

GO FOR GREAT



**GREAT EASTERN HOLDINGS LIMITED
ANNUAL REPORT 2021**

GO FOR GREAT

At Great Eastern, we constantly seek new ways to improve ourselves for the future. From the development of holistic solutions for our customers to supporting our communities, we always aim to deliver our best and GO FOR GREAT in all that we do.

We are committed to helping our customers plan for the future to help them live Lifeproof. As their trusted insurance partner at their every life stage, we are ready to help them achieve their financial goals, and they can count on us to make life GREAT.

The theme of our 2021 Annual Report captures our drive and motivation to strengthen our business and deliver on our brand promise to customers, partners, financial representatives and employees.

As we journey together, we will continue to GO FOR GREAT, putting our customers at the heart of all we do, and creating mutually beneficial experiences for all our stakeholders.



OPPORTUNITIES



SERVICE

IMPACT

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CORE VALUES
**Integrity
Initiative
Involvement**

WHO WE ARE

We are a LIFE Company providing protection and financial freedom to our customers

VISION

To be the leading financial service provider in Asia, recognised for our excellence

WHAT WE BELIEVE IN

Our customers are at the heart of all that we do

MISSION

To make life great by providing financial security, promoting good health and meaningful relationships

WHAT WE DO

Help our customers to achieve their goals and to live Lifeproof

ETHOS

Great Eastern always acts in the best interest of our customers with Fair Dealing as the basis of our business

KEY FIGURES

PERFORMANCE HIGHLIGHTS OF FY2021

S\$1,113

MILLION

PROFIT ATTRIBUTABLE TO
SHAREHOLDERS

S\$18,255

MILLION

EMBEDDED VALUE

S\$9,537

MILLION

MARKET CAPITALISATION¹

S\$748

MILLION

OPERATING PROFIT
AFTER TAX

S\$10,030

MILLION

SHAREHOLDERS' EQUITY

65

CENTS

DIVIDEND PER SHARE²

S\$110,390

MILLION

TOTAL ASSETS

S\$18,956

MILLION

GROSS PREMIUMS

S\$804

MILLION

ECONOMIC VALUE OF ONE
YEAR'S NEW BUSINESS

- 1 This is calculated using Shared Outstanding of 473,319,069 shares and last traded price in FY2021 of S\$20.15 (31 December 2021).
- 2 This includes the interim one-tier tax exempt dividend of 10 cents per ordinary share and a final one-tier tax exempt of 55 cents per ordinary share for the financial year ended 31 December 2021.



GO FOR

GREAT SERVICE

KEEPING OUR
CUSTOMERS AT THE
HEART OF ALL THAT
WE DO



Pledged over S\$1 million regionally to provide hospitalisation benefits against COVID-19 complications from approved vaccinations



Launched the GREAT Covid Care plan in Singapore and the COVID-19 Medical Plan Coverage Programme in Malaysia to provide hospitalisation benefits for residents and customers respectively



Delivered holistic insurance solutions including plans for critical illness, long-term disability, retirement and wealth accumulation



Enabled digital signing and online claims submissions to enhance customer experience and faster business processing



GO FOR

GREAT OPPORTUNITIES

EMPOWERING OUR PEOPLE TO DO THEIR BEST



Held the #FutureReady Virtual Learning Carnival regionally for our employees' continuous development



First insurer in Malaysia to receive industry recognition from the Malaysia Financial Planning Council for our internal training programmes for financial representatives



Celebrated the highest number of agency leaders achieving Level 3 accreditation for Agency Management training from Singapore's Institute of Banking and Finance



GO FOR

GREAT

IMPACT

DOING GOOD FOR THE COMMUNITIES AROUND US



Raised over S\$328,000 to plant over 1,400 trees in Singapore



Raised over S\$111,000 to support the low-income families under the Special Needs Trust Company's (SNTC) Gift Of A Lifetime Sponsorship Scheme



Contributed over RM220,000 to Malaysian non-governmental organisations to provide financial aid to the vulnerable



Donated Rp15 million to help those displaced by earthquakes in Indonesia

LETTER TO SHAREHOLDERS



Koh Beng Seng
Chairman

Khor Hock Seng
Group Chief Executive Officer

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During the year, we made strides integrating sustainability into our business operations and organisational culture, at the same time unveiling propositions developed with sustainability in mind.

