk Management Policy_R
2	Corporate Governance for Insurance Regulated Companies (IC CL No. 2020-71)	I	PDF IC CL2020_71.pdf

X. Appendix

Number	Name	Policy Section/s Discussed
1	Risk Universe Categories	V
2	Risk Measurement Parameters	V and VI

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Appendix 1- Singlife Risk Universe Categories

Singlife Risk Universe

Strategic Risk (6)	
R1	Delivery of Strategic Priorities
R2	Strategic Transformation Projects
R3	Human Resource
R4	Environmental Risk
R5	Branding
R6	Strategic Partnerships

Legal & Compliance Risk (20)	
R7	Privacy
R8	Market Misconduct Risk
R9	Engagement, Licensing, Remuneration and Incentive of Sales Force/3rd Party Intermediaries
R10	Sales & Distribution (Direct)
R11	Post Sales
R12	Product Design, Pricing & Information
R13	Policy Owner's Protection Fund
R14	3rd Party Product Onboarding
R15	Payment Services
R16	Customer Communication/ Marketing
R17	Artificial Intelligence & Machine Learning
R18	Commercial Contracts
R19	Cross Border Risk
R20	Licensing & Regulatory Reporting
R21	Competition/Anti Trust Law
R22	Corporate Governance
R23	Money Laundering & Sanctions
R24	Bribery & Corruption and Conflict of Interest
R25	Insider Trading
R26	Internal & External Fraud

Operational & Technology Risk (16)	
R27	IT Application Development & Project Management
R28	IT Service Management & Resilience
R29	Technology Refresh and Obsolescence
R30	End User Computing
R31	Procurement & Outsourcing
R32	Facilities and Health & Safety
R33	Processing New Business / Best Execution
R34	Customer Servicing & Complaint Handling
R35	Clients' Assets
R36	Underwriting, Claims & Benefits Handling
R37	Receipts & Payments
R38	Financial Reporting
R39	Common Reporting Framework & FATCA
R40	Unit Pricing
R41	Business Continuity & Crisis Management
R42	Data Management

Cyber & Information Security Risk (2)	
R43	Cyber Risk
R44	Information Security & Management

Prudential & Financial Risk (9)	
R45	Capital Management & Liquidity
R46	Life Technical Provision
R47	Market Risk
R48	Credit Risk
R49	Asset Liability Mismatch
R50	Investment Management and Performance
R51	Participating Fund Management
R52	Reinsurance
R53	Assumptions & Model Errors

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Appendix 2 – Risk Measurement Parameters

Likelihood Parameters	1 Remote	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Expected Frequency/ Probability (Internal consideration)	Not expected to occur within next 10 years	At least once in 10 years	At least once in 5 years	At least once in 3 years	Expected to occur at least once in a year
Expected Frequency/ Probability (External consideration)	No major occurrence in the industry	Major events had occurred in the industry	Major events had occurred by few FIs in recent years	Major events occurred regularly across the industry	Commonly known industry issue
Qualitative Description	Remote event but conceivable under extreme adverse scenario equivalent to a 1 in 20-year shock	Event is conceivable under adverse scenario equivalent to a 1 in 10-year shock	Events may have occurred before and with some indications to suggest it can happen albeit not expected in the near-term	Events may have occurred before and with some evidence to suggest it can happen in the near-term	There are reasonable basis or evidence to suggest that the risk event would occur

Impact Parameters	1 Low	2 Minor	3 Moderate	4 Major	5 Very Severe
(1a) CAR / Credit Rating				Group CAR< 175% OpCo CAR <190% Credit rating fall below Baa2 (Moody's) or BB+ (Fitch)	Group CAR <155% OpCo CAR < 170%
(1b) Financial Loss	<10m PHP (< 250k SGD)	10m to 50m PHP (250k to 1.25m SGD)	51m to 100m PHP (1.26m to 2.5m SGD)	101m to 200m PHP ($2.51m to $5m SGD)	>200m PHP (>5m SGD)

Impact Parameters	1 Low	2 Minor	3 Moderate	4 Major	5 Very Severe
(2) Conduct and Reputation	▪ <500 customers are negatively impacted or there are minimal consequences to the customers. ▪ No regulatory notification required ▪ None or very minor traction in the media (isolated incident)	▪ 500 to less than 2,000 customers are negatively impacted ▪ Regulatory notification required ▪ Some adverse social media activities with slight traction resulting in short-term effects (2 to 3 days) on brand confidence	▪ 2,000 to less than 5,000 customers are negatively impacted with high volume of complaints expected. ▪ Regulatory violations likely to result in a warning from the regulator. ▪ Negative coverage on national media with some traction (< 2 week). Overall sentiment towards company remains largely intact	▪ 5,000 and above customers are negatively impacted with high volume of complaints expected <u>and</u> full recovery actions can be managed within 30 days to fix. ▪ Regulatory violations likely to result in a reprimand from or a more material action by the regulator. ▪ The reputation of an entity is severely tarnished, but the brand impact of the Group is not significant.	▪ 5,000 and above customers are negatively impacted in a significant way with recovery actions requiring > 30 days to fix. ▪ Serious issue that could potentially result in severe restrictions, suspension, or revocation of licenses by the regulator. ▪ The Group's reputation /brand is severely tarnished and may take more than 3 months to regain customers' trust.
(3) Operational Disruption	▪ Outage of non-core services and/or non-critical systems resulting in disruption of services for < 8 hours ▪ Minor impact on the company's ability to attract, retain and productively employ people.	▪ Outage of services and/or systems resulting in disruption of services for < 2 hours (core services and critical systems) or < 1 day (others) ▪ Limited and short-term impact on isolated area of the company's ability to attract, retain and productively	▪ Outage to services and/or systems resulting in disruption of services for > 2 hours (core services and critical systems) or > 1 day (others) or any timescale that majority of customers would consider reasonable for the nature of business. ▪ Limited ongoing impact on	▪ Outage of services and/or systems resulting in disruption of services for > 4 hours (core services and critical systems) or > 2 days (others) ▪ Major impact on the ability of the company to attract, retain (turnover > 30%) and productively employ people.	▪ Outage of services and/or systems resulting in disruption of services for > 2 days (core services and critical systems) or > 7 days (others) ▪ Sustained impact on the ability of the company to attract, retain (turnover > 70%) and productively employ people.

		employ people with no major impact on delivery of core services to customers.	specific areas of the company's ability to attract, retain and productively employ people.	▪ Strike action leading to operational impact affecting business operations for up to 1 day.	▪ Strike action leading to operational impact affecting business operations for >1 day.

Risk Rating Matrix