

# GREAT EASTERN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199903008M)



## To Our Shareholders

The Board of Directors of Great Eastern Holdings Limited (“GEH”) has announced the following:

### **Financial statements of GEH Group for the Second Half and Audited Financial Statements for the year ended 31 December 2022**

For second half and year ended 31 December 2022, profit attributable to shareholders was \$281.3 million and \$784.2 million respectively.

The details are attached as follows:

- (a) Section A – Review of the Group’s Performance and Other Information Required by Listing Rule Appendix 7.2; and
- (b) Section B – The Condensed Consolidated Financial Statements for the six months and full year ended 31 December 2022; and
- (c) Section C – Independent Auditor’s Report to the Members of Great Eastern Holdings Limited.

### **Unaudited Supplementary Information**

Disclosure of operating and non-operating profit from insurance business is provided as supplementary information to the financial statements.

### **Final Dividend**

The Board of Directors is pleased to recommend a final one-tier tax exempt dividend of 55 cents per ordinary share in respect of the financial year ended 31 December 2022 (2021: final one-tier tax exempt dividend of 55 cents per ordinary share). Including the interim one-tier tax exempt dividend of 10 cents per ordinary share paid in August 2022, total dividends in respect of the financial year ended 31 December 2022 would amount to 65 cents per ordinary share, subject to members’ approval at GEH’s Annual General Meeting (2021: 65 cents per ordinary share).

### **Record Date and Payment Date for Dividend**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of GEH be closed on 28 April 2023 for the purpose of determining the entitlement of members to the recommended final one-tier tax exempt dividend of 55 cents per ordinary share. Duly completed registrable transfers of shares received by GEH’s Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 27 April 2023 will be registered to determine members’ entitlements to the recommended final one-tier tax exempt dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 27 April 2023 will be entitled to the recommended final one-tier tax exempt dividend.

The final one-tier tax exempt dividend, if approved by members, will be paid on 8 May 2023.

By Order of the Board

Jennifer Wong Pakshong  
Company Secretary  
22 February 2023

*The Group financial statements are also available on GEH’s website at [www.greateasternlife.com](http://www.greateasternlife.com).*

<b>CONTENTS</b>	<b>PAGE</b>
<b>Section A - Review of the Group's Performance and Other Information Required by Listing Rule Appendix 7.2</b>	<b>1</b>
Group profit or loss statements	1
Group statement of comprehensive income	2
Group balance sheet	3
Company balance sheet	4
Other information required by listing rule Appendix 7.2	4
<b>Section B - The Condensed Consolidated Financial Statements for the six months and full year ended 31 December 2022</b>	<b>8</b>
Condensed profit or loss statement	9
Condensed statement of comprehensive income	10
Condensed balance sheets	11
Condensed statement of changes in equity	12
Condensed statement of cash flows	15
Notes to the condensed consolidated financial statements	17
<b>Section C – Independent Auditor's Report to the Members of Great Eastern Holdings Limited</b>	<b>55</b>

**SECTION A – REVIEW OF THE GROUP’S PERFORMANCE AND OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

**FINANCIAL RESULTS FOR SECOND HALF AND YEAR ENDED 31 DECEMBER 2022**

**1. GROUP PROFIT OR LOSS STATEMENTS**

in Singapore Dollars (millions)	Note	Year ended 2022 <sup>(a)</sup>	Year ended 2021 <sup>(a)</sup>	% + / (-)	2nd Half 2022 <sup>(b)</sup>	2nd Half 2021 <sup>(b)</sup>	% + / (-)	1st Half 2022 <sup>(b)</sup>	% + / (-)
<b>Income</b>									
Gross premiums	6.2	18,577.2	18,956.3	(2)	7,737.7	9,839.6	(21)	10,839.5	(29)
Premiums ceded to reinsurers		(870.0)	(766.9)	13	(460.2)	(390.3)	18	(409.8)	12
(Increase)/decrease in premium liabilities		(5.2)	0.2	nm	(0.1)	2.0	(105)	(5.1)	98
Net premiums		17,702.0	18,189.6	(3)	7,277.4	9,451.3	(23)	10,424.6	(30)
Commissions received from/(paid to) reinsurers		51.5	51.4	0	24.3	(9.7)	351	27.2	(11)
Investment income, net	6.3	2,858.0	2,699.5	6	1,455.1	1,382.8	5	1,402.9	4
Rental income, net		28.0	27.8	1	12.9	11.8	9	15.1	(15)
Fees and other income		36.1	39.7	(9)	20.0	24.6	(19)	16.1	24
Loss on sale of investments and changes in fair value	6.4	(8,002.6)	(1,080.3)	(641)	(735.8)	(739.9)	1	(7,266.8)	90
Change in third-party interests in consolidated investment funds		0.2	-	nm	(0.4)	-	nm	0.6	(167)
(Loss)/gain on exchange differences	6.5	(78.0)	36.7	(313)	(154.6)	(1.0)	nm	76.6	(302)
<b>Total income</b>		<b>12,595.2</b>	<b>19,964.4</b>	<b>(37)</b>	<b>7,898.9</b>	<b>10,119.9</b>	<b>(22)</b>	<b>4,696.3</b>	<b>68</b>
<b>less: Expenses</b>									
Gross claims, maturities, surrenders and annuities	6.6	11,148.4	11,388.2	(2)	5,365.8	7,125.1	(25)	5,782.6	(7)
Claims, maturities, surrenders and annuities recovered from reinsurers		(656.1)	(530.7)	(24)	(270.3)	(269.3)	(0)	(385.8)	30
Commissions and distribution expenses	6.7	1,386.5	1,489.7	(7)	686.8	809.7	(15)	699.7	(2)
Increase/(decrease) in provision for impairment of assets		29.1	1.5	nm	(6.7)	(4.6)	(46)	35.8	(119)
Management and other expenses	6.8	661.3	665.0	(1)	348.8	368.6	(5)	312.5	12
Interest expense		-	0.2	(100)	-	-	-	-	nm
Increase in provision for agents' retirement benefits		38.3	19.7	94	27.2	5.6	386	11.1	145
Depreciation and amortisation expenses		88.0	79.4	11	49.2	41.8	18	38.8	27
Gross change in insurance contract liabilities	6.9	(669.9)	2,605.2	(126)	1,561.1	(1,269.1)	223	(2,231.0)	170
Change in insurance contract liabilities ceded to reinsurer		(137.7)	1,597.7	(109)	(233.3)	1,736.4	(113)	95.6	(344)
<b>Total expenses</b>		<b>11,887.9</b>	<b>17,315.9</b>	<b>(31)</b>	<b>7,528.6</b>	<b>8,544.2</b>	<b>(12)</b>	<b>4,359.3</b>	<b>73</b>
<b>Profit before income tax</b>		<b>707.3</b>	<b>2,648.5</b>	<b>(73)</b>	<b>370.3</b>	<b>1,575.7</b>	<b>(76)</b>	<b>337.0</b>	<b>10</b>
Income tax credit/(expense) attributable to policyholders' returns	6.10	248.9	(1,294.0)	119	(32.5)	(1,035.2)	97	281.4	(112)
Profit before tax attributable to shareholders' profits		956.2	1,354.5	(29)	337.8	540.5	(38)	618.4	(45)
<b>Income tax credit/(expense)</b>		<b>79.6</b>	<b>(1,515.1)</b>	<b>105</b>	<b>(86.4)</b>	<b>(1,124.4)</b>	<b>92</b>	<b>166.0</b>	<b>(152)</b>
less: Income tax (credit)/expense attributable to policyholders' returns		(248.9)	1,294.0	(119)	32.5	1,035.2	(97)	(281.4)	112
Income tax expense attributable to shareholders' profits	6.11	(169.3)	(221.1)	23	(53.9)	(89.2)	40	(115.4)	53
<b>Profit after income tax</b>		<b>786.9</b>	<b>1,133.4</b>	<b>(31)</b>	<b>283.9</b>	<b>451.3</b>	<b>(37)</b>	<b>503.0</b>	<b>(44)</b>
<b>Attributable to:</b>									
Shareholders	6.1	784.2	1,113.0	(30)	281.3	443.1	(37)	502.9	(44)
Non-controlling interests		2.7	20.4	(87)	2.6	8.2	(68)	0.1	nm
		786.9	1,133.4	(31)	283.9	451.3	(37)	503.0	(44)
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)		1.66	2.35	(29)	0.60	0.93	(35)	1.06	(44)
Return on Equity (Average Shareholders' Fund) (%)		8.1%	11.5%	-3.4 pp	2.9%	4.5%	-1.6 pp	5.2%	-2.3 pp

<sup>(a)</sup> Extracted from audited consolidated financial statements

<sup>(b)</sup> Unaudited and unreviewed

nm – not meaningful / exceeding 1000%

## 2. GROUP STATEMENT OF COMPREHENSIVE INCOME

in Singapore Dollars (millions)	Year ended 2022 <sup>(a)</sup>	Year ended 2021 <sup>(a)</sup>	% + / (-)	2nd Half 2022 <sup>(b)</sup>	2nd Half 2021 <sup>(b)</sup>	% + / (-)	1st Half 2022 <sup>(b)</sup>	% + / (-)
<b>Profit after income tax for the year</b>	<b>786.9</b>	1,133.4	(31)	<b>283.9</b>	451.3	(37)	503.0	(44)
<b>Other comprehensive (loss)/income:</b>								
<b>Items that will not be reclassified to the Profit or Loss Statement:</b>								
Exchange differences arising on translation of overseas entities attributable to non-controlling interests	(1.0)	(0.2)	(400)	(0.7)	-	nm	(0.3)	(133)
Revaluation (loss)/gain on equity instruments at fair value through other comprehensive income	(257.1)	139.2	(285)	(47.4)	(14.7)	(222)	(209.7)	77
Income tax related to the above	44.1	(23.6)	287	7.8	2.5	212	36.3	(79)
<b>Items that may be reclassified subsequently to the Profit or Loss Statement:</b>								
Exchange differences arising on translation of overseas entities	(102.2)	(23.7)	(331)	(57.0)	2.6	nm	(45.2)	(26)
Debt instruments at fair value through other comprehensive income:								
Changes in fair value	(1,011.1)	(253.2)	(299)	(143.2)	(59.6)	(140)	(867.9)	84
Changes in allowance for expected credit losses	(1.6)	(0.4)	(300)	(3.3)	(4.6)	28	1.7	(294)
Reclassification of realised loss/(gain) on disposal of investments to the Profit or Loss Statement	95.4	(49.3)	294	13.5	(0.9)	nm	81.9	(84)
Income tax related to the above	157.7	50.6	212	23.6	11.1	113	134.1	(82)
<b>Other comprehensive loss for the year, after tax</b>	<b>(1,075.8)</b>	(160.6)	(570)	<b>(206.7)</b>	(63.6)	(225)	(869.1)	76
<b>Total comprehensive (loss)/income for the year</b>	<b>(288.9)</b>	972.8	(130)	<b>77.2</b>	387.7	(80)	(366.1)	121
<b>Total comprehensive (loss)/income attributable to:</b>								
Shareholders	(290.6)	952.6	(131)	75.3	379.5	(80)	(365.9)	121
Non-controlling interests	1.7	20.2	(92)	1.9	8.2	(77)	(0.2)	nm
	<b>(288.9)</b>	972.8	(130)	<b>77.2</b>	387.7	(80)	(366.1)	121

<sup>(a)</sup> Extracted from audited consolidated financial statements

<sup>(b)</sup> Unaudited and unreviewed

nm – not meaningful / exceeding 1000%

### 3. GROUP BALANCE SHEET

in Singapore Dollars (millions)	Note	Group		
		31 Dec 2022 <sup>(a)</sup>	31 Dec 2021 <sup>(a)</sup>	% + / (-)
<b>Share capital</b>		<b>152.7</b>	152.7	-
<b>Reserves</b>				
Currency translation reserve		<b>(119.3)</b>	(17.1)	(598)
Fair value reserve	6.12.1	<b>(711.3)</b>	281.7	(353)
Retained earnings		<b>10,109.3</b>	9,612.3	5
<b>SHAREHOLDERS' EQUITY</b>		<b>9,431.4</b>	10,029.6	(6)
<b>NON-CONTROLLING INTERESTS</b>		<b>99.2</b>	106.8	(7)
<b>TOTAL EQUITY</b>		<b>9,530.6</b>	10,136.4	(6)
<b>LIABILITIES</b>				
Insurance payables		<b>7,146.6</b>	6,620.6	8
Other creditors		<b>2,109.9</b>	1,924.3	10
Income tax payable		<b>238.5</b>	328.6	(27)
Derivative financial liabilities		<b>292.0</b>	111.4	162
Provision for agents' retirement benefits		<b>295.8</b>	291.3	2
Deferred tax liabilities		<b>2,032.4</b>	2,579.0	(21)
Insurance contract liabilities		<b>86,272.5</b>	88,398.5	(2)
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>107,918.3</b>	110,390.1	(2)
<b>ASSETS</b>				
Cash and cash equivalents		<b>9,607.9</b>	9,117.7	5
Other debtors		<b>877.8</b>	904.5	(3)
Insurance receivables		<b>3,579.8</b>	3,335.6	7
Asset held for sale		<b>72.6</b>	-	nm
Reinsurers' share of insurance contract liabilities		<b>1,002.5</b>	886.7	13
Loans		<b>480.5</b>	592.2	(19)
Derivative financial assets		<b>761.7</b>	369.9	106
Investments	6.12.2	<b>88,760.4</b>	92,462.4	(4)
Deferred tax assets		<b>58.4</b>	-	nm
Investment in associate		<b>122.5</b>	95.2	29
Intangible assets		<b>203.6</b>	195.0	4
Investment properties		<b>1,881.2</b>	1,883.9	(0)
Property, plant and equipment		<b>509.4</b>	547.0	(7)
<b>TOTAL ASSETS</b>		<b>107,918.3</b>	110,390.1	(2)
<b>Net Asset Value per share (in Singapore Dollars)</b>		<b>19.93</b>	21.19	(6)

<sup>(a)</sup> Extracted from audited consolidated financial statements

nm – not meaningful / exceeding 1000%

#### 4. COMPANY BALANCE SHEET

in Singapore Dollars (millions)	Company		
	31 Dec 2022 <sup>(a)</sup>	31 Dec 2021 <sup>(a)</sup>	% +/-
<b>Share capital</b>	<b>152.7</b>	152.7	-
<b>Reserves</b>			
Merger reserve	<b>419.2</b>	419.2	-
Retained earnings	<b>2,962.5</b>	3,121.7	(5)
<b>TOTAL EQUITY</b>	<b>3,534.4</b>	3,693.6	(4)
<b>LIABILITIES</b>			
Other creditors	<b>8.5</b>	8.1	5
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,542.9</b>	3,701.7	(4)
<b>ASSETS</b>			
Cash and cash equivalents	<b>20.4</b>	19.8	3
Other debtors	-	0.4	(100)
Amounts due from subsidiaries	<b>2,480.9</b>	2,674.3	(7)
Investment in subsidiaries	<b>1,041.6</b>	1,007.1	3
Property, plant and equipment	-	0.1	(100)
<b>TOTAL ASSETS</b>	<b>3,542.9</b>	3,701.7	(4)
Net Asset Value per share (in Singapore Dollars)	<b>7.47</b>	7.80	(4)

nm – not meaningful / exceeding 1000%

#### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

##### 5.1 GROSS PREMIUMS AND PROFIT ATTRIBUTABLE TO SHAREHOLDERS FOR FIRST AND SECOND HALF OF 2022

in Singapore Dollars (millions)	Group					
	First Half			Second Half		
	2022 <sup>(b)</sup>	2021 <sup>(b)</sup>	% +/-	2022 <sup>(b)</sup>	2021 <sup>(b)</sup>	% +/-
Gross premiums	<b>10,839.5</b>	9,116.7	19	<b>7,737.7</b>	9,839.6	(21)
Profit attributable to shareholders	<b>502.9</b>	669.9	(25)	<b>281.3</b>	443.1	(37)

##### 5.2 SELECTED INCOME AND MANAGEMENT EXPENSES

in Singapore Dollars (millions)	Group				
	Year ended 2022 <sup>(a)</sup>	Year ended 2021 <sup>(a)</sup>	2nd Half 2022 <sup>(b)</sup>	2nd Half 2021 <sup>(b)</sup>	1st Half 2022 <sup>(b)</sup>
<b>Expenses</b>					
1. Staff costs and related expenses	<b>398.9</b>	401.0	<b>197.3</b>	219.5	201.6
2. Depreciation and amortisation expenses	<b>88.0</b>	79.4	<b>49.2</b>	41.8	38.8

<sup>(a)</sup> Extracted from audited consolidated financial statements

<sup>(b)</sup> Unaudited and unreviewed

## 6. REVIEW OF GROUP'S PERFORMANCE

The Group Financial Statements for the second half-year ended 31 December 2022 ("2H-22") and for the year ended 31 December 2022 ("FY-22") were prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations.