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Dear Shareholders,

The year 2021 saw a strong recovery in the global economy, as social distancing measures gradually eased across the world and economic activities started to normalise, aided by successful roll-outs of vaccination programmes.

Against this backdrop, equities have generally performed well, recovering from the COVID-19 pandemic induced decline in 2020. However, performance across regions was diverse with Asian equities performing poorly, largely due to policy and regulatory tightening in China, even as developed market equities in the US and Europe delivered stellar returns.

Overall, global economic recovery has been uneven and continues to be challenged by new waves of infections due to emerging COVID-19 variants. Supply chain disruptions arising from the pandemic continue to put upward pressure on inflation, exacerbated by the sharp rise in energy prices. Consequently, central banks including the US Federal Reserve, are starting to wind down policy stimulus. This

will create a less conducive environment for risk assets including equities in 2022.

As a leading regional insurer, we Go for GREAT in everything we do for our business, customers, employees and financial representatives. This was no different in 2021. Across the Group, we surmounted the challenges brought about by the pandemic, rallied behind our customers, employees and financial representatives, and reshaped our corporate strategies and business model to capitalise on opportunities. Our customer base across the Group has grown to more than 10 million, while total assets grew to more than S\$100 billion. We maintained our financial strength rating of “AA-” by Standard and Poor’s, putting us among the strongest insurers in Asia.

Customer-centricity remains at the forefront of our business decisions. We adopted design thinking and research insights - powered by data and technology - to deliver service excellence and targeted propositions for customers. We will continue to accelerate the execution of our digital-enabled transformation strategy to pivot our operating model and improve our engagement with our customers, as we invest to enhance our infrastructure to strengthen our operations.

During the year, we made strides integrating sustainability into our business operations and organisational culture, while at the same time unveiling propositions developed with sustainability in mind. We encouraged customers to participate in the green economy through our *GREAT Green SP*, a short-term endowment plan which invests in projects that support climate change mitigation, such as renewable energy, green buildings and the deployment of electric vehicle charging stations. Separately, we also partnered the Special Needs Trust Company to help families with special needs children secure their future through our affordable *Great Eastern Cares Term Plan*.

As the COVID-19 pandemic continued, we unveiled Great Vaccine Funds across our markets to provide hospitalisation cover for potential complications arising from approved vaccinations. In Singapore, we offered the *GREAT Covid Care Plan*, a complimentary post-vaccination protection plan with hospital cash benefits covering both local and overseas hospitalisation. In Malaysia, we also launched a COVID-19 Medical Plan Coverage Programme for customers with eligible medical plans against COVID-19 complications, and continued to contribute to communities to help impacted families and charities. We also worked with the Indonesia Life Insurance Association to provide financial aid to fund natural disaster response programmes for the needy.

Overall, the Group weathered challenges across all fronts. We maintained our market leadership positions in Singapore and Malaysia. Our strong balance sheet and prudent portfolio management capabilities enabled us to ride through volatile market conditions through the year.

OUR FINANCIAL SCORECARD

The Group continued to deliver strong performance despite the challenging business environment. Total Weighted New Sales grew by 27% to S\$1,965.2 million compared to the same period last year. New Business Embedded Value, a measure of long-term economic profitability, increased by 20% to S\$803.6 million, a reflection of our strong product proposition and distribution network. Operating profit from the insurance business achieved a 2% growth to S\$748.3 million. On a full-year basis, Profit Attributable to Shareholders reported a 16% increase to S\$1,113.0 million, amid more volatile financial market conditions compared to a year ago.

Our solid performance is anchored on a strong risk and compliance culture, with our Board playing a key role in setting the governance standards to meet our stakeholders’ expectations. We operate within parameters and constraints that are calibrated to the Board-approved risk appetite, and will always uphold the highest standards of corporate governance, transparency and disclosure, as we strive for excellence.

The Board has recommended the payment of a final one-tier tax-exempt dividend of 55 cents per ordinary share. Upon shareholders’ approval, the final dividend will be paid on 5 May 2022. Including the interim one-tier tax-exempt dividend of 10 cents per ordinary share paid in August 2021, total dividends for the financial year 2021 would amount to 65 cents per ordinary share.

