

Appendix 3 : Table 4 : Discount rates to be applied

Aspect of measurement	Discount rates to be applied
Fulfilment cash flows*	Current discount rates
CSM interest accretion for contracts without direct participation features	Discount rates determined on initial recognition of the group
Adjustments to the CSM for changes in the fulfilment cash flows for contracts without direct participation features	Discount rates determined on initial recognition of the group
Adjustments to the CSM for changes in the fulfilment cash flows for direct participating contracts that do not vary based on the returns on underlying items, excluding the change in the effect of the time value of money and financial risks	Current discount rates
For groups applying the PAA, liability for remaining coverage adjustment for the time value of money	Discount rates determined on initial recognition of the group

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¹ KPMG, July 2017 (pp.66)