### 6.1 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The Group's profit attributable to shareholders was \$281.3 million in 2H-22 and \$784.2 million in FY-22 (2H-21: \$443.1 million, FY-21: \$1,113.0 million).

### 6.2 GROSS PREMIUMS

2H-22 gross premiums decreased 21% compared with the same period last year to \$7,737.7 million (2H-21: \$9,839.6 million) and FY-22 gross premiums decreased compared with last year to \$18,577.2 million (FY-21: \$18,956.3 million) due to lower sales in single premium products.

### 6.3 INVESTMENT INCOME, NET

Net investment income increased to \$1,455.1 million in 2H-22 and \$2,858.0 million in FY-22 (2H-21: \$1,382.8 million, FY-21: \$2,699.5 million) mainly from higher dividend and interest income.

### 6.4 LOSS ON SALE OF INVESTMENTS AND CHANGES IN FAIR VALUE

Sale of investments and changes in fair value resulted in a loss of \$735.8 million in 2H-22 and \$8,002.6 million in FY-22 (2H-21: loss of \$739.9 million, FY-21: loss of \$1,080.3 million). The loss in 2H-22 and FY-22 was mainly due to unrealised fair value loss as a result of unfavourable market conditions.

### 6.5 (LOSS)/GAIN ON EXCHANGE DIFFERENCES

Exchange differences resulted in a loss of \$154.6 million in 2H-22 and loss of \$78.0 million in FY-22 (2H-21: loss of \$1.0 million, FY-21: gain of \$36.7 million). The 2H-22 and FY-22 loss arose mainly from US Dollar denominated investments.

### 6.6 GROSS CLAIMS, MATURITIES, SURRENDERS AND ANNUITIES

Gross claims, maturities, surrenders and annuities decreased to \$5,365.8 million in 2H-22 and \$11,148.4 million in FY-22 (2H-21: \$7,125.1 million, FY-21: \$11,388.2 million) largely due to lower policy maturities.

### 6.7 COMMISSIONS AND DISTRIBUTION EXPENSES

Commissions and distribution expenses decreased to \$686.8 million in 2H-22 and \$1,386.5 million in FY-22 (2H-21: \$809.7 million, FY-21: \$1,489.7 million), in line with lower sales.

### 6.8 MANAGEMENT AND OTHER EXPENSES

Management and other expenses decreased to \$348.8 million in 2H-22 and to \$661.3 million in FY-22 (2H-21: \$368.6 million, FY-21: \$665.0 million). The decrease in 2H-22 and FY-22 was mainly due to lower staff cost.

### 6.9 GROSS CHANGE IN INSURANCE CONTRACT LIABILITIES

Gross change in insurance contract liabilities was \$1,561.1 million in 2H-22 and -\$669.9 million in FY-22 (2H-21: -\$1,269.1 million, FY-21: \$2,605.2 million). The lower valuation of insurance contract liabilities in FY-22 was mainly due to the increase in interest rates.

### 6.10 INCOME TAX CREDIT/(EXPENSE) ATTRIBUTABLE TO POLICYHOLDERS' RETURNS

Income tax attributable to policyholders' returns was an expense of \$32.5 million in 2H-22 and tax credit of \$248.9 million in FY-22 (2H-21: tax expense of \$1,035.2 million, FY-21: tax expense of \$1,294.0 million). Lower tax expense for 2H-22 and tax credit in FY-22 was mainly due to lower provision for deferred tax for future policyholders' returns.

### 6.11 INCOME TAX EXPENSE ATTRIBUTABLE TO SHAREHOLDERS' PROFITS

Tax expense of \$53.9 million in 2H-22 and \$169.3 million in FY-22 (2H-21: tax expense of \$89.2 million, FY-21: tax expense of \$221.1 million) was lower mainly due to write back of prior year provisions.

## 6.12 BALANCE SHEET

### 6.12.1 Fair Value Reserve

As at 31 December 2022, fair value reserve was -\$711.3 million, compared with \$281.7 million as at 31 December 2021. The decrease in fair value reserve was due to unrealised fair value loss from investments.

### 6.12.2 Investments

Investments decreased to \$88,760.4 million as at 31 December 2022 (31 December 2021: \$92,462.4 million). The split of investment assets was as follows:

in Singapore Dollars (millions)	Investments			Total
	FVTPL <sup>(1)</sup>	FVOCI <sup>(2)</sup>	AC <sup>(3)</sup>	
Par and Unit Linked Fund	65,831.8	24.4	-	<b>65,856.2</b>
Other Funds	10,970.7	10,131.0	1,802.5	<b>22,904.2</b>
<b>Balance at 31 Dec 2022</b>	<b>76,802.5</b>	<b>10,155.4</b>	<b>1,802.5</b>	<b>88,760.4</b>

in Singapore Dollars (millions)	Investments			Total
	FVTPL <sup>(1)</sup>	FVOCI <sup>(2)</sup>	AC <sup>(3)</sup>	
Par and Unit Linked Fund	70,829.5	31.2	-	<b>70,860.7</b>
Other Funds	11,695.0	9,664.4	242.3	<b>21,601.7</b>
<b>Balance at 31 Dec 2021</b>	<b>82,524.5</b>	<b>9,695.6</b>	<b>242.3</b>	<b>92,462.4</b>

<sup>(1)</sup> FVTPL - Fair Value Through Profit or Loss

<sup>(2)</sup> FVOCI - Fair Value Through Other Comprehensive Income

<sup>(3)</sup> AC - Amortised Cost

### 6.12.3 Asset allocation of life funds, excluding Investment-linked Funds, was as follows:

	SINGAPORE		MALAYSIA	
	31	31	31	31
	December	December	December	December
	2022	2021	2022	2021
Fixed income & debt securities	60%	61%	63%	61%
Equities	20%	24%	26%	28%
Real estate & others	6%	5%	8%	6%
Cash & money market instruments	14%	10%	3%	5%
Market Value of Assets (in SGD billions)	66.1	66.6	24.2	25.4

## 6.13 REGULATORY CAPITAL

The Capital Adequacy Ratios of the Group's insurance subsidiaries in both Singapore and Malaysia remain strong and well above their respective minimum regulatory levels.

## 7. SHARE CAPITAL

The Company's issued and paid up share capital as at 31 December 2022 was unchanged at \$152.7 million compared with 31 December 2021. Total number of shares issued as at 31 December 2022 also remained unchanged at 473,319,069 compared with 31 December 2021.

## 8. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those for audited financial statements as at 31 December 2021. The adoption of the new SFRS(I)s and amendments and interpretations of SFRS(I) which came into effect on 1 January 2022 did not have any material financial impact on the Group's results for 2H-22 and FY-22.



**9. AUDIT OR REVIEW**

The consolidated profit or loss statement and consolidated statement of comprehensive income of the Group for the six-month period ended 31 December 2022 and certain explanatory notes as presented in this announcement have not been audited or reviewed.

The Group has prepared a separate set of financial statements for the year ended 31 December 2022 in accordance with Singapore Financial Reporting Standards (International), which were audited by the Group's auditor. A copy of this auditor's report dated 21 February 2023 is attached in Section C to this announcement.

**10. FACTORS THAT MAY AFFECT GROUP PERFORMANCE IN THE NEXT REPORTING AND/OR 12-MONTH PERIOD**

We expect continued volatility in the financial markets, resulting in fluctuations in the mark-to-market valuation of our assets and liabilities, which will have an impact on our profitability. Notable indicators are the direction of interest rates, credit spreads and equity prices. However, our bonds are mostly investment grade, the default risk is likely to be low.

Adoption of SFRS(I) 17 Insurance Contracts

The Group will apply SFRS(I) 17 for the first time on 1 January 2023. It is a comprehensive new accounting standard for insurance and reinsurance contracts covering recognition, measurement, presentation and disclosure, and is expected to have a material impact on the Group's condensed consolidated financial statements in the period of initial application. SFRS(I) 17 replaces SFRS(I) 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023. The nature and effects of the changes in the Group accounting policies upon adoption of SFRS(I) 17 is disclosed in note 2.2 of the Condensed Consolidated Financial Statements in Section B to this announcement.

**11. INTERESTED PERSON TRANSACTIONS**

Pursuant to Rule 920(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"), GEH has not obtained a general mandate from shareholders for Interested Person Transactions.

**12. CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

Pursuant to Rule 720(1) of the Listing Manual, GEH confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

**13. RULE 704(13) OF THE LISTING MANUAL**

As at the financial year ended 31 December 2022, there were no persons occupying a managerial position in GEH or in any of its principal subsidiaries who are relatives of a director, chief executive officer or substantial shareholder of GEH.

Issued: 22 February 2023

**SECTION B – THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022**

**GREAT EASTERN HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199903008M)

Unaudited Interim Condensed Consolidated Financial Statements

31 December 2022

**GREAT EASTERN HOLDINGS LIMITED**

**CONDENSED CONSOLIDATED PROFIT OR LOSS STATEMENT**

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	<b>6 months ended 31 December 2022<sup>(a)</sup></b>	6 months ended 31 December 2021 <sup>(a)</sup>	<b>Full year ended 31 December 2022<sup>(b)</sup></b>	Full year ended 31 December 2021 <sup>(b)</sup>
<b>Income</b>					
Gross premiums		7,737.7	9,839.6	18,577.2	18,956.3
Premiums ceded to reinsurers		(460.2)	(390.3)	(870.0)	(766.9)
(Increase)/decrease in premium liabilities	7	(0.1)	2.0	(5.2)	0.2
Net premiums		7,277.4	9,451.3	17,702.0	18,189.6
Commissions received from/(paid to) reinsurers		24.3	(9.7)	51.5	51.4
Investment income, net	3	1,455.1	1,382.8	2,858.0	2,699.5
Rental income, net		12.9	11.8	28.0	27.8
Fees and other income		20.0	24.6	36.1	39.7
Loss on sale of investments and changes in fair value	4	(735.8)	(739.9)	(8,002.6)	(1,080.3)
Change in third-party interests in consolidated investment funds		(0.4)	-	0.2	-
(Loss)/gain on exchange differences		(154.6)	(1.0)	(78.0)	36.7
<b>Total income</b>		<b>7,898.9</b>	10,119.9	<b>12,595.2</b>	19,964.4
<b>less: Expenses</b>					
Gross claims, maturities, surrenders and annuities		5,365.8	7,125.1	11,148.4	11,388.2
Claims, maturities, surrenders and annuities recovered from reinsurers		(270.3)	(269.3)	(656.1)	(530.7)
Commissions and distribution expenses		686.8	809.7	1,386.5	1,489.7
(Decrease)/increase in provision for impairment of assets		(6.7)	(4.6)	29.1	1.5
Management and other expenses		348.8	368.6	661.3	665.0
Interest expense		-	-	-	0.2
Increase in provision for agents' retirement benefits		27.2	5.6	38.3	19.7
Depreciation and amortisation expenses	5	49.2	41.8	88.0	79.4
Gross change in insurance contract liabilities	7	1,561.1	(1,269.1)	(669.9)	2,605.2
Change in insurance contract liabilities ceded to reinsurers	7	(233.3)	1,736.4	(137.7)	1,597.7
<b>Total expenses</b>		<b>7,528.6</b>	8,544.2	<b>11,887.9</b>	17,315.9
<b>Profit before income tax</b>		<b>370.3</b>	1,575.7	<b>707.3</b>	2,648.5
Income tax (expense)/credit attributable to policyholders' returns	6	(32.5)	(1,035.2)	248.9	(1,294.0)
Profit before tax attributable to shareholders' profits		337.8	540.5	956.2	1,354.5
<b>Income tax (expense)/credit</b>		<b>(86.4)</b>	(1,124.4)	<b>79.6</b>	(1,515.1)
less: Income tax expense/(credit) attributable to policyholders' returns		32.5	1,035.2	(248.9)	1,294.0
Income tax (expense)/credit attributable to shareholders' profits	6	(53.9)	(89.2)	(169.3)	(221.1)
<b>Profit after income tax</b>		<b>283.9</b>	451.3	<b>786.9</b>	1,133.4
<b>Attributable to:</b>					
Shareholders		281.3	443.1	784.2	1,113.0
Non-controlling interests		2.6	8.2	2.7	20.4
		<b>283.9</b>	451.3	<b>786.9</b>	1,133.4
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)		<b>\$0.60</b>	\$0.93	<b>\$1.66</b>	\$2.35