ACCELERATING GROWTH IN OUR FINANCIAL REPRESENTATIVE NETWORK

In 2021, we strengthened our financial representative footprint across Singapore and Malaysia. We grew to 5,500 in Singapore and to over 29,000 in Malaysia. We also celebrated the 10th anniversary of Great Eastern Financial Advisers, through which we provide financial advice to individual and corporate clients, and a suite of risk and integrated wealth management solutions.

During the year, we focused on accelerating the growth and development of our financial representatives, and uplifting their professionalism with certifications and accreditations.

LETTER TO SHAREHOLDERS

In Singapore, more than 300 leaders have completed the Institute of Banking and Finance's (IBF) highest level of accreditation for Agency Management. In addition to accredited programmes, we have rolled out a series of blended learning programmes, comprising virtual training sessions, webinars and e-learning modules to continuously upskill our financial representatives.

In Malaysia, we were the first insurer to receive industry recognition for our internal training programmes from the Malaysia Financial Planning Council. We also launched the Great Education series for our Malaysian financial representatives to share best practices and engagement tips through closed community groups on social media platforms to help them sharpen their customer engagement skills.

Our strong foundational capabilities empowered our financial representatives to respond to customers' demands via multiple touchpoints, including remote advisory. Our GreatAdvice point-of-sale platform was further enhanced in early 2021 to provide better user and customer experiences, including the integration of existing customers' information onto the platform to enable digital signatures on documents, and to facilitate seamless processing for their sales and servicing needs.

To further boost productivity of our Life and Takaful financial representatives in Malaysia, we launched the GreatPlanner app to augment their sales activity management.

STRENGTHENING OUR BANCASSURANCE CHANNEL

Together with OCBC Bank, we focused on increasing customer engagement across all markets. We deepened our partnership and invested in more integrated digital applications to provide a better customer experience in response to their online mobile consumption habits, in addition to developing relevant insurance offerings to better match their needs.

In Singapore, we successfully integrated our online sales platform into OCBC's mobile app, enabling customers to purchase selected insurance plans with almost instantaneous activation of insurance coverage within minutes.

Our partnership in Malaysia remained resilient notwithstanding the country's continued movement restrictions. We deployed sales coaches and organised training sessions to help OCBC's sales team better engage their prospects and customers, both face-to-face and virtually, thus increasing sales closing rates. In addition, we supported OCBC's customer outreach campaigns through virtual webinars to introduce them to our insurance solutions.

Our strong foundational capabilities empowered our financial representatives to respond to customers' demands via multiple touchpoints, including remote advisory.

With Bank OCBC NISP in Indonesia, we delivered greater digital functionality which allowed their customers to actively and conveniently manage their own investment-linked policies via our GoGreat! website.

BROADENING OUR REACH THROUGH AFFINITY PARTNERS

While we are still in the early days of our partnership journeys in our markets, we see huge business potential ahead. To harness this, we are working closely with our partners to progressively evolve the business model and sales journey to improve our product propositions.

We continued to invest in our affinity partnerships and strengthened collaborations to bring tailored insurance solutions to their customers via their digital platforms. We collaborated with Singtel in Singapore to launch home, motor and travel solutions, and also offered personal accident and disability insurance plans to Singtel Dash customers. In Malaysia, we partnered Axiata Digital Capital (Axiata) to reach out to their customers via their digital platforms. In collaboration with Axiata, we curated a wide range of protection solutions covering Life, Takaful and General Insurance. In Indonesia, we offered gadget insurance solutions via the Gojek app and Dana e-wallet.

DELIVERING LIFE INSURANCE PROPOSITIONS ACROSS THE GROUP

We offered a holistic suite of Life insurance solutions to comprehensively address customers' needs across all markets during the year. We leveraged our customer-centric, research-led insights to design propositions for targeted customer segments and to capture new market opportunities to support business growth.