(a) Unaudited and unreviewed

(b) Extracted from audited consolidated financial statements

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

GREAT EASTERN HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Group			
	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(b)</sup>	Full year ended 31 December 2021 <sup>(b)</sup>
in Singapore Dollars (millions)				
<b>Profit after income tax for the year</b>	<b>283.9</b>	451.3	<b>786.9</b>	1,133.4
<b>Other comprehensive (loss)/income:</b>				
<b>Items that will not be reclassified to the Profit or Loss Statement:</b>				
Exchange differences arising on translation of overseas entities attributable to non-controlling interests	(0.7)	-	(1.0)	(0.2)
Revaluation (loss)/gain on equity instruments at fair value through other comprehensive income	(47.4)	(14.7)	(257.1)	139.2
Income tax related to the above	7.8	2.5	44.1	(23.6)
<b>Items that may be reclassified subsequently to the Profit or Loss Statement:</b>				
Exchange differences arising on translation of overseas entities	(57.0)	2.6	(102.2)	(23.7)
Debt instruments at fair value through other comprehensive income:				
Changes in fair value	(143.2)	(59.6)	(1,011.1)	(253.2)
Changes in allowance for expected credit losses	(3.3)	(4.6)	(1.6)	(0.4)
Reclassification of realised loss/(gain) on disposal of investments to the Profit or Loss Statement	13.5	(0.9)	95.4	(49.3)
Income tax related to the above	23.6	11.1	157.7	50.6
<b>Other comprehensive loss for the year, after tax</b>	<b>(206.7)</b>	(63.6)	<b>(1,075.8)</b>	(160.6)
<b>Total comprehensive income/(loss) for the year</b>	<b>77.2</b>	387.7	<b>(288.9)</b>	972.8
<b>Total comprehensive income/(loss) attributable to:</b>				
Shareholders	75.3	379.5	(290.6)	952.6
Non-controlling interests	1.9	8.2	1.7	20.2
	<b>77.2</b>	387.7	<b>(288.9)</b>	972.8

(a) Unaudited and unreviewed

(b) Extracted from audited consolidated financial statements

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

**GREAT EASTERN HOLDINGS LIMITED**

**CONDENSED BALANCE SHEETS**

As at 31 December 2022

in Singapore Dollars (millions)	Note	Group		Company	
		2022 <sup>(a)</sup>	2021 <sup>(a)</sup>	2022 <sup>(a)</sup>	2021 <sup>(a)</sup>
<b>Share capital</b>		<b>152.7</b>	152.7	<b>152.7</b>	152.7
<b>Reserves</b>					
Merger reserve		-	-	<b>419.2</b>	419.2
Currency translation reserve		<b>(119.3)</b>	(17.1)	-	-
Fair value reserve		<b>(711.3)</b>	281.7	-	-
Retained earnings		<b>10,109.3</b>	9,612.3	<b>2,962.5</b>	3,121.7
<b>SHAREHOLDERS' EQUITY</b>		<b>9,431.4</b>	10,029.6	<b>3,534.4</b>	3,693.6
<b>NON-CONTROLLING INTERESTS</b>		<b>99.2</b>	106.8	-	-
<b>TOTAL EQUITY</b>		<b>9,530.6</b>	10,136.4	<b>3,534.4</b>	3,693.6
<b>LIABILITIES</b>					
<b>Insurance payables</b>		<b>7,146.6</b>	6,620.6	-	-
<b>Other creditors</b>		<b>2,109.9</b>	1,924.3	<b>8.5</b>	8.1
<b>Income tax payable</b>		<b>238.5</b>	328.6	-	-
<b>Derivative financial liabilities</b>	8	<b>292.0</b>	111.4	-	-
<b>Provision for agents' retirement benefits</b>		<b>295.8</b>	291.3	-	-
<b>Deferred tax</b>		<b>2,032.4</b>	2,579.0	-	-
<b>Insurance contract liabilities</b>	7	<b>86,272.5</b>	88,398.5	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>107,918.3</b>	110,390.1	<b>3,542.9</b>	3,701.7
<b>ASSETS</b>					
<b>Cash and cash equivalents</b>		<b>9,607.9</b>	9,117.7	<b>20.4</b>	19.8
<b>Other debtors</b>		<b>877.8</b>	904.5	-	0.4
<b>Insurance receivables</b>		<b>3,579.8</b>	3,335.6	-	-
<b>Asset held for sale</b>	10	<b>72.6</b>	-	-	-
<b>Reinsurers' share of insurance contract liabilities</b>	7	<b>1,002.5</b>	886.7	-	-
<b>Amount due from subsidiaries</b>		-	-	<b>2,480.9</b>	2,674.3
<b>Loans</b>		<b>480.5</b>	592.2	-	-
<b>Derivative financial assets</b>	8	<b>761.7</b>	369.9	-	-
<b>Investments</b>	9	<b>88,760.4</b>	92,462.4	-	-
<b>Deferred tax</b>		<b>58.4</b>	-	-	-
<b>Investment in associate</b>		<b>122.5</b>	95.2	-	-
<b>Investment in subsidiaries</b>		-	-	<b>1,041.6</b>	1,007.1
<b>Intangible assets</b>		<b>203.6</b>	195.0	-	-
<b>Investment properties</b>		<b>1,881.2</b>	1,883.9	-	-
<b>Property, plant and equipment</b>	11	<b>509.4</b>	547.0	-	0.1
<b>TOTAL ASSETS</b>		<b>107,918.3</b>	110,390.1	<b>3,542.9</b>	3,701.7

(a) Extracted from audited consolidated financial statements

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

GREAT EASTERN HOLDINGS LIMITED

**CONDENSED STATEMENT OF CHANGES IN EQUITY - GROUP**

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Attributable to shareholders of the Company <sup>(a)</sup>				Total	Non-Controlling Interests <sup>(a)</sup>	Total Equity <sup>(a)</sup>
		Share Capital	Currency Translation Reserve	Fair Value Reserve	Retained Earnings			
<b>Balance at 1 January 2022</b>		152.7	(17.1)	281.7	9,612.3	10,029.6	106.8	10,136.4
<b>Profit for the year</b>		-	-	-	784.2	784.2	2.7	786.9
<b>Other comprehensive (loss)/income</b>								
Exchange differences arising on translation of overseas entities		-	(102.2)	-	-	(102.2)	(1.0)	(103.2)
Net revaluation loss on equity instruments at fair value through other comprehensive income		-	-	(213.0)	-	(213.0)	-	(213.0)
<b>Debt instruments at FVOCI:</b>								
Changes in fair value		-	-	(1,011.1)	-	(1,011.1)	-	(1,011.1)
Changes in allowance for expected credit losses		-	-	(1.6)	-	(1.6)	-	(1.6)
Reclassification of realised loss on disposal of investments to the Profit or Loss Statement	4	-	-	95.4	-	95.4	-	95.4
Income tax related to the above		-	-	157.7	-	157.7	-	157.7
<b>Other comprehensive loss for the year, after tax</b>		-	(102.2)	(972.6)	-	(1,074.8)	(1.0)	(1,075.8)
<b>Total comprehensive (loss)/income for the year</b>		-	(102.2)	(972.6)	784.2	(290.6)	1.7	(288.9)
Reclassification of net change in fair value of equity instruments upon derecognition		-	-	(20.4)	20.4	-	-	-
<b>Distributions to shareholders</b>								
<b>Dividends paid during the year:</b>								
Final one-tier tax exempt dividend for the previous year	16	-	-	-	(260.3)	(260.3)	-	(260.3)
Interim one-tier tax exempt dividend	16	-	-	-	(47.3)	(47.3)	-	(47.3)
Dividends paid to non-controlling interests		-	-	-	-	-	(9.3)	(9.3)
<b>Total distributions to shareholders</b>		-	-	-	(307.6)	(307.6)	(9.3)	(316.9)
<b>Total transactions with shareholders in their capacity as shareholders</b>		-	-	-	(307.6)	(307.6)	(9.3)	(316.9)
<b>Balance at 31 December 2022</b>		152.7	(119.3)	(711.3)	10,109.3	9,431.4	99.2	9,530.6

(a) Extracted from audited consolidated financial statements

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

**GREAT EASTERN HOLDINGS LIMITED**

**CONDENSED STATEMENT OF CHANGES IN EQUITY - GROUP**

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Attributable to shareholders of the Company <sup>(a)</sup>				Total	Non-Controlling Interests <sup>(a)</sup>	Total Equity <sup>(a)</sup>
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Retained Earnings			
Balance at 1 January 2021	152.7	6.6	464.9	8,736.8	9,361.0	113.5	9,474.5
Profit for the year	-	-	-	1,113.0	1,113.0	20.4	1,133.4
<u>Other comprehensive (loss)/income</u>							
Exchange differences arising on translation of overseas entities	-	(23.7)	-	-	(23.7)	(0.2)	(23.9)
Net revaluation gain on equity instruments at fair value through other comprehensive income	-	-	115.6	-	115.6	-	115.6
Debt instruments at FVOCI:							
Changes in fair value	-	-	(253.2)	-	(253.2)	-	(253.2)
Changes in allowance for expected credit losses	-	-	(0.4)	-	(0.4)	-	(0.4)
Reclassification of realised gain on disposal of investments to the Profit or Loss Statement	4	-	(49.3)	-	(49.3)	-	(49.3)
Income tax related to the above	-	-	50.6	-	50.6	-	50.6
Other comprehensive loss for the year, after tax	-	(23.7)	(136.7)	-	(160.4)	(0.2)	(160.6)
Total comprehensive (loss)/income for the year	-	(23.7)	(136.7)	1,113.0	952.6	20.2	972.8
Reclassification of net change in fair value of equity instruments upon derecognition	-	-	(46.5)	46.5	-	-	-
<u>Distributions to shareholders</u>							
Dividends paid during the year:							
Final one-tier tax exempt dividend for the previous year	16	-	-	(236.7)	(236.7)	-	(236.7)
Interim one-tier tax exempt dividend	16	-	-	(47.3)	(47.3)	-	(47.3)
Dividends paid to non-controlling interests	-	-	-	-	-	(26.9)	(26.9)
Total distributions to shareholders	-	-	-	(284.0)	(284.0)	(26.9)	(310.9)
Total transactions with shareholders in their capacity as shareholders	-	-	-	(284.0)	(284.0)	(26.9)	(310.9)
Balance at 31 December 2021	152.7	(17.1)	281.7	9,612.3	10,029.6	106.8	10,136.4

<sup>(a)</sup> Extracted from audited consolidated financial statements

The accompanying significant accounting policies and explanatory notes form an integral part of the financial statements.

**GREAT EASTERN HOLDINGS LIMITED**

**CONDENSED STATEMENT OF CHANGES IN EQUITY - COMPANY**

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Share Capital <sup>(a)</sup>	Merger Reserve <sup>(a)</sup>	Retained Earnings <sup>(a)</sup>	Total Equity <sup>(a)</sup>
<b>Balance at 1 January 2022</b>		<b>152.7</b>	<b>419.2</b>	<b>3,121.7</b>	<b>3,693.6</b>
<b>Profit for the year</b>		-	-	<b>148.4</b>	<b>148.4</b>
<b>Total comprehensive income for the year</b>		-	-	<b>148.4</b>	<b>148.4</b>
<b><u>Distributions to shareholders</u></b>					
<b>Dividends paid during the year:</b>					
<b>Final one-tier tax exempt dividend     for the previous year</b>	16	-	-	<b>(260.3)</b>	<b>(260.3)</b>
<b>Interim one-tier tax exempt dividend</b>	16	-	-	<b>(47.3)</b>	<b>(47.3)</b>
<b>Total distributions to shareholders</b>		-	-	<b>(307.6)</b>	<b>(307.6)</b>
<b>Total transactions with shareholders in     their capacity as shareholders</b>		-	-	<b>(307.6)</b>	<b>(307.6)</b>
<b>Balance at 31 December 2022</b>		<b>152.7</b>	<b>419.2</b>	<b>2,962.5</b>	<b>3,534.4</b>
Balance at 1 January 2021		152.7	419.2	3,130.7	3,702.6
Profit for the year		-	-	<b>275.0</b>	<b>275.0</b>
Total comprehensive income for the year		-	-	<b>275.0</b>	<b>275.0</b>
<b><u>Distributions to shareholders</u></b>					
<b>Dividends paid during the year:</b>					
<b>Final one-tier tax exempt dividend for     the previous year</b>	16	-	-	<b>(236.7)</b>	<b>(236.7)</b>
<b>Interim one-tier tax exempt dividend</b>	16	-	-	<b>(47.3)</b>	<b>(47.3)</b>
<b>Total distributions to shareholders</b>		-	-	<b>(284.0)</b>	<b>(284.0)</b>
<b>Total transactions with shareholders in their     capacity as shareholders</b>		-	-	<b>(284.0)</b>	<b>(284.0)</b>
<b>Balance at 31 December 2021</b>		<b>152.7</b>	<b>419.2</b>	<b>3,121.7</b>	<b>3,693.6</b>

<sup>(a)</sup> Extracted from audited consolidated financial statements

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



**GREAT EASTERN HOLDINGS LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax		<b>707.3</b>	2,648.5
<i>Adjustments for non-cash items:</i>			
Loss on sale of investments and changes in fair value	4	<b>8,002.6</b>	1,080.3
Increase in provision for impairment of assets		<b>29.1</b>	1.5
Increase in provision for agents' retirement benefits		<b>38.3</b>	19.7
Depreciation and amortisation expenses	5	<b>88.0</b>	79.4
Unrealised (loss)/gain on exchange differences		<b>78.0</b>	(36.7)
Gross change in insurance contract liabilities	7	<b>(669.9)</b>	2,605.2
Change in insurance contract liabilities ceded to reinsurers	7	<b>(137.7)</b>	1,597.7
Change in premium liabilities	7	<b>5.2</b>	(0.2)
Dividend income	3	<b>(716.8)</b>	(668.8)
Interest income	3	<b>(2,284.6)</b>	(2,165.9)
Interest expense		-	0.2
Interest expense on policy benefits and lease liabilities	5	<b>208.7</b>	201.0
Share-based payments		<b>8.2</b>	7.1
		<b>5,356.4</b>	5,369.0
<i>Changes in working capital:</i>			
Insurance receivables		<b>(533.2)</b>	(318.3)
Other debtors		<b>(30.7)</b>	93.4
Insurance payables		<b>(322.9)</b>	595.0
Other creditors		<b>(117.4)</b>	(945.9)
Cash generated from operations		<b>4,352.2</b>	4,793.2
Income tax paid		<b>(418.1)</b>	(299.9)
Interest paid on policy benefits and lease liabilities		<b>(208.7)</b>	(201.0)
Agents' retirement benefits paid		<b>(16.2)</b>	(18.7)
<b>Net cash flows generated from operating activities</b>		<b>3,709.2</b>	4,273.6

<sup>(a)</sup> Extracted from audited consolidated financial statements

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

**GREAT EASTERN HOLDINGS LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from maturities and sale of investments		37,062.9	36,754.2
Purchase of investments		(42,882.2)	(43,589.0)
Proceeds from sale of property, plant and equipment		0.5	3.0
Purchase of property, plant and equipment and investment properties		(14.9)	(41.1)
Acquisition of intangible assets		(56.0)	(63.3)
Interest income received		2,282.5	2,178.1
Interest expense paid		-	(9.3)
Dividends received		719.0	686.5
<b>Net cash flows used in investing activities</b>		<b>(2,888.2)</b>	<b>(4,080.9)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	16	(307.6)	(284.0)
Dividends paid to non-controlling interests		(9.3)	(26.9)
Principal element of lease payments		(13.9)	(13.9)
Redemption of debt issued		-	(400.0)
<b>Net cash flows used in financing activities</b>		<b>(330.8)</b>	<b>(724.8)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>490.2</b>	<b>(532.1)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>9,117.7</b>	<b>9,649.8</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>9,607.9</b>	<b>9,117.7</b>
<b>Cash and cash equivalents comprise:</b>			
<b>Cash and bank balances</b>		<b>3,026.1</b>	<b>2,544.0</b>
<b>Cash on deposit</b>		<b>2,683.2</b>	<b>2,623.9</b>
<b>Short term instruments</b>		<b>3,898.6</b>	<b>3,949.8</b>
		<b>9,607.9</b>	<b>9,117.7</b>

Included in the cash and cash equivalents are bank deposits amounting to \$9.4 million (31 December 2021: \$8.4 million) which are lodged with the regulator as statutory deposits, which are not available for use by the Group.