In 2021, we focused on health and critical illness (CI) protection plans in response to customers' ongoing concerns about their health and well-being. In Singapore,

we enriched our CI propositions for our investment-linked and term plans to provide more coverage to help address protection gaps in this area, including comprehensive propositions which cover up to three times against all stages of CI (early, intermediate and critical). In Malaysia, we launched two medical riders, *SmartMedic Million Extender* and *SmartMedic Million Plus*, to provide comprehensive protection and better benefits to enhance customers' coverage, while in Indonesia, we simplified the buying process of our *Great Cancer Protection* and *Great Heart Attack Protection* through our GoGREAT! website.

In the health space, we revamped our Integrated Shield plans for better competitiveness and long-term sustainability of the portfolio in Singapore. At the same time, we augmented the proposition of our CareShield Life supplementary plans with *GREAT CareShield Supreme*, Singapore's first-in-market plan with monthly payouts based on the insured person's inability to perform one Activity of Daily Living.

Our short-term endowment plans, *GREAT SP* series in Singapore and *MaxSure* in Malaysia, garnered positive response from our customers throughout the year. In the second half of 2021, we launched two retirement plans in Singapore, *GREAT Retirement Income* and *GREAT Lifetime Payout*, which gave customers the option of receiving regular monthly payouts over 10 or 20 years, or over their lifetime to help them achieve their financial freedom.

Continuing with our mission to provide more people with affordable protection solutions, we launched MikroSayang, our first Takaful solution under Perlindungan Tenang scheme which offers hospitalisation, CI and death benefits arising from personal accidents. We also rolled out an affordable protection plan with high coverage which customers could enhance with CI riders for themselves and their children, including a Takaful plan to provide protection towards their children's higher education needs under the Malaysia National Savings Education Scheme.

GROWING OUR GENERAL AND GROUP INSURANCE BUSINESS

Overall, our General Insurance business held its ground across the region. In 2021, we saw steady growth in the retail business across all channels. We continued to upgrade our digital capabilities, while strengthening our core distribution network of financial representatives, bancassurance partners and brokers, and forging stronger partnerships with affinity partners to expand our customer reach.

In Singapore, we simplified our customers' and intermediaries' journeys with the launch of our new point-of-sale platform, to provide a more intuitive user interface

and facilitate seamless online purchases. Going forward, we expect this online platform to be one of our key drivers for our retail business. With the re-opening of travel borders from the second half of 2021, we enhanced our travel insurance with COVID-19 benefits to provide our customers with peace of mind.

Our affinity partnerships in the region helped drive demand for general insurance offerings such as travel, home and motor insurance. We worked with our partners, Singtel in Singapore, Axiata and Malindo in Malaysia, and Traveloka and Tiket.com in Indonesia, to reach out to new customer segments and increase our market share in travel insurance.

Our Group Insurance business delivered a steady performance in 2021. We now serve 2,000 corporates with more than 500,000 employees. To help address the growing focus on mental wellness by corporates, we offered mental wellness programmes for our corporate customers in Singapore, to provide access to such consultations on virtual channels for their employees. In addition, to provide customers quicker access to cashless facilities at our panel of clinics, we enhanced our Application Programming Interface with our medical network providers to facilitate faster real-time data exchanges and seamless data updates.

STAYING CLOSE TO OUR CUSTOMERS ACROSS ALL TOUCHPOINTS

As a customer-centric insurer, we always aim to connect better with our customers via our omni-channel approach. We also strive to provide best-in-class end-to-end customer experiences, and enhance customer engagement across all our touchpoints.

During the year, our enhanced Great Eastern app helped facilitate better policy servicing and empowered our customers with e-claims submission functionality in Singapore. In Malaysia, we also rolled out a new online claims feature on i-Great Partner portal to enable faster processing of claims for Takaful customers. In Indonesia, our Great Eastern Corporate app allowed our Group Insurance customers to conveniently submit claims and locate the nearest hospital and health providers, while our GoGREAT! website enabled our Life customers to purchase selected insurance plans and manage their investment-linked plans online.

In Singapore, to promote active financial planning, we upgraded the Financial Storyboard with new features, allowing our financial representatives to help customers stress-test their plans against life events and simulate the impact of the unforeseen on their cash flow.

LETTER TO SHAREHOLDERS

During the year, we rebranded UPGREAT to GREAT EASTERN REWARDS and refreshed our loyalty programme with more merchant deals and offers from lifestyle retail partners, covering Eat, Shop and Play.

LEVERAGING DATA INSIGHTS AND TECHNOLOGY

The Group is firmly focused on harnessing deep customer insights from data to deliver better products, bring greater value to customers and enhance customer experiences. The Centre for Design, Insights and Innovation team is tasked to harness these insights to help drive sharper product propositions and customer experiences through their Actionable Consumer Insights Lab in collaboration with business units. We also implemented tools for better data governance, and management quality. We are building capabilities to provide more accurate and in-depth analysis to support data-driven management and business decision-making, while fostering a culture that safeguards and uses data for the benefit of our customers.

We continued to invest in technology to provide better customer service with greater speed and efficiency. In Singapore, we improved our straight-through processing rate for Life policies with the roll-out of a new underwriting system in late 2020, allowing 85 per cent of our customers to receive same-day policy approvals.

As we stepped up on the execution of our transformation plan to refresh our core systems and technology infrastructure, we accelerated our cloud transformation with increasing automation to support quick response to business needs in addressing customers' expectations and market competition.

MANAGING CYBER SECURITY THREATS

With the increased pace of digital transformation and the rise of remote working, we face rising exposure to cyber security threats. We have strengthened our cyber defences and invested in leading-edge technology, to enable us to stay ahead of these and to deliver a secure business operating environment. We have implemented defence solutions for our endpoints and servers, and round-the-clock surveillance of our network to detect and respond to intrusion attempts. Multi-factor authentication and encryption of virtual desktop infrastructure have been rolled out to our staff to protect their system accounts for more secure remote access. In Singapore and Malaysia, we embarked on a bug bounty programme to stress-test our security systems.

DEEPENING OUR COMMITMENT TO SUSTAINABILITY

During the year, we doubled down on our commitment to sustainability by accelerating efforts to minimise our carbon footprint and integrating climate risk considerations into both our insurance and investment portfolios. We are firmly focused on improving people's lives in our communities by making insurance affordable and accessible, and will partner industry groups and global associations to build an ecosystem that supports the industry's journey in sustainability.

We remain committed to working towards measuring and evaluating our sustainability efforts by focusing on integrating Environment, Social and Governance (ESG) and embedding ESG practices into the way we manage our business. In our Sustainability Report 2021, we unveil our carbon reduction plan and our new target to achieve net zero operational emissions by 2025. As 2022 unfolds, we will work to identify, assess and mitigate environmental risks in our insurance and investment portfolios to address this.

Since 2017, the Sustainability Report has been a key aspect of the Annual Report. We have made the decision to publish our Sustainability Report 2021 as a standalone and digital-only publication. As a standalone document, we can expand on our approach to sustainability which is based on responsible insurance and investment, responsible business practices, and the social impact from improving people's lives. Please look out for our Sustainability Report 2021 to be published on our website by May 2022.

FOR OUR PEOPLE

As a Group, we are committed to the success of our staff and financial representatives, and we invest in programmes to support them in both their personal and professional developments. As a responsible employer, we aim to provide a conducive and safe environment for our people to achieve their full potential despite business, environment and work arrangement challenges during the year.

Amid ongoing safe distancing measures due to COVID-19, we conducted virtual staff engagement sessions and webinars to keep them connected on company updates and business developments.

We recognise the importance of taking care of the mental and emotional well-being of our staff across all markets under the challenging environment brought about by the pandemic. We have conducted health and wellness webinars and activities to keep everyone engaged on these matters. In Singapore, we launched a Mental Wellness

Consultation initiative in partnership with Doctor Anywhere for employees to speak to certified doctors and seek guidance to handle stressful situations for their mental well-being. In Indonesia, we organised a Mental Health series for employees to learn how to better manage stress and held a painting workshop in collaboration with WeGrow, an advocate of green living, to help them recharge through art.

To future-proof our staff for the digital economy, we arranged “on-the-go” and “bite-sized” e-learning modules via LinkedIn Learning throughout the year, and held a month-long #FutureReady Virtual Learning Carnival for all markets covering topics including Sustainability, Cybersecurity and Insurtech.