<sup>(a)</sup> Extracted from audited consolidated financial statements

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

The condensed consolidated financial statements were authorised by the Board of Directors on 21 February 2023.

**1 GENERAL**

Great Eastern Holdings Limited (the "Company" or "GEH") is a limited liability company which is incorporated and domiciled in the Republic of Singapore. The notes refer to the Company and the Group unless otherwise stated. The registered office and principal place of business of the Company is located at 1 Pickering Street, #16-01, Great Eastern Centre, Singapore 048659.

The principal activity of the Company is that of an investment holding company.

The Company's immediate and ultimate holding company is Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), which prepares financial statements for public use.

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES**

**2.1 Basis of Preparation**

The condensed consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*, and do not include all of the information and disclosures required in the annual financial statements. These condensed interim consolidated financial statements are to be read in conjunction with the Group's financial statements for the year ended 31 December 2021.

The condensed consolidated financial statements have been prepared under the historical cost convention.

The condensed consolidated financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest \$0.1 million except as otherwise stated.

**2.2 Changes in Accounting Policies**

**2.2.1 New standards and amendments**

A number of amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

**2.2.2 SFRS(I) not yet effective**

The Group will apply SFRS(I) 17 for the first time on 1 January 2023. It is a comprehensive new accounting standard for insurance and reinsurance contracts covering recognition, measurement, presentation and disclosure, and is expected to have a material impact on the Group's condensed consolidated financial statements in the period of initial application.

**A. SFRS(I) 17 Insurance Contracts**

SFRS(I) 17 replaces SFRS(I) 4 *Insurance Contracts* and is effective for annual periods beginning on or after 1 January 2023. The nature and effects of the changes in the Group accounting policies are summarised below.

**i. Identifying contracts in the scope of SFRS(I) 17**

SFRS(I) 17 establishes specific principles for the recognition, measurement, presentation and disclosure of insurance contracts issued and reinsurance contracts held by the Group.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.2 Changes in Accounting Policies (continued)**

**2.2.2 SFRS(I) not yet effective (continued)**

**A. SFRS(I) 17 Insurance Contracts (continued)**

**i. Identifying contracts in the scope of SFRS(I) 17 (continued)**

The key principles of SFRS(I) 17 are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance contracts and accounts for them in accordance with other standards; and
- Divides the insurance and reinsurance contracts into groups they will recognise and measure.

**ii. Level of aggregation**

Under SFRS(I) 17, insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into quarterly cohorts (by quarter of issuance) for life insurance or annual cohorts (by year of issuance) for non-life insurance, into three groups based on the expected profitability of the contracts:

- (i) any contracts that are onerous at initial recognition;
- (ii) any contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- (iii) any remaining contracts in the portfolio.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The profitability groupings are not reassessed under subsequent measurement.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts into quarterly cohorts (by quarters) for life reinsurance treaties and each annual cohort (by calendar year) for non-life reinsurance contracts into groups of:

- (i) contracts for which there is a net gain at initial recognition, if any;
- (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
- (iii) remaining contracts in the portfolio, if any.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.2 Changes in Accounting Policies (continued)**

**2.2.2 SFRS(I) not yet effective (continued)**

**A. SFRS(I) 17 Insurance Contracts (continued)**

**ii. Level of aggregation (continued)**

Reinsurance contracts held are assessed for aggregation requirements on an individual reinsurance treaty basis.

The level of aggregation requirements of SFRS(I) 17 limits the offsetting of gains on groups of profitable contracts, which are generally deferred as a Contractual Service Margin ("CSM"), against losses on groups of onerous contracts, which are recognised immediately.

**iii. Contract Boundary**

Under SFRS(I) 17, the measurement of a group of insurance contracts includes all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- Both of the following criteria are satisfied:
  - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
  - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Fulfilment cash flows relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

For life insurance contracts with renewal periods, the Group assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Group by considering all the risks covered for the policyholder by the Group, that the Group would consider when underwriting equivalent contracts on the renewal dates for the remaining service. Therefore, the cash flows related to renewals of insurance contracts will not be included in the contract boundary.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer. A substantive right to receive services from the reinsurer ends either when the reinsurer can reprice the contract to fully reflect the reinsured risk, or when the reinsurer has a substantive right to terminate coverage.

The Group reassesses contract boundaries of each group at the end of each reporting period.

Cash flows that are not directly attributable to a portfolio of insurance contracts, are recognised in other operating expenses as incurred.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.2 Changes in Accounting Policies (continued)**

**2.2.2 SFRS(I) not yet effective (continued)**

**A. SFRS(I) 17 Insurance Contracts (continued)**

**iv. Measurement - Overview**

SFRS(I) 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a Contractual Service Margin ("CSM"). For an explanation of how the Group will apply the measurement model, see Note 2.2.2A(v).

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which the Group promises an investment return based on underlying items; they are contracts for which, at inception:

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

All other insurance and all reinsurance contracts are expected to be classified as contracts without direct participation features.

Some of these contracts are measured under the Premium Allocation Approach ("PAA") (see Note 2.2.2A(vi)). The PAA is an optional simplified measurement model in SFRS(I) 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. This approach will be used for non-life insurance yearly renewable contracts, because each of these contracts have a coverage period of one year or less, or meets the eligibility criteria.

**v. Measurement – contracts not measured under the PAA**

On initial recognition, the Group measures a group of insurance contracts as the total of (a) the fulfilment cash flows, and (b) the CSM. The fulfilment cash flows of a group of insurance contracts do not reflect the Group's non-performance risk.

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.2 Changes in Accounting Policies (continued)**

**2.2.2 SFRS(I) not yet effective (continued)**

**A. SFRS(I) 17 Insurance Contracts (continued)**

**v. Measurement – contracts not measured under the PAA (continued)**

Fulfilment Cash Flows (“FCF”)

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- (a) are based on a probability-weighted mean of the full range of possible outcomes;
- (b) are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
- (c) reflect conditions existing at the measurement date.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows.

CSM

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

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

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

Subsequent Measurement

Subsequently, the carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage (“LRC”) comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims (“LIC”) includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.2 Changes in Accounting Policies (continued)****2.2.2 SFRS(I) not yet effective (continued)****A. SFRS(I) 17 Insurance Contracts (continued)****v. Measurement – contracts not measured under the PAA (continued)**Subsequent Measurement (continued)

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

<b>Changes relating to future service</b>	Adjusted against CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
<b>Changes relating to current or past services</b>	Recognised in the insurance service result in profit or loss
<b>Effects of the time value of money, financial risk and changes therein on estimated cash flows</b>	Recognised as insurance finance income or expenses in profit or loss, except for certain portfolios measured using the GMM where the OCI option is applied.

- The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future services.

Reinsurance contracts

The Group will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

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

The risk adjustment for non-financial risk will represent the amount of risk being transferred by the Group to the reinsurer.



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.2 Changes in Accounting Policies (continued)**

**2.2.2 SFRS(I) not yet effective (continued)**

**A. SFRS(I) 17 Insurance Contracts (continued)**

**v. Measurement – contracts not measured under the PAA (continued)**

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance income or expense as it receives insurance contract services from the reinsurer in the future.

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

Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group; and to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

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

Under SFRS(I) 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

SFRS(I) 17 will require the Group to assess at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.2 Changes in Accounting Policies (continued)****2.2.2 SFRS(I) not yet effective (continued)****A. SFRS(I) 17 Insurance Contracts (continued)****v. Measurement – contracts not measured under the PAA (continued)**Impact assessment

Under SFRS(I) 17, all profits will be recognised in profit or loss over the life of the contracts, and this will primarily be driven by the timing of the recognition in profit or loss of the CSM as services are provided and the risk adjustment for non-financial risk as the related risk expires. The Group expects that, even though the total profit recognised over the lifetime of the contracts will not change, it will emerge differently under SFRS(I) 17.

The increase in liabilities for Life contracts on transition to SFRS(I) 17 can mainly be attributed to the following.

<b>Key changes from SFRS(I) 4</b>	<b>Impact on equity on transition to SFRS(I) 17 at 1 January 2022</b>
The estimates of the present value of future cash flows will increase as a result of a reduction in the discount rates because of the SFRS(I) 17 requirements to measure future cash flows using current discount rates.	<b>Decrease</b>
The risk adjustment for non-financial risk under SFRS(I) 17 will be lower than the risk margin under SFRS(I) 4 as a result of (a) recalibration of the measurement techniques to conform with the SFRS(I) 17 requirements, and (b) exclusion of financial risk from the SFRS(I) 17 risk adjustment for non-financial risk for certain entities with the Group.	<b>Increase</b>
A CSM, determined using the transition approaches described under Note 2.2.2B, will be recognised for the unearned profit for these contracts.	<b>Decrease</b>

**vi. Measurement – contracts measured under the PAA**

For insurance contracts issued, on initial recognition, the Group measures the liability for remaining coverage ("LRC") at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid net of commission, plus broker fees paid to a party other than the reinsurer.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of the LRC and the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of the asset for remaining coverage and the asset for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.2 Changes in Accounting Policies (continued)****2.2.2 SFRS(I) not yet effective (continued)****A. SFRS(I) 17 Insurance Contracts (continued)****vi. Measurement – contracts measured under the PAA (continued)**

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- (a) increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
- (b) decreased for insurance acquisition cash flows paid in the period;
- (c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period;
- (d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses; and
- (e) increased for net insurance finance expenses recognised during the period.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- (a) increased for ceding premiums, net of commission, paid in the period;
- (b) increased for broker fees paid in the period;
- (c) decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.
- (d) increased for net reinsurance finance income recognised during the period.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the General Measurement Model ("GMM"). Future cash flows are adjusted for the time value of money and the effect of financial risk.

Impact assessment

Although the PAA is similar to the Group's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for contracts under PAA.

<b>Changes from SFRS(I) 4</b>	<b>Impact on equity on transition to SFRS(I) 17 at 1 January 2022</b>
Under SFRS(I) 17, the Group will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date of which the claims are incurred. The Group generally does not currently discount such future cash flows for non-life contracts.	<b>Increase</b>
The Group's accounting policy under SFRS(I) 17 to recognise separately eligible insurance acquisition cash flows when they are incurred as deferred acquisition costs differs from current practice.	<b>Increase</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.2 Changes in Accounting Policies (continued)**

**2.2.2 SFRS(I) not yet effective (continued)**

**A. SFRS(I) 17 Insurance Contracts (continued)**

**vii. Measurement – Significant Judgments and Estimates**

The Group makes estimates, assumptions and judgments in its estimates of future cash flows, discount rates used, risk adjustments for non-financial risk, and CSM. At the date of these financial statements, the Group is still in the midst of finalising the judgments and estimation techniques employed, which are subject to change until the Group reports SFRS(I) 17 for the first time in calendar year 2023.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the observable market yields of Government Securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates. The Group does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The confidence level technique was used to derive the overall risk adjustment for non-financial risk. Applying a confidence level technique, the Group will estimate the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associate risks over all future years. The target confidence level will be at 85<sup>th</sup> percentile.

Estimates of future cash flows

In estimating future cash flows, the Group will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience updated to reflect current expectations of future events.

The estimates of future cash flows will reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.2 Changes in Accounting Policies (continued)**

**2.2.2 SFRS(I) not yet effective (continued)**

**A. SFRS(I) 17 Insurance Contracts (continued)**

**vii. Measurement – Significant Judgments and Estimates (continued)**

When estimating future cash flows, the Group will take into account current expectations of future events that might affect cash flows. Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows will be attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities will be allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics.

**viii. Presentation and disclosure**

Under SFRS(I) 17, for presentation in the balance sheet, the Group will aggregate portfolios of insurance and reinsurance contracts held and present separately:

- Portfolios of insurance contracts that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts that are liabilities; and
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the SFRS(I) 17 requirements.

The descriptions of the line items in the Condensed Consolidated Profit or Loss Statement will change significantly compared with the Group's current practice. Under SFRS(I) 4, the Group reports the following line items: premiums, claims, maturities, surrenders and annuities and change in insurance contract liabilities. SFRS(I) 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expense;
- Insurance finance income or expense; and
- Income or expenses from reinsurance contracts held.

The Group will provide disaggregated qualitative and quantitative information in the notes to the financial statements about:

- The amounts recognised in its financial statements from insurance contracts and reinsurance contracts; and
- Significant judgments, and changes in those judgments made when applying the standard.

Insurance service result comprises insurance revenue and insurance service expenses.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.2 Changes in Accounting Policies (continued)**

**2.2.2 SFRS(I) not yet effective (continued)**

**A. SFRS(I) 17 Insurance Contracts (continued)**

**viii. Presentation and disclosure (continued)**

Insurance revenue

As the Group provides insurance contract services under the insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

The requirements of SFRS(I) 17 to recognise insurance revenue over the coverage period will result in slower revenue recognition compared with the Group's current practice of recognising revenue when the related premiums are written. Many insurance premiums include an investment (that is, deposit) component – an amount that will be paid to policyholders or their beneficiaries in all circumstances, regardless of whether an insured event occurs. The receipt and repayment of these non-distinct investment components do not relate to the provision of insurance services; therefore, such amounts are not presented as part of the Group's revenue or insurance service expenses.

Insurance service expense

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses that relate directly to the fulfilment of insurance contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment contracts are included in other operating expenses in the consolidated statement of profit or loss.

Insurance finance income or expenses

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

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

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income or expenses for life insurance. For non-life insurance, the entire change in the risk adjustment for non-financial risk is included in insurance service results.

For conventional life and non-life insurance contracts, the Group includes all insurance finance income or expenses for the period in profit or loss, except for certain portfolios measured using the GMM where the Other Comprehensive Income ("OCI") option is applied. This is expected to reduce accounting mismatches in profit or loss, considering that many of the supporting financial assets will be debt investments measured at fair value through other comprehensive income ("FVOCI").

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.2 Changes in Accounting Policies (continued)**

**2.2.2 SFRS(I) not yet effective (continued)**

**A. SFRS(I) 17 Insurance Contracts (continued)**

**viii. Presentation and disclosure (continued)**

Insurance finance income or expenses (continue)

The Group systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts.

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Group reclassifies the insurance finance income or expenses to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

Disclosure

SFRS(I) 17 requires extensive new disclosures about amounts recognised in the financial statements, including detailed reconciliations of contracts, effects of newly recognised contracts and information on the expected CSM emergence pattern, as well as disclosures about significant judgments made when applying SFRS(I) 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts and reinsurance contracts. Disclosures will generally be made at a more granular level than under SFRS(I) 4, providing more transparent information for assessing the effects of contracts on the financial statements.

**B. Transition**

The Group will restate the comparative information based on the transition approaches taken on adoption of SFRS(I) 17.

Changes in accounting policies resulting from the adoption of SFRS(I) 17 will be applied using the full retrospective approach to the extent practicable. The full retrospective approach will be applied to insurance contracts that were originated less than one year prior to the effective date. The modified retrospective approach will be applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date. The fair value approach will be applied to the remaining insurance contracts in force at transition date.

**2.3 Use of Estimates and Judgments**

In preparing these interim financial statements, management has made estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

in Singapore Dollars (millions)		Group			
		6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(b)</sup>	Full year ended 31 December 2021 <sup>(b)</sup>
<b>3</b>	<b>INVESTMENT INCOME, NET</b>				
	Dividend income				
	- Investments				
	Financial assets measured at fair value through other comprehensive income (FVOCI)	34.3	46.8	76.3	81.3
	Financial assets mandatorily measured at fair value through profit or loss (FVTPL)	320.4	301.0	640.5	587.5
		<b>354.7</b>	347.8	<b>716.8</b>	668.8
	Interest income				
	- Investments				
	Financial assets measured at FVOCI	138.2	97.6	249.9	192.2
	Financial assets mandatorily measured at FVTPL	139.1	104.9	267.9	211.9
	Financial assets designated at FVTPL	725.5	757.3	1,464.7	1,478.3
	- Financial assets at amortised cost	164.9	142.9	302.1	283.5
		<b>1,167.7</b>	1,102.7	<b>2,284.6</b>	2,165.9
		<b>1,522.4</b>	1,450.5	<b>3,001.4</b>	2,834.7
	less: Investment related expenses	(67.3)	(67.7)	(143.4)	(135.2)
		<b>1,455.1</b>	1,382.8	<b>2,858.0</b>	2,699.5
<b>4</b>	<b>LOSS ON SALE OF INVESTMENTS AND CHANGES IN FAIR VALUE</b>				
	Changes in fair value of investment properties	91.3	84.3	91.3	84.3
	Net (loss)/gain on sale of debt securities measured at FVOCI	(13.5)	1.2	(95.4)	49.6
	Changes in fair value of investment in associate	24.4	-	24.4	-
	Changes in fair value of investments				
	- mandatorily measured at FVTPL	(400.8)	(10.1)	(4,257.4)	1,202.3
	- designated as FVTPL	(437.2)	(815.3)	(3,765.5)	(2,416.5)
		<b>(838.0)</b>	(825.4)	<b>(8,022.9)</b>	(1,214.2)
		<b>(735.8)</b>	(739.9)	<b>(8,002.6)</b>	(1,080.3)
<b>5</b>	<b>ADDITIONAL PROFIT OR LOSS DISCLOSURES</b>				
	Staff costs and related expenses	197.3	219.5	398.9	401.0
	Fee income	18.2	22.3	33.7	37.4
	Depreciation and amortisation expenses	49.2	41.8	88.0	79.4
	Depreciation	24.0	28.7	45.3	44.2
	Amortisation	25.2	13.1	42.7	35.2
	Interest expense	107.2	99.5	208.7	201.0
	On policy benefits	106.3	98.5	206.8	198.8
	On lease liability	0.9	1.0	1.9	2.2

<sup>(a)</sup> Unaudited and unreviewed<sup>(b)</sup> Extracted from audited consolidated financial statements



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Group			
	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(b)</sup>	Full year ended 31 December 2021 <sup>(b)</sup>

**6 INCOME TAX****Major components of income tax expense/(credit)**

The major components of income tax expense for the years ended 31 December 2022 and 2021 are:

**(a) Income tax expense/(credit) attributable to policyholders' returns**

Current income tax:

- Current income taxation	81.5	81.1	163.6	165.0
- (Over)/under provision in respect of previous	(14.0)	0.1	(20.7)	(1.0)
	67.5	81.2	142.9	164.0

Deferred income tax:

- Origination and reversal of temporary differences	(35.0)	954.0	(391.8)	1,130.0
	(35.0)	954.0	(391.8)	1,130.0
	32.5	1,035.2	(248.9)	1,294.0

**(b) Income tax expense attributable to shareholders' profits**

Current income tax:

- Current income taxation	71.7	84.6	220.7	240.2
- Over provision in respect of previous years	(26.2)	(6.3)	(49.3)	(24.3)
	45.5	78.3	171.4	215.9

Deferred income tax:

- Origination and reversal of temporary differences	8.4	10.9	(2.1)	5.2
	8.4	10.9	(2.1)	5.2
	53.9	89.2	169.3	221.1

<sup>(a)</sup> Unaudited and unreviewed<sup>(b)</sup> Extracted from audited consolidated financial statements

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	<b>Group</b>		
<b>7 INSURANCE CONTRACT LIABILITIES</b>		<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
<b>31 December 2022<sup>(a)</sup></b>				
Life insurance contracts	7.1	85,565.0	(579.8)	84,985.2
Non-life insurance contracts	7.2	707.5	(422.7)	284.8
		<b>86,272.5</b>	<b>(1,002.5)</b>	<b>85,270.0</b>
		Gross	Reinsurance	Net
31 December 2021 <sup>(a)</sup>				
Life insurance contracts	7.1	87,718.3	(472.5)	87,245.8
Non-life insurance contracts	7.2	680.2	(414.2)	266.0
		<b>88,398.5</b>	<b>(886.7)</b>	<b>87,511.8</b>
<b>7.1 Life insurance contracts</b>		<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
<b>31 December 2022<sup>(a)</sup></b>				
Life insurance contract liabilities		84,936.2	(579.8)	84,356.4
Unallocated surplus		628.8	-	628.8
		<b>85,565.0</b>	<b>(579.8)</b>	<b>84,985.2</b>
		Gross	Reinsurance	Net
31 December 2021 <sup>(a)</sup>				
Life insurance contract liabilities		86,958.4	(472.5)	86,485.9
Unallocated surplus		759.9	-	759.9
		<b>87,718.3</b>	<b>(472.5)</b>	<b>87,245.8</b>

<sup>(a)</sup> Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7 INSURANCE CONTRACT LIABILITIES (continued)

7.1 Life insurance contracts (continued)

in Singapore Dollars (millions)

Group

7.1.1 Movement in life insurance contract liabilities <sup>(a)</sup>	Gross	Reinsurance	Net
<b>Balance at 1 July 2022</b>	<b>84,833.8</b>	<b>(356.1)</b>	<b>84,477.7</b>
<b>Currency translation reserve adjustment</b>	<b>(813.2)</b>	<b>7.7</b>	<b>(805.5)</b>
<b>Change in life insurance contract liabilities</b>			
- Due to assumptions change	(1,464.9)	(25.7)	(1,490.6)
- Due to change in discount rate	1,225.8	(27.1)	1,198.7
- Due to movement during the period	1,361.3	(178.6)	1,182.7
<b>Reversal of provision for deferred tax on future policyholders' returns</b>	<b>79.4</b>	<b>-</b>	<b>79.4</b>
<b>Unallocated surplus</b>	<b>341.5</b>	<b>-</b>	<b>341.5</b>
<b>Others</b>	<b>1.3</b>	<b>-</b>	<b>1.3</b>
<b>Balance at 31 December 2022</b>	<b>85,565.0</b>	<b>(579.8)</b>	<b>84,985.2</b>
	Gross	Reinsurance	Net
Balance at 1 July 2021	89,032.9	(2,230.4)	86,802.5
Currency translation reserve adjustment	(7.8)	(0.2)	(8.0)
Change in life insurance contract liabilities	-	-	-
- Due to assumptions change	(537.0)	73.5	(463.5)
- Due to change in discount rate	(187.7)	16.6	(171.1)
- Due to movement during the period	1,750.1	1,668.0	3,418.1
Provision for deferred tax on future policyholders' returns	(1,041.4)	-	(1,041.4)
Unallocated surplus	(1,282.6)	-	(1,282.6)
Others	(8.2)	-	(8.2)
Balance at 31 December 2021	87,718.3	(472.5)	87,245.8

(a) Unaudited and unreviewed

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 7 INSURANCE CONTRACT LIABILITIES (continued)

## 7.1 Life insurance contracts (continued)

in Singapore Dollars (millions)

Group

7.1.2 Movement in life insurance contract liabilities <sup>(a)</sup>	Gross	Reinsurance	Net
<b>Balance at 1 January 2022</b>	<b>87,718.3</b>	<b>(472.5)</b>	<b>87,245.8</b>
Currency translation reserve adjustment	(1,439.4)	11.2	(1,428.2)
<b>Change in life insurance contract liabilities</b>			
- Due to assumptions change	(1,499.0)	(20.8)	(1,519.8)
- Due to change in discount rate	(3,625.5)	0.5	(3,625.0)
- Due to movement during the year	4,120.6	(98.2)	4,022.4
Reversal of provision for deferred tax on future policyholders' returns	344.0	-	344.0
Unallocated surplus	(53.1)	-	(53.1)
Others	(0.9)	-	(0.9)
<b>Balance at 31 December 2022</b>	<b>85,565.0</b>	<b>(579.8)</b>	<b>84,985.2</b>
	Gross	Reinsurance	Net
Balance at 1 January 2021	85,687.8	(2,209.0)	83,478.8
Currency translation reserve adjustment	(418.1)	2.3	(415.8)
Change in life insurance contract liabilities			
- Due to assumptions change	(524.5)	71.1	(453.4)
- Due to change in discount rate	(769.0)	51.8	(717.2)
- Due to movement during the year	6,948.7	1,611.3	8,560.0
Provision for deferred tax on future policyholders' returns	(1,209.0)	-	(1,209.0)
Unallocated surplus	(1,984.8)	-	(1,984.8)
Others	(12.8)	-	(12.8)
<b>Balance at 31 December 2021</b>	<b>87,718.3</b>	<b>(472.5)</b>	<b>87,245.8</b>

(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

**7 INSURANCE CONTRACT LIABILITIES (continued)**

**7.1 Life insurance contracts (continued)**

Life insurance contract liabilities comprised the following:

in Singapore Dollars (millions)

	<b>Group</b>		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
<b>31 December 2022<sup>(a)</sup></b>			
<b>Contracts with Discretionary</b>			
Participating Features ("DPF")	58,951.3	8.5	58,959.8
<b>Contracts without Discretionary</b>			
Participating Features ("DPF")	17,295.5	(575.1)	16,720.4
<b>Investment-linked contracts</b>	8,689.4	(13.2)	8,676.2
	<b>84,936.2</b>	<b>(579.8)</b>	<b>84,356.4</b>
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
<b>31 December 2021<sup>(a)</sup></b>			
<b>Contracts with Discretionary</b>			
Participating Features ("DPF")	63,333.9	10.3	63,344.2
<b>Contracts without Discretionary</b>			
Participating Features ("DPF")	13,931.3	(466.3)	13,465.0
<b>Investment-linked contracts</b>	9,693.2	(16.5)	9,676.7
	<b>86,958.4</b>	<b>(472.5)</b>	<b>86,485.9</b>
<b>7.2 Non-life insurance contracts</b>			
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
<b>31 December 2022<sup>(a)</sup></b>			
<b>Claim Liabilities</b>	513.3	(345.0)	168.3
<b>Premium liabilities</b>	194.2	(77.7)	116.5
	<b>707.5</b>	<b>(422.7)</b>	<b>284.8</b>
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
<b>31 December 2021<sup>(a)</sup></b>			
<b>Claim Liabilities</b>	491.1	(340.5)	150.6
<b>Premium liabilities</b>	189.1	(73.7)	115.4
	<b>680.2</b>	<b>(414.2)</b>	<b>266.0</b>

(a) Extracted from audited consolidated financial statements

**GREAT EASTERN HOLDINGS LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**7 INSURANCE CONTRACT LIABILITIES (continued)**

**7.2 Non-life insurance contracts (continued)**

in Singapore Dollars (millions)

**Group**

	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
<b>7.2.1 Movement in claims liabilities<sup>(a)</sup></b>			
<b>Balance at 1 July 2022</b>	<b>508.4</b>	<b>(352.3)</b>	<b>156.1</b>
<b>Currency translation reserve adjustment</b>	<b>(13.1)</b>	<b>9.2</b>	<b>(3.9)</b>
<b>Movement during the period</b>	<b>18.0</b>	<b>(1.9)</b>	<b>16.1</b>
<b>Balance at 31 December 2022</b>	<b>513.3</b>	<b>(345.0)</b>	<b>168.3</b>
Balance at 1 July 2021	461.1	(318.7)	142.4
Currency translation reserve adjustment	0.5	(0.1)	0.4
Movement during the period	29.5	(21.7)	7.8
Balance at 31 December 2021	491.1	(340.5)	150.6
<b>7.2.2 Movement in claims liabilities<sup>(b)</sup></b>			
<b>Balance at 1 January 2022</b>	<b>491.1</b>	<b>(340.5)</b>	<b>150.6</b>
<b>Currency translation reserve adjustment</b>	<b>(20.9)</b>	<b>14.7</b>	<b>(6.2)</b>
<b>Movement during the year</b>	<b>43.1</b>	<b>(19.2)</b>	<b>23.9</b>
<b>Balance at 31 December 2022</b>	<b>513.3</b>	<b>(345.0)</b>	<b>168.3</b>
Balance at 1 January 2021	351.0	(206.5)	144.5
Currency translation reserve adjustment	(3.7)	2.5	(1.2)
Movement during the year	143.8	(136.5)	7.3
Balance at 31 December 2021	491.1	(340.5)	150.6
<b>7.2.3 Movement in premium liabilities<sup>(a)</sup></b>			
<b>Balance at 1 July 2022</b>	<b>187.5</b>	<b>(68.7)</b>	<b>118.8</b>
<b>Currency translation reserve adjustment</b>	<b>(16.1)</b>	<b>13.7</b>	<b>(2.4)</b>
<b>Movement during the period</b>	<b>22.8</b>	<b>(22.7)</b>	<b>0.1</b>
<b>Balance at 31 December 2022</b>	<b>194.2</b>	<b>(77.7)</b>	<b>116.5</b>
Balance at 1 July 2021	187.2	(70.0)	117.2
Currency translation reserve adjustment	0.5	(0.3)	0.2
Movement during the period	1.4	(3.4)	(2.0)
With the adoption of SFRS(I) 17 Insurance Contracts	189.1	(73.7)	115.4
<b>7.2.4 Movement in premium liabilities<sup>(b)</sup></b>			
<b>Balance at 1 January 2022</b>	<b>189.1</b>	<b>(73.7)</b>	<b>115.4</b>
<b>Currency translation reserve adjustment</b>	<b>(18.4)</b>	<b>14.3</b>	<b>(4.1)</b>
<b>Movement during the period</b>	<b>23.5</b>	<b>(18.3)</b>	<b>5.2</b>
<b>Balance at 31 December 2022</b>	<b>194.2</b>	<b>(77.7)</b>	<b>116.5</b>
Balance at 1 January 2021	188.5	(72.1)	116.4
Currency translation reserve adjustment	(1.2)	0.4	(0.8)
Movement during the period	1.8	(2.0)	(0.2)
Balance at 31 December 2021	189.1	(73.7)	115.4

(a) Unaudited and unreviewed

(b) Extracted from audited consolidated financial statements

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Notional Principal	Derivative Financial Assets	Derivative Financial Liabilities
<b>8 DERIVATIVE FINANCIAL INSTRUMENTS</b>			
<b>31 December 2022<sup>(a)</sup></b>			
Foreign exchange:			
Forwards	27,976.0	510.6	(152.2)
Currency swaps	3,309.3	182.9	(6.8)
Options	69.0	12.0	-
Interest rates:			
Swaps	877.1	9.0	(64.5)
Exchange traded futures	841.8	2.2	(17.2)
Equity:			
Swap	227.4	0.2	(35.6)
Futures	622.1	3.4	(0.1)
Options	996.3	39.2	(7.1)
Credit:			
Swaps	588.8	1.9	(3.7)
Bond:			
Forwards	210.6	0.3	(4.8)
	<b>35,718.4</b>	<b>761.7</b>	<b>(292.0)</b>
<b>31 December 2021<sup>(a)</sup></b>			
Foreign exchange:			
Forwards	29,578.6	182.4	(49.0)
Currency swaps	4,214.7	84.8	(41.9)
Options	882.9	0.8	(0.3)
Interest rates:			
Swaps	1,514.3	44.9	(12.9)
Exchange traded futures	696.8	3.8	(2.1)
Equity:			
Swap	320.6	7.4	(2.8)
Futures	194.8	0.4	(0.5)
Options	259.1	43.7	(0.2)
Credit:			
Swaps	33.7	-	(0.3)
Bond:			
Forwards	265.4	1.7	(1.4)
	<b>37,960.9</b>	<b>369.9</b>	<b>(111.4)</b>

The table above shows the fair value of derivative financial instruments, recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and the basis upon which changes in the value of derivatives are measured.