For our financial representatives, we structured learning and development programmes to boost their capabilities and professional advisory skills through a blended learning approach involving e-learning, in-person and virtual classroom trainings, and webinars to upskill their professionalism and capabilities. We put together a broad range of bite-sized digital training modules for their convenient access on-demand. Besides our focus on their professional growth, we are also conscious of their mental well-being. In Singapore, we partner Executive Counselling Training Academy to provide mental wellness sessions for our financial representatives to help build positivity and mental resilience.

MAKING AN IMPACT TO COMMUNITIES AROUND US

Doing good for the community is an important priority for us as a leading regional insurer. The Group continued to provide financial aid to the needy and vulnerable, while we also made strides into green citizenry in 2021. We contributed over S\$700,000 in corporate donations to meaningful causes in Singapore, including NParks’ Garden City Fund, Zero Waste Singapore, the Special Needs Trust Company, Breast Cancer Foundation and Daughters Of Tomorrow.

Other initiatives elsewhere in the region included our GET BIG programme through our Takaful business in Malaysia, where funds were raised in collaboration with various non-governmental organisations to support the community, and financial literacy seminars held to support the Indonesia Financial Services Authority’s insurance education programme for the wider community. More information can be found in the Corporate Social Responsibility section on pages 52 to 55.

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Doing good for the community is an important priority for us as a leading regional insurer.

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INDUSTRY AWARDS & ACCOLADES

We are proud of the many accolades conferred on us last year, including the Health Insurance Initiative of the Year by Insurance Asia Awards 2021 in Singapore, the BrandLaureate Brand of the Year Award for our Life business and the BrandLaureate World Halal Best Brands e-Branding Award for our Takaful business in Malaysia, and the Top Insurance Employers Award 2021 by Insurance Business Asia Magazine in Indonesia.

DEVELOPMENTS IN THE REGULATORY LANDSCAPE

During the year, there were new and revised regulations issued across the various markets.

In Singapore, key regulations issued included:

- Technology Risk Management Guidelines (TRM Guidelines) by the Monetary Authority of Singapore (MAS), which was revised to provide additional guidance for the Board and senior management to combat cyber threats, introducing more stringent assessments for third-party vendors/entities having access to Financial Institutions’ (FI) IT systems, as well as monitoring, testing, reporting and sharing of cyber threats within the financial ecosystem;
- Amendments to the Personal Data Protection Act 2012 (PDPA) to enhance the PDPA and strengthen organisational accountability and consumer protection, improve effective enforcement and enable organisations to harness personal data for business purposes; and
- Financial Advisers (Complaints Handling and Resolution) Regulations 2021 (Regulations) which adopts the Financial Advisory Industry Review’s recommendation to raise financial advisory (FA) standards to strengthen regulatory requirements on FA firms’ complaints handling and resolution processes, which outlines five requirements for FIs to reinforce consistent standards across the industry for effective complaints handling and resolution management among all financial advisers. The Regulations took effect on 3 January 2022.

LETTER TO SHAREHOLDERS

In Malaysia, Bank Negara Malaysia (BNM) issued the guidelines and clarifications for general insurance companies in relation to regulatory changes on the Control Operating Costs of General Insurance Business. The alignment in classification of Management Expenses and Agency-related Expenses aims to promote fair competition among insurers, and that there should be no excessive payments made to the intermediaries and their related companies.

In November 2021, BNM issued the discussion paper on the definition of “hajah”, scope of the application of hajah, including the governance requirement and decision making process to address inconsistent practices observed in Islamic FIs. Hajah is a situation that will cause or is likely to cause a detrimental impact to the safety and soundness of the Islamic FIs, thus necessitating a temporary exception of a Shariah ruling.

In Indonesia, Otoritas Jasa Keuangan (OJK) issued several regulations, such as:

- SEOJK 8/2021 Implementation of Risk Management for Insurance, Shariah Insurance, Reinsurance and Sharia Reinsurance Companies, which is the implementation regulation of POJK 44/2020. It provides greater details on such companies’ expansion plans on risk management procedures and inherent risks; and
- POJK 4/2021 and SEOJK 22/2021 Implementation of Risk Management in The Use of Information Technology by Non-bank Financial Services Institutions. These regulations require such companies to implement IT risks effectively, establish an IT Steering Committee, implement IT policies and procedures, and have a data center and data recovery center.