The fair value of derivatives shown above represents the current risk exposure but not the maximum risk exposure that would arise in the future as a result of the changes in value.

(a) Extracted from audited consolidated financial statements

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

in Singapore Dollars (millions)		Group	
		31 Dec 2022 <sup>(a)</sup>	31 Dec 2021 <sup>(a)</sup>
<b>9</b>	<b>INVESTMENTS</b>		
<b>9.1</b>	<b>Financial assets at FVOCI</b>		
	Equity securities designated at FVOCI		
(i)	Quoted equity securities	<b>1,639.3</b>	2,175.4
	- Singapore Exchange	<b>229.7</b>	477.0
	- Hong Kong Stock Exchange	<b>392.3</b>	305.1
	- Australian Stock Exchange	<b>110.1</b>	222.0
	- Taiwan Stock Exchange	<b>127.3</b>	285.2
	- Bursa Malaysia	<b>222.0</b>	219.8
	- New York Stock Exchange	<b>156.3</b>	215.4
	- Korea Exchange	<b>121.1</b>	161.1
	- Others	<b>280.5</b>	289.8
(ii)	Unquoted equity securities	<b>22.7</b>	27.0
		<b>1,662.0</b>	2,202.4
	Debt securities at FVOCI		
(iii)	Quoted debt securities <sup>(1)</sup>	<b>6,423.8</b>	5,697.5
(iv)	Unquoted debt securities	<b>2,069.6</b>	1,795.7
		<b>8,493.4</b>	7,493.2
	Total securities measured at FVOCI	<b>10,155.4</b>	9,695.6
<b>9.2</b>	<b>Financial assets at FVTPL</b>		
	<b>Mandatorily measured at FVTPL</b>		
	Equity securities		
(i)	Quoted equity securities	<b>11,469.2</b>	13,651.1
(ii)	Unquoted equity securities	<b>21.8</b>	24.5
		<b>11,491.0</b>	13,675.6
	Debt securities		
(iii)	Quoted debt securities	<b>5,750.4</b>	3,409.3
(iv)	Unquoted debt securities	<b>2,778.8</b>	2,178.5
		<b>8,529.2</b>	5,587.8
	Other investments		
(v)	Collective investment schemes <sup>(2)</sup>	<b>14,226.7</b>	16,685.3
	Total financial assets mandatorily measured at FVTPL	<b>34,246.9</b>	35,948.7
	<b>Designated as FVTPL</b>		
	Debt securities		
(i)	Quoted debt securities	<b>29,556.4</b>	31,585.7
(ii)	Unquoted debt securities	<b>12,999.2</b>	14,990.1
	Total financial assets designated at FVTPL	<b>42,555.6</b>	46,575.8
	Total financial assets at FVTPL	<b>76,802.5</b>	82,524.5

(1) Included in quoted debt securities are quoted government securities amounting to \$33.8 million (2021: \$26.4 million) which are lodged with the regulator as statutory deposits.

(2) Collective investment schemes include but are not limited to hedge funds, private equity funds, unit trusts, real estate investment funds, exchange traded funds and open-ended investment company funds.

(a) Extracted from audited consolidated financial statements



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

in Singapore Dollars (millions)		Group	
		31 Dec 2022 <sup>(a)</sup>	31 Dec 2021 <sup>(a)</sup>
<b>9</b>	<b>INVESTMENTS (continued)</b>		
<b>9.3</b>	<b>Financial assets at Amortised Cost</b>		
	Debt securities		
	(i) Quoted debt securities	1,097.7	242.3
	(ii) Unquoted debt securities	704.8	-
	Total financial assets at Amortised Cost <sup>(1)</sup>	<u>1,802.5</u>	<u>242.3</u>
	<b>TOTAL INVESTMENTS</b>	<u>88,760.4</u>	<u>92,462.4</u>

<sup>(1)</sup> If these financial assets are measured using market value, the carrying amount would be as follows:

in Singapore Dollars (millions)		Group	
		31 Dec 2022 <sup>(a)</sup>	31 Dec 2021 <sup>(a)</sup>
	Quoted Debt Securities	1,401.1	266.3
	Unquoted debt securities	314.1	-
		<u>1,715.2</u>	<u>266.3</u>

**10 ASSET HELD FOR SALE**

The directors of the Group's subsidiary approved the sale of a property, and this sale is expected to be completed by 2023. The property has been reclassified from investment property to asset held for sale during the year and measured at fair value. The fair value of the property amounting to \$72.6 million was determined using the income approach. This is a level 3 measurement as per the fair value hierarchy set out in note 15.3.

**11 PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 31 December 2022, the Group acquired assets amounting to \$8.1 million (31 December 2021: \$38.2 million,) and disposed of assets amounting to \$7.6 million (31 December 2021: \$9.1 million).

During the full year ended 31 December 2022, the Group acquired assets amounting to \$13.9 million (31 December 2021: \$40.9 million) and disposed of assets amounting to \$11.2 million (31 December 2021: \$9.4 million).

**12 COMMITMENTS AND CONTINGENCIES****Capital commitments**

in Singapore Dollars (millions)		Group	
		31 Dec 2022 <sup>(a)</sup>	31 Dec 2021 <sup>(a)</sup>
	Commitments for capital expenditure not provided for in the financial statements:		
	- investment properties	15.3	2.0
	- property, plant and equipment	77.1	83.9
		<u>92.4</u>	<u>85.9</u>

<sup>(a)</sup> Extracted from audited consolidated financial statements

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

**13 RELATED PARTY TRANSACTIONS**

The Group enters into transactions with its related parties in the normal course of business.

**13.1 Significant related party transactions**

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

in Singapore Dollars (millions)	Group			
	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(b)</sup>	Full year ended 31 December 2021 <sup>(b)</sup>
Fees and commission and other income received from:				
- holding company	6.7	0.3	12.0	4.8
- related parties of the holding company	12.8	8.6	27.3	23.5
Premiums received from key management personnel	0.2	0.1	1.3	0.4
Fees and commission expense paid to:				
- holding company	96.4	131.9	242.6	253.0
- related parties of the holding company	24.0	31.3	52.1	61.5
Interest income received from:				
- holding company	1.6	0.1	2.0	0.2
- related parties of the holding company	4.3	3.8	8.7	9.0
Interest expense paid to holding company	0.2	-	0.2	-
Rental income received from:				
- related parties of the holding company	0.2	0.2	0.3	0.3
Other expenses paid to:				
- holding company	5.8	5.8	11.7	17.8
- related parties of the holding company	2.0	9.9	10.8	18.3
- associate	0.2	6.9	0.5	6.9

**13.2 Balance sheet balances with related parties**

Balance sheet balances with related parties as at 31 December are as follows:

in Singapore Dollars (millions)	Group		Company	
	31 Dec 2022 <sup>(b)</sup>	31 Dec 2021 <sup>(b)</sup>	31 Dec 2022 <sup>(b)</sup>	31 Dec 2021 <sup>(b)</sup>
Cash and cash equivalents held with:				
- holding company	938.3	742.8	20.4	19.8
- related parties of the holding company	319.4	608.4	-	-
Amount due to holding company	73.8	11.1	-	-
Investments in debt securities of:				
- related parties of the holding company	114.9	97.3	-	-
Derivative financial assets held with:				
- holding company	365.0	151.8	-	-
Derivative financial liabilities held with:				
- holding company	82.8	34.2	-	-

Outstanding balances at balance sheet date are unsecured and interest free. Settlement will take place in cash.

There was no provision for doubtful debts at the balance sheet date and no bad debt expense for the year (2021: nil).

<sup>(a)</sup> Unaudited and unreviewed

<sup>(b)</sup> Extracted from audited consolidated financial statements

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**14 SEGMENTAL INFORMATION**

Business Segments

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products for the different markets. The Group's principal operations are organised into Life Insurance, Non-life Insurance and Shareholders segments. The results of these segments are reported separately in internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

a. Life Insurance Segment

The Life Insurance segment provides different types of products, comprising life insurance, long-term health and accident insurance, annuity business written and includes the unit-linked business. All revenues in the Life Insurance segment are from external customers.

b. Non-life Insurance Segment

Under the Non-life Insurance business, the Group issues short term property and casualty contracts which protect the policyholder against the risk of loss of property premises due to fire or theft in the form of fire or burglary insurance contract and/or business interruption contract; risk of liability to pay compensation to a third party for bodily harm or property damage in the form of public liability insurance contract. The Group also issues short term medical and personal accident non-life insurance contracts.

c. Shareholders Segment

The Shareholders segment provides fund management services for absolute return/balanced mandates with different risk-return characteristics and manages a range of products, including Asia Pacific equities, Asian and global fixed income securities portfolios. Clients include Singapore statutory boards, government-linked corporations, public and private companies, insurance companies and charity organisations.

The Shareholders segment also comprises activities not related to the core business segments, and includes general corporate income and expense items.

Geographical Segments

The Group's risks and rewards are affected by operating conditions in different countries and geographical areas. Therefore, for management purposes, the Group is also organised on a geographical basis into Singapore, Malaysia and Other Asia, based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the respective location of its customers.

Segment Accounting Policies, Allocation Basis and Transfer Pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax and deferred tax assets and liabilities, interest-bearing loans and related expenses. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14 SEGMENTAL INFORMATION (continued)

(1) By Business Segments

in Singapore Dollars (millions)	Group									
	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations <sup>(1)</sup>		Consolidated	
	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>
Net premiums	-	-	120.8	103.6	7,156.9	9,347.8	(0.3)	(0.1)	7,277.4	9,451.3
Commissions received from/(paid to) reinsurers	-	-	15.7	17.4	8.6	(27.1)	-	-	24.3	(9.7)
Investment income, net	67.6	65.6	7.4	6.9	1,345.5	1,271.0	34.6	39.3	1,455.1	1,382.8
Rental income, net	-	-	-	-	26.8	26.4	(13.9)	(14.6)	12.9	11.8
Fees and other income	236.5	290.2	-	-	-	-	(216.5)	(265.6)	20.0	24.6
Loss on sale of investments and changes in fair value	(11.0)	(84.2)	1.0	(1.3)	(725.8)	(654.4)	-	-	(735.8)	(739.9)
Change in third-party interests in consolidated investment funds	(0.4)	-	-	-	-	-	-	-	(0.4)	-
(Loss)/gain on exchange differences	(24.3)	(1.4)	(1.3)	0.2	(129.0)	0.2	-	-	(154.6)	(1.0)
<b>Total income</b>	<b>268.4</b>	<b>270.2</b>	<b>143.6</b>	<b>126.8</b>	<b>7,683.0</b>	<b>9,963.9</b>	<b>(196.1)</b>	<b>(241.0)</b>	<b>7,898.9</b>	<b>10,119.9</b>
<i>less: Expenses</i>										
Gross claims, maturities, surrenders and annuities	-	-	117.0	97.6	5,248.8	7,027.5	-	-	5,365.8	7,125.1
Claims, maturities, surrenders and annuities recovered from reinsurers	-	-	(68.0)	(54.9)	(202.3)	(214.4)	-	-	(270.3)	(269.3)
Commissions and distribution expenses	197.5	248.9	34.9	32.7	641.6	759.1	(187.2)	(231.0)	686.8	809.7
Decrease in provision for impairment of assets	(1.1)	(3.1)	(0.4)	(0.3)	(5.2)	(1.2)	-	-	(6.7)	(4.6)
Management and other expenses	52.6	49.6	29.2	29.8	275.9	297.9	(8.9)	(8.7)	348.8	368.6
Interest expense	-	-	-	-	-	-	-	-	-	-
Increase in provision for agents' retirement benefits	-	-	-	-	27.2	5.6	-	-	27.2	5.6
Depreciation and amortisation expenses	2.9	2.5	2.4	2.0	43.9	37.3	-	-	49.2	41.8
Gross change in insurance contract liabilities	-	-	18.0	29.5	1,543.1	(1,298.6)	-	-	1,561.1	(1,269.1)
Change in insurance contract liabilities ceded to reinsurers	-	-	(1.8)	(21.6)	(231.5)	1,758.0	-	-	(233.3)	1,736.4
<b>Total expenses</b>	<b>251.9</b>	<b>297.9</b>	<b>131.3</b>	<b>114.8</b>	<b>7,341.5</b>	<b>8,371.2</b>	<b>(196.1)</b>	<b>(239.7)</b>	<b>7,528.6</b>	<b>8,544.2</b>
<b>Profit/(loss) before income tax</b>	<b>16.5</b>	<b>(27.7)</b>	<b>12.3</b>	<b>12.0</b>	<b>341.5</b>	<b>1,592.7</b>	<b>-</b>	<b>(1.3)</b>	<b>370.3</b>	<b>1,575.7</b>
Income tax expense attributable to policyholders' returns	-	-	-	-	(32.5)	(1,035.2)	-	-	(32.5)	(1,035.2)
<b>Profit/(loss) before tax attributable to shareholders' profits</b>	<b>16.5</b>	<b>(27.7)</b>	<b>12.3</b>	<b>12.0</b>	<b>309.0</b>	<b>557.5</b>	<b>-</b>	<b>(1.3)</b>	<b>337.8</b>	<b>540.5</b>
<b>Income tax expense</b>	<b>(21.8)</b>	<b>(0.6)</b>	<b>(2.5)</b>	<b>(2.7)</b>	<b>(62.1)</b>	<b>(1,121.1)</b>	<b>-</b>	<b>-</b>	<b>(86.4)</b>	<b>(1,124.4)</b>
<i>less: Income tax credit attributable to policyholders' returns</i>	-	-	-	-	32.5	1,035.2	-	-	32.5	1,035.2
Income tax expense attributable to shareholders' profits	(21.8)	(0.6)	(2.5)	(2.7)	(29.6)	(85.9)	-	-	(53.9)	(89.2)
<b>(Loss)/profit after income tax</b>	<b>(5.3)</b>	<b>(28.3)</b>	<b>9.8</b>	<b>9.3</b>	<b>279.4</b>	<b>471.6</b>	<b>-</b>	<b>(1.3)</b>	<b>283.9</b>	<b>451.3</b>