In Brunei, Brunei Darussalam Central Bank (BDCB) issued several key regulations, such as:

- FCI/N1/2021/1 Notice for the establishment of a Complaints Handling Function within FIs to strengthen financial consumer protection, in order to give financial consumers an effective redress mechanism for their complaints relating to financial products and services; and
- TIU/N-1/2021/17 Notice on Roles and Responsibilities of Insurance companies and Takaful operators on Insurance/Takaful agents in ensuring that registered Insurance/Takaful agents meet the industry required criteria. It also ensures insurance companies and Takaful operators monitor the conduct of their Insurance/Takaful agents.

LOOKING AHEAD

Driven by the fast changing and competitive business environment, rapid developments in technology, tighter regulations, fundamental shifts in customer behaviours and expectations, and the widespread use of social media, we are continuously adapting and evolving our business and operating model to effectively capitalise on new opportunities, to build resilience for the future, and to better meet the requirements of our customers, regulators and other stakeholders.

As we scale up our financial representative network across the Group, we will also focus on uplifting their professionalism and competency. We will accelerate our investments in tools and strengthen our product propositions to ensure they are empowered to respond nimbly to customers’ needs and expectations. In addition, we will continuously enhance our internal systems and processes, and strengthen our surveillance capability to protect our customers’ interests and confidentiality.

We will work in close collaboration with our bancassurance partner OCBC Bank, to strengthen the sales model and develop targeted and relevant product propositions for their customers. As we continue to leverage our affinity partners’ platforms to deepen our digital presence and engage with their customer bases, we will evolve the operating model to enable us to fully harness the opportunities in the digital space.

With customer-centricity at our core, we will invest more to further build our people’s capabilities and our technology infrastructure to improve the end-to-end customer experience and engagement across all our touchpoints. We will also be enhancing our digital platforms with more comprehensive services to allow our customers to address their needs at their convenience. We will further upgrade and augment our product development process with deeper customer insights gathered through research and data, to design better segment-aligned propositions and offer targeted products and services at the right moments in our customers’ lives.

As we accelerate the execution of our transformation roadmap and increase digital adoption, we will proactively improve on our cyber security capabilities and enhance our operational risk framework, not only to secure our operating environment, but to ensure that we are able to detect and respond to intrusions speedily.

In the area of sustainability, we will implement targeted programmes to embed ESG practices in our business and execute our operational Net Zero Plan across the Group.

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We are committed to being a trusted partner for life, and will continue to Go for GREAT to grow the business and to support the evolving needs of our customers for many more years.

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2022 will be a year of moderation in terms of economic growth, as the path to recovery of each economy from the unprecedented COVID-19 shock will likely be uneven. The re-opening of economies and the rebound in global economic activity have driven up inflation, as a result of the disruption to global supply chains. The situation has been exacerbated by the war in Ukraine. Rising inflation would possibly lead to higher bond yields, which could be further elevated by central banks' gradual removal of ultra-accommodative stimulus as they lay the groundwork for interest rate hikes going forward. Overall, the environment will be much more challenging for risk assets, with volatility expected to remain elevated due to the high level of uncertainty.

The US-China relationship will remain the key geopolitical dynamic in 2022 and beyond. However, the key uncertainty in the near term is driven by the war between Russia and Ukraine, which has led to surging energy and commodity prices, raising concerns about higher inflation and slower economic growth. Climate change will further heighten risks to countries already inundated with resource conflicts, food and energy shortages, rising extremism and forced migrations. Globally, the impact on the economy due to potential new COVID-19 variants remains an unknown.

Unlike in recent years, the global central banks are unlikely to continue to provide abundant and consistent liquidity to the financial markets via their easy monetary policies. This will result in greater financial market uncertainty, thereby generating greater volatility as financial authorities grapple with a higher inflationary environment.

Given the uncertain global economic environment and expected volatile capital market conditions, it is important that we remain vigilant and adopt a prudent approach in our underwriting and investment operations. To improve the resilience of our portfolio against shocks, we will focus on building a balanced, well-diversified and high-quality asset portfolio. We will also continuously strengthen our balance sheet and risk management capabilities – both of

which have served us well in weathering the pandemic over the last two years - to ensure that we can continue to ride out the challenging conditions ahead.