<sup>(1)</sup> Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

<sup>(a)</sup> Unaudited and unreviewed

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14 SEGMENTAL INFORMATION (continued)

(1) By Business Segments (continued)

in Singapore Dollars (millions)	Group									
	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations <sup>(1)</sup>		Consolidated	
	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>
<b>Other material items:</b>										
Interest income	52.6	42.7	8.0	7.3	1,107.1	1,052.7	-	-	1,167.7	1,102.7
Staff costs and related expenses	21.9	23.4	18.0	19.2	156.7	176.5	0.7	0.4	197.3	219.5
Rental expense	1.2	1.4	0.7	0.7	12.2	13.0	(12.1)	(12.8)	2.0	2.3
Interest expense on policy benefits	-	-	-	-	106.3	98.5	-	-	106.3	98.5
<b>Non-cash items:</b>										
Changes in fair value of investments:										
- through the Profit or Loss Statement	(14.1)	(83.8)	2.2	(1.0)	(826.1)	(740.6)	-	-	(838.0)	(825.4)
- through equity	(39.7)	(31.9)	0.2	(5.0)	(151.1)	(37.4)	-	-	(190.6)	(74.3)

<sup>(1)</sup> Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

<sup>(a)</sup> Unaudited and unreviewed

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14 SEGMENTAL INFORMATION (continued)

(1) By Business Segments

in Singapore Dollars (millions)	Group									
	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations <sup>(1)</sup>		Consolidated	
	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>
Net premiums	-	-	225.8	204.4	17,477.6	17,986.5	(1.4)	(1.3)	17,702.0	18,189.6
Commissions received from reinsurers	-	-	31.0	34.8	20.5	16.6	-	-	51.5	51.4
Investment income, net	135.2	129.3	13.3	12.6	2,637.7	2,479.6	71.8	78.0	2,858.0	2,699.5
Rental income, net	-	-	-	-	55.8	55.8	(27.8)	(28.0)	28.0	27.8
Fees and other income	430.9	493.6	-	-	-	-	(394.8)	(453.9)	36.1	39.7
(Loss)/gain on sale of investments and changes in fair value	(126.1)	(14.0)	1.6	(0.1)	(7,878.1)	(1,066.2)	-	-	(8,002.6)	(1,080.3)
Change in third-party interests in consolidated investment funds	0.2	-	-	-	-	-	-	-	0.2	-
(Loss)/gain on exchange differences	(34.4)	(1.2)	(1.2)	0.5	(42.4)	37.4	-	-	(78.0)	36.7
<b>Total income</b>	<b>405.8</b>	<b>607.7</b>	<b>270.5</b>	<b>252.2</b>	<b>12,271.1</b>	<b>19,509.7</b>	<b>(352.2)</b>	<b>(405.2)</b>	<b>12,595.2</b>	<b>19,964.4</b>
<i>less: Expenses</i>										
Gross claims, maturities, surrenders and annuities	-	-	215.6	173.7	10,932.8	11,214.5	-	-	11,148.4	11,388.2
Claims, maturities, surrenders and annuities recovered from reinsurers	-	-	(121.3)	(87.9)	(534.8)	(442.8)	-	-	(656.1)	(530.7)
Commissions and distribution expenses	358.8	411.9	69.2	63.9	1,291.5	1,401.1	(333.0)	(387.2)	1,386.5	1,489.7
Increase/(decrease) in provision for impairment of assets	3.9	(1.2)	(0.3)	0.3	25.5	2.4	-	-	29.1	1.5
Management and other expenses	101.7	92.9	56.6	57.0	520.5	531.8	(17.5)	(16.7)	661.3	665.0
Interest expense	-	0.2	-	-	-	-	-	-	-	0.2
Increase in provision for agents' retirement benefits	-	-	-	-	38.3	19.7	-	-	38.3	19.7
Depreciation and amortisation expenses	5.0	4.8	4.8	3.8	78.2	70.8	-	-	88.0	79.4
Gross change in insurance contract liabilities	-	-	43.1	143.8	(713.0)	2,461.4	-	-	(669.9)	2,605.2
Change in insurance contract liabilities ceded to reinsurers	-	-	(19.2)	(136.6)	(118.5)	1,734.3	-	-	(137.7)	1,597.7
<b>Total expenses</b>	<b>469.4</b>	<b>508.6</b>	<b>248.5</b>	<b>218.0</b>	<b>11,520.5</b>	<b>16,993.2</b>	<b>(350.5)</b>	<b>(403.9)</b>	<b>11,887.9</b>	<b>17,315.9</b>
<b>Profit before income tax</b>	<b>(63.6)</b>	<b>99.1</b>	<b>22.0</b>	<b>34.2</b>	<b>750.6</b>	<b>2,516.5</b>	<b>(1.7)</b>	<b>(1.3)</b>	<b>707.3</b>	<b>2,648.5</b>
Income tax credit/(expense) attributable to policyholders' returns	-	-	-	-	248.9	(1,294.0)	-	-	248.9	(1,294.0)
<b>(Loss)/profit before tax attributable to shareholders' profits</b>	<b>(63.6)</b>	<b>99.1</b>	<b>22.0</b>	<b>34.2</b>	<b>999.5</b>	<b>1,222.5</b>	<b>(1.7)</b>	<b>(1.3)</b>	<b>956.2</b>	<b>1,354.5</b>
<b>Income tax(expense)/credit</b>	<b>(29.7)</b>	<b>(21.1)</b>	<b>(4.6)</b>	<b>(8.0)</b>	<b>113.9</b>	<b>(1,486.0)</b>	<b>-</b>	<b>-</b>	<b>79.6</b>	<b>(1,515.1)</b>
<i>less: Income tax(credit)/expense attributable to policyholders' returns</i>	-	-	-	-	(248.9)	1,294.0	-	-	(248.9)	1,294.0
Income tax expense attributable to shareholders' profits	(29.7)	(21.1)	(4.6)	(8.0)	(135.0)	(192.0)	-	-	(169.3)	(221.1)
<b>Profit after income tax</b>	<b>(93.3)</b>	<b>78.0</b>	<b>17.4</b>	<b>26.2</b>	<b>864.5</b>	<b>1,030.5</b>	<b>(1.7)</b>	<b>(1.3)</b>	<b>786.9</b>	<b>1,133.4</b>

<sup>(1)</sup> Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

<sup>(a)</sup> Extracted from audited consolidated financial statements

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14 SEGMENTAL INFORMATION (continued)

(1) By Business Segments (continued)

in Singapore Dollars (millions)	Group									
	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations <sup>(1)</sup>		Consolidated	
	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>	Full year ended 31 December 2022 <sup>(a)</sup>	Full year ended 31 December 2021 <sup>(a)</sup>
<b>Other material items:</b>										
Interest income	97.7	85.1	14.4	13.4	2,172.5	2,067.4	-	-	2,284.6	2,165.9
Staff costs and related expenses	43.1	43.8	36.1	36.5	318.6	320.1	1.1	0.6	398.9	401.0
Rental expense	2.4	2.4	1.4	1.1	24.8	24.4	(24.7)	(24.0)	3.9	3.9
Interest expense on policy benefits	-	-	-	-	206.8	198.8	-	-	206.8	198.8
<b>Non-cash items:</b>										
Changes in fair value of investments:										
- through the Profit or Loss Statement	(95.2)	(22.6)	2.6	(1.2)	(7,930.3)	(1,190.4)	-	-	(8,022.9)	(1,214.2)
- through equity	(267.0)	(20.6)	(19.2)	(13.6)	(982.0)	(79.8)	-	-	(1,268.2)	(114.0)
<b>Assets and liabilities:</b>										
Segment assets	9,957.4	10,537.9	1,188.4	1,080.5	100,795.8	103,003.9	(4,145.8)	(4,327.4)	107,795.8	110,294.9
Investments in associate	122.5	95.2	-	-	-	-	-	-	122.5	95.2
<b>Total assets</b>	<b>10,079.9</b>	<b>10,633.1</b>	<b>1,188.4</b>	<b>1,080.5</b>	<b>100,795.8</b>	<b>103,003.9</b>	<b>(4,145.8)</b>	<b>(4,327.4)</b>	<b>107,918.3</b>	<b>110,390.1</b>
Segment liabilities	125.7	76.6	1,202.1	1,094.1	98,933.5	100,501.4	(4,144.5)	(4,326.0)	96,116.8	97,346.1
Income tax and deferred tax liabilities	220.4	255.9	-	(3.3)	2,050.5	2,655.0	-	-	2,270.9	2,907.6
<b>Total liabilities</b>	<b>346.1</b>	<b>332.5</b>	<b>1,202.1</b>	<b>1,090.8</b>	<b>100,984.0</b>	<b>103,156.4</b>	<b>(4,144.5)</b>	<b>(4,326.0)</b>	<b>98,387.7</b>	<b>100,253.7</b>
<b>Other segment information:</b>										
Additions to non-current assets										
- property, plant and equipment	0.7	2.3	1.3	1.1	11.9	37.5	-	-	13.9	40.9
- investment properties	-	-	-	-	1.0	0.2	-	-	1.0	0.2
- goodwill and intangible assets	2.0	1.2	4.7	5.7	49.3	56.4	-	-	56.0	63.3

<sup>(1)</sup> Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

<sup>(a)</sup> Extracted from audited consolidated financial statements

**GREAT EASTERN HOLDINGS LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**14 SEGMENTAL INFORMATION (continued)**

**(2) By Geographical Segments**

in Singapore Dollars (millions)	Group									
	Singapore		Malaysia		Other Asia		Adjustments and Eliminations <sup>(1)</sup>		Consolidated	
	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>	6 months ended 31 December 2022 <sup>(a)</sup>	6 months ended 31 December 2021 <sup>(a)</sup>
Total revenue from external customers	5,020.8	8,215.9	2,831.4	1,978.3	240.8	164.0	(194.1)	(238.3)	7,898.9	10,119.9
Dividend from subsidiaries	183.5	113.1	-	-	-	-	(183.5)	(113.1)	-	-
Total revenue	5,204.3	8,329.0	2,831.4	1,978.3	240.8	164.0	(377.6)	(351.4)	7,898.9	10,119.9
Profit after income tax	250.9	368.6	210.0	143.6	6.5	2.9	(183.5)	(63.8)	283.9	451.3

in Singapore Dollars (millions)	Group									
	Singapore		Malaysia		Other Asia		Adjustments and Eliminations <sup>(1)</sup>		Consolidated	
	Full year ended 31 December 2022 <sup>(b)</sup>	Full year ended 31 December 2021 <sup>(b)</sup>	Full year ended 31 December 2022 <sup>(b)</sup>	Full year ended 31 December 2021 <sup>(b)</sup>	Full year ended 31 December 2022 <sup>(b)</sup>	Full year ended 31 December 2021 <sup>(b)</sup>	Full year ended 31 December 2022 <sup>(b)</sup>	Full year ended 31 December 2021 <sup>(b)</sup>	Full year ended 31 December 2022 <sup>(b)</sup>	Full year ended 31 December 2021 <sup>(b)</sup>
Total revenue from external customers	8,794.1	16,688.5	3,765.2	3,389.7	383.6	286.2	(347.7)	(400.0)	12,595.2	19,964.4
Dividend from subsidiaries	300.5	163.4	-	-	-	-	(300.5)	(163.4)	-	-
Total revenue	9,094.6	16,851.9	3,765.2	3,389.7	383.6	286.2	(648.2)	(563.4)	12,595.2	19,964.4
Profit after income tax	646.1	877.0	441.3	411.9	-	5.9	(300.5)	(161.4)	786.9	1,133.4
Non-current assets	2,161.1	2,046.1	474.4	574.9	17.1	4.9	-	-	2,652.6	2,625.9

Non-current assets information presented above consist of intangible assets, investment properties and property, plant and equipment as presented in the consolidated balance sheet.

<sup>(1)</sup> Inter-segment income and expenses comprising mainly dividend and management fee income are eliminated on consolidation.

<sup>(a)</sup> Unaudited and unreviewed

<sup>(b)</sup> Extracted from audited consolidated financial statements



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**15 FAIR VALUE OF ASSETS AND LIABILITIES**

**15.1 Fair Value Hierarchy**

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, quotes from brokers and market makers, cash flow discounting and other valuation techniques commonly used by market participants, and

Level 3 - Unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement would be categorised in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement (with Level 3 being the lowest).

Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 15 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

## 15.2 Assets and Liabilities Measured at Fair Value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			
	2022 <sup>(a)</sup>			
	Fair value measurements at the end of the reporting			
	year using			
	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
in Singapore Dollars (millions)				
<b>As at 31 December 2022</b>				
<b>Recurring Fair Value Measurements</b>				
<b>FINANCIAL ASSETS</b>				
<b>Derivative financial assets</b>				
Foreign exchange				
Forwards	-	510.6	-	510.6
Currency swaps	-	182.9	-	182.9
Options	-	12.0	-	12.0
Interest rates				
Swaps	-	9.0	-	9.0
Exchange traded futures	2.2	-	-	2.2
Equity				
Swap	-	0.2	-	0.2
Futures	3.4	-	-	3.4
Options	6.3	32.9	-	39.2
Credit:				
Swaps	-	1.9	-	1.9
Bond				
Forwards	-	0.3	-	0.3
	11.9	749.8	-	761.7
<b>Financial assets at FVOCI</b>				
Equity securities	1,639.3	-	22.7	1,662.0
Debt securities	3,896.9	4,522.2	74.3	8,493.4
	5,536.2	4,522.2	97.0	10,155.4

(a) Extracted from audited consolidated financial statements

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

**15 FAIR VALUE OF ASSETS AND LIABILITIES (continued)****15.2 Assets and Liabilities Measured at Fair Value (continued)**

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period(continued):

	<b>Group</b>			
	<b>2022<sup>(a)</sup></b>			
	<b>Fair value measurements at the end of the reporting period using</b>			
	<b>Quoted prices in active markets for identical assets and liabilities (Level 1)</b>	<b>Significant observable inputs other than quoted prices (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>	<b>Total</b>
in Singapore Dollars (millions)				
<b>As at 31 December 2022</b>				
<b>Recurring Fair Value Measurements</b>				
<b>FINANCIAL ASSETS</b>				
<b>Financial assets at FVTPL</b>				
Equity securities	11,469.0	0.2	21.8	11,491.0
Debt securities	34,975.2	15,538.0	571.6	51,084.8
Other investments	6,869.6	4,514.9	2,842.2	14,226.7
	<b>53,313.8</b>	<b>20,053.1</b>	<b>3,435.6</b>	<b>76,802.5</b>
<b>Financial assets as at 31 December 2022</b>	<b>58,861.9</b>	<b>25,325.1</b>	<b>3,532.6</b>	<b>87,719.6</b>
<b>NON-FINANCIAL ASSETS</b>				
Investment properties	-	-	1,881.2	1,881.2
Investment in associate	-	-	122.5	122.5
Asset held for sale	-	-	72.6	72.6
<b>Non-financial assets as at 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>2,076.3</b>	<b>2,076.3</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Derivative financial liabilities</b>				
Foreign exchange				
Forwards	-	152.2	-	152.2
Currency swaps	-	6.8	-	6.8
Interest rates				
Swaps	-	64.5	-	64.5
Exchange traded futures	17.2	-	-	17.2
Equity				
Swap	-	35.6	-	35.6
Futures	0.1	-	-	0.1
Options	2.3	4.8	-	7.1
Credit				
Swaps	-	3.7	-	3.7
Bond				
Forwards	-	4.8	-	4.8
<b>Financial liabilities as at 31 December 2022</b>	<b>19.6</b>	<b>272.4</b>	<b>-</b>	<b>292.0</b>

(a) Extracted from audited consolidated financial statements

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**15 FAIR VALUE OF ASSETS AND LIABILITIES (continued)**

**15.2 Assets and Liabilities Measured at Fair Value (continued)**

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period (continued):

	Group			Total
	2021 <sup>(a)</sup>			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
in Singapore Dollars (millions)				
<u>As at 31 December 2021</u>				
<u>Recurring Fair Value Measurements</u>				
<u>FINANCIAL ASSETS</u>				
Derivative financial assets				
Foreign exchange				
Forwards	-	182.4	-	182.4
Currency swaps	-	84.8	-	84.8
Options	-	0.8	-	0.8
Interest rates				
Swaps	-	44.9	-	44.9
Exchange traded futures	3.8	-	-	3.8
Equity				
Swaps	-	7.4	-	7.4
Futures	0.4	-	-	0.4
Options	-	43.7	-	43.7
Bond				
Forwards	-	1.7	-	1.7
	4.2	365.7	-	369.9
Financial assets at FVOCI				
Equity securities	2,175.4	-	27.0	2,202.4
Debt securities	5,930.5	1,562.7	-	7,493.2
	8,105.9	1,562.7	27.0	9,695.6

(a) Extracted from audited consolidated financial statements

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**15 FAIR VALUE OF ASSETS AND LIABILITIES (continued)**

**15.2 Assets and Liabilities Measured at Fair Value (continued)**

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period (continued):

	Group 2021 <sup>(a)</sup>			Total
	Fair value measurements at the end of the reporting year using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
<b>As at 31 December 2021</b>				
<u>Recurring Fair Value Measurements</u>				
Financial assets at FVTPL				
Equity securities	13,651.1	-	24.5	13,675.6
Debt securities	33,703.2	18,460.4	-	52,163.6
Other investments	9,099.1	4,905.7	2,680.5	16,685.3
	<u>56,453.4</u>	<u>23,366.1</u>	<u>2,705.0</u>	<u>82,524.5</u>
Financial assets as at 31 December 2021	<u>64,563.5</u>	<u>25,294.5</u>	<u>2,732.0</u>	<u>92,590.0</u>
<u>NON-FINANCIAL ASSETS</u>				
Investment properties	-	-	1,883.9	1,883.9
Investment in associate	-	-	95.2	95.2
Non-financial assets as at 31 December 2021	<u>-</u>	<u>-</u>	<u>1,979.1</u>	<u>1,979.1</u>
<u>FINANCIAL LIABILITIES</u>				
Derivative financial liabilities				
Foreign exchange				
Forwards	-	49.0	-	49.0
Currency swaps	-	41.9	-	41.9
Options	-	0.3	-	0.3
Interest rates				
Swaps	-	12.9	-	12.9
Exchange traded futures	2.1	-	-	2.1
Equity				
Swaps	-	2.8	-	2.8
Futures	0.5	-	-	0.5
Options	0.2	-	-	0.2
Credit				
Swaps	-	0.3	-	0.3
Bond				
Forwards	-	1.4	-	1.4
Financial liabilities as at 31 December 2021	<u>2.8</u>	<u>108.6</u>	<u>-</u>	<u>111.4</u>

(a) Extracted from audited consolidated financial statements

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 15 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

## 15.3 Level 3 Fair Value Measurements

## (i) Information about significant unobservable inputs used in Level 3 fair value measurements:

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 31 December 2022 <sup>(a)</sup>	Valuation techniques <sup>(a)</sup>	Unobservable inputs <sup>(a)</sup>	Range (weighted average) <sup>(a)</sup>
Investment properties	1,881.2	Comparison approach  Capitalisation approach	Estimated per square foot("psf")  Capitalisation rate	\$10 to \$4,173  3.25%
Asset held for sale	72.6	Income approach	Rental psf per month Rental growth rate Long-term vacancy rate Discount rate	\$0.72 to \$1.78 0.00% 12.50% 5.75% to 6.00%
Investment in associate	122.5	Market approach	Discount for liquidity	40%-50%
Investments				
Quoted debt securities	22.3	Discounted cash flow	Yield	4.00% to 6.00%
Unquoted debt securities	623.6	Income approach	Risk adjusted discounted rate	Spread of 1-2% above risk free interest rate
Unquoted equities	44.5	Net asset value <sup>(1)</sup>	not applicable	not applicable
Collective Investment Schemes	2,842.2	Net asset value <sup>(1)</sup>	not applicable	not applicable
Description	Fair value as at 31 December 2021 <sup>(a)</sup>	Valuation techniques <sup>(a)</sup>	Unobservable inputs <sup>(a)</sup>	Range (weighted average) <sup>(a)</sup>
Investment properties	1,883.9	Income approach	Rental psf per month Rental growth rate Long-term vacancy rate Discount rate	\$0.81 to \$1.75 0.00% 12.5% 5.75% to 6.00%
		Comparison approach	Estimated psf	\$11 to \$5,848
Investment in associate	95.2	Income approach	Discount rate	30% to 40%
Investments				
Unquoted equities	51.5	Net asset value <sup>(1)</sup>	not applicable	not applicable
Collective Investment Schemes	2,680.5	Net asset value <sup>(1)</sup>	not applicable	not applicable

(1) These investments are valued using net asset value. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy.

For investment properties, a significant increase/(decrease) in unobservable inputs would result in a significantly higher/(lower) fair value measurement.

(a) Extracted from audited consolidated financial statements

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

## 15 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

## 15.3 Level 3 Fair Value Measurements (continued)

## (ii) Valuation process:

The valuations of financial instruments are performed by the custodians and the valuations of investment properties are performed by the external valuers. The valuations conducted by the custodians are verified and assessed for reasonableness by Group Finance against available market conditions. The valuations of investment properties are based primarily on the comparable approach and the capitalisation approach. The major inputs of the valuation of investment properties are reviewed by management. The property management department also held discussions with external valuers on any significant fluctuation noted from the independent valuation reports. The valuations conducted by the external valuers are verified and assessed for reasonableness by management against property values of other comparable properties.

## (iii) Movements in Level 3 assets and liabilities measured at fair value:

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Group								
	Fair value measurements using significant unobservable inputs (Level 3)								
	31 December 2022 <sup>(a)</sup>								
	Investments								
in Singapore Dollars (millions)	Quoted debt securities	Unquoted debt securities	Unquoted equities	Collective Investment Schemes	Investment in associate	Investment Properties	Asset Held for Sale	Total	
<b>Opening balance</b>	-	-	51.5	2,680.5	95.2	1,883.9	-	4,711.1	
Total gain/(loss) for the period:									
Included in Profit or Loss Statement									
- (Loss)/gain on sale of investments and changes in fair value	-	-	(2.7)	(85.9)	24.4	91.3	-	27.1	
Included in other comprehensive loss									
- Changes in fair value	-	-	(4.3)	-	-	-	-	(4.3)	
Purchases and sales for the year:									
Purchases	-	-	-	609.4	-	1.0	-	610.4	
Sales	-	-	-	(361.8)	-	-	-	(361.8)	
Reclassification	-	-	-	-	-	(72.6)	72.6	-	
Transfer to/from during the year:									
Transfer from Level 1	22.3	614.6	-	-	-	-	-	636.9	
Transfer from Level 2	-	9.0	-	-	-	-	-	9.0	
Currency translation reserve adjustment	-	-	-	-	2.9	(22.4)	-	(19.5)	
<b>Closing balance</b>	<b>22.3</b>	<b>623.6</b>	<b>44.5</b>	<b>2,842.2</b>	<b>122.5</b>	<b>1,881.2</b>	<b>72.6</b>	<b>5,608.9</b>	

<sup>(a)</sup> Extracted from audited consolidated financial statements

**GREAT EASTERN HOLDINGS LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**15 FAIR VALUE OF ASSETS AND LIABILITIES (continued)**

**15.3 Level 3 Fair Value Measurements (continued)**

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3)(continued):

in Singapore Dollars (millions)	Group				
	Fair value measurements using significant unobservable inputs (Level 3)				
	31 December 2021 <sup>(a)</sup>				
	Investments				
	Unquoted equities	Collective Investment Schemes	Investment in associate	Investment Properties	Total
Opening balance	169.7	2,065.1	96.9	1,767.2	4,098.9
Total gain/(loss) for the year:					
Included in Profit or Loss Statement					
- (Loss)/gain on sale of investments and changes in fair value	(116.4)	80.8	(1.7)	84.3	47.0
- Changes in fair value	(1.8)	-	-	-	(1.8)
Purchases and sales for the year:					
Purchases	-	783.2	-	0.2	783.4
Sales	-	(248.6)	-	-	(248.6)
Reclassification from property, plant and equipment	-	-	-	38.8	38.8
Currency translation reserve adjustment	-	-	-	(6.6)	(6.6)
Closing balance	51.5	2,680.5	95.2	1,883.9	4,711.1

**16 DIVIDENDS**

in Singapore Dollars (millions)	Group and Company	
	31 Dec 2022 <sup>(a)</sup>	31 Dec 2021 <sup>(a)</sup>
Final one-tier tax exempt dividend for the previous year of 55 cents per ordinary share (2021: 50 cents per ordinary share)	260.3	236.7
Interim one-tier tax exempt dividend of 10 cents per ordinary share (2021: 10 cents per ordinary share)	47.3	47.3
	<b>307.6</b>	<b>284.0</b>

The Directors proposed a final one-tier tax exempt dividend of 55 cents per ordinary share amounting to \$260.3 million (2021: \$260.3 million) be paid in respect of the financial year ended 31 December 2022. This has not been recognised as distributions to shareholders.

There are no income tax consequences attached to the dividend to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

<sup>(a)</sup> Extracted from audited consolidated financial statements



**SECTION C – INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF  
GREAT EASTERN HOLDINGS LIMITED**

The auditor's report dated 21 February 2023, as extracted from the financial statements of Great Eastern Holdings Limited and its subsidiaries for the year ended 31 December 2022, which have been prepared accordance with Singapore Financial Standards (International), is as follows:

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT EASTERN HOLDINGS LIMITED**

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

#### **Our Opinion**

In our opinion, the accompanying consolidated financial statements of Great Eastern Holdings Limited ("the Company") and its subsidiaries ("the Group"), the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

#### *What we have audited*

The financial statements of the Company and the Group comprise:

- the consolidated profit or loss statement of the Group for the year ended 31 December 2022;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2022;
- the statements of changes in equity of the Group and of the Company for the year then ended;
- the consolidated statement of cash flows of the Group for the 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 Group 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.

#### **Our Audit Approach**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
GREAT EASTERN HOLDINGS LIMITED (continued)**

**Report on the Audit of the Financial Statements (continued)**

**Our Audit Approach (continued)**

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p><b>Valuation of life insurance contract liabilities</b></p> <p>Refer to the following notes in the consolidated financial statements: Note 2.10.3 <i>Life Insurance Contract Liabilities</i>, Note 2.30(a) <i>Critical accounting estimates and judgments on liabilities of insurance business</i>, Note 14.1 <i>Life Insurance Contracts</i> and Note 33 <i>Insurance Risk</i>.</p> <p>As at 31 December 2022, the Group has life insurance contract liabilities of S\$85,565.0 million representing approximately 87% of the Group's total liabilities.</p> <p>Management's valuation of life insurance contract liabilities uses complex actuarial methods and models. The valuation process involves significant judgment about the assumptions of uncertain future events, including: mortality, morbidity, expense, lapse, surrender and interest rates.</p> <p>In addition to historical experience, management judgment is involved in the application of these assumptions. Changes in these assumptions used could result in a material impact to the valuation of the life insurance contract liabilities and the related movements in the consolidated profit or loss statement of the Group.</p>	<p>We performed the following audit procedures to address this matter:</p> <ul style="list-style-type: none"> <li>• We understood the actuarial valuation process, including model changes and assumptions setting;</li> <li>• We tested the design and operating effectiveness of controls over the accuracy and completeness of the data used;</li> <li>• We understood the valuation methodologies used, identified changes in methodologies from the previous valuation and assessed the reasonableness and impact for material changes identified. We carried out these procedures by applying our industry knowledge and experience and assessed whether the methodologies and changes to those methodologies are consistent with recognised actuarial practices and expectations derived from market experience;</li> <li>• We performed an independent review of model points on a sample basis to assess that the methodologies and assumptions have been applied appropriately;</li> <li>• We assessed the reasonableness of the key assumptions used by management including: mortality, morbidity, expense, lapse, surrender and interest rates, by comparing against the Group's historical experiences and market observable data, where applicable;</li> </ul>

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
GREAT EASTERN HOLDINGS LIMITED (continued)**

**Report on the Audit of the Financial Statements (continued)**

**Our Audit Approach (continued)**

*Key Audit Matters (continued)*

<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<b>Valuation of life insurance contract liabilities (continued)</b>	<ul style="list-style-type: none"><li>• We reviewed the reasonableness of the movement analysis of the insurance contract liabilities prepared by management. The movement analysis provides a reconciliation of the balance as at 31 December 2021 to 31 December 2022, showing the key drivers of the changes during the year; and</li><li>• We assessed the appropriateness of the disclosures in the financial statements.</li></ul> <p>Based on the work performed and the evidence obtained, we found the methodologies and assumptions used by management to be appropriate. Our audit procedures on the disclosures showed that they were in accordance with the relevant SFRS(I) disclosure requirements.</p>

**Other Information**

Management is responsible for the other information. The other information comprises the Directors' Statement, Awards, Corporate Social Responsibility, Group Network, Key Executives, List of Major Properties and Management Team (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
GREAT EASTERN HOLDINGS LIMITED (continued)**

**Report on the Audit of the Financial Statements (continued)**

**Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group'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 judgment 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 Group'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 Group'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 Group to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
GREAT EASTERN HOLDINGS LIMITED (continued)**

**Report on the Audit of the Financial Statements (continued)**

**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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Hans Koopmans.



PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 21 February 2023