ACKNOWLEDGEMENTS

Mr Norman Ip, who has served on the Board of Directors since 5 March 2010, stepped down on 28 February 2022. Mr Ip also served as Acting Group Chief Executive Officer from July 2014 to November 2015. We wish to express our sincere appreciation to Mr Ip for his invaluable contributions as a valued member of the Board and we wish him the very best ahead.

On behalf of the Group, we thank our Board of Directors and the Boards of our subsidiary companies for their wise counsel and commitment in contributing to the achievements of the Group. Our heartfelt appreciation goes to our management team, employees, bancassurance and affinity partners, financial representative network, business associates and the union for their contributions to our business in 2021. Finally, our deepest thanks go to you, our shareholders and customers for your continuous support and confidence in Great Eastern.

We will continue to pursue a disciplined and prudent strategy to grow the business across our key markets. We are committed to being a trusted partner for life, and will continue to Go for GREAT to grow the business and support the evolving needs of our customers for many more years.



KOH BENG SENG
Chairman



KHOR HOCK SENG
Group Chief Executive Officer

1 March 2022

BOARD OF DIRECTORS

AS AT 1 MARCH 2022



KOH BENG SENG

Chairman

Non-Executive Non-Independent Director

Mr Koh was first appointed to the Board of Great Eastern Holdings Limited (the “Company”) on 2 January 2008 as a non-executive Director and was appointed as Chairman of the Company on 1 September 2014. He was last re-elected as the Company’s Director on 14 May 2020.

Mr Koh was appointed Chairman of the Company’s principal insurance subsidiaries, namely, The Great Eastern Life Assurance Company Limited (“GEL”) and Great Eastern General Insurance Limited (“GEG”) on 1 September 2014.

Mr Koh served as a Member of the advisory team to the International Monetary Fund on reforms to Thailand’s financial sector. Mr Koh was previously with the Monetary Authority of Singapore (“MAS”) for 24 years until 1998, his last appointment being Deputy Managing Director, Banking and Financial Institution Group. Age 71.

Mr Koh will be seeking re-election at the Company’s 2022 Annual General Meeting (“AGM”). Please refer to page 28 for additional information required under Listing Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

Other Directorships and Principal Commitments/Appointments

1. Great Eastern General Insurance Limited	Chairman
2. The Great Eastern Life Assurance Company Limited	Chairman
3. Bank of China (Hong Kong) Limited	Director
4. BOC Hong Kong (Holdings) Limited*	Director
5. Oversea-Chinese Banking Corporation Limited*	Director
6. Octagon Advisors Pte. Ltd.	Chief Executive Officer
7. China Banking Association in China - Expert Committee	Member
8. Lien Ying Chow Legacy Fellowship Council	Member
9. Lingnan (University) College, Sun Yat-sen University in China - International Advisory Board	Member

Past Directorships and Principal Commitments/Appointments for the last 5 years

1. Hon Sui Sen Endowment CLG Limited	Director
2. Singapore Technologies Engineering Ltd*	Director
3. United Engineers Limited*	Director

Academic and Professional Qualifications

- Bachelor of Commerce (First Class Honours), former Nanyang University, Singapore
- Master of Business Administration, Columbia University, USA

Board Committees Served On

- Chairman, Executive Committee
- Chairman, Risk Management Committee
- Member, Nominating Committee
- Member, Remuneration Committee
- Member, Sustainability Committee

Length of Service

14 years 2 months

Country of Principal Residence

Singapore

The Board’s comments on the re-election

Mr Koh Beng Seng, who was appointed as Chairman of the Board in September 2014, has extensive experience in the financial sector and was previously with the MAS for 24 years where he was Deputy Managing Director, Banking and Financial Institution Group. His extensive knowledge of the banking and property market, and significant contributions during board and board committee deliberations make him invaluable to the Great Eastern Group.

* Listed company



LAW SONG KENG

Non-Executive Non-Independent Director

Mr Law was first appointed to the Board of the Company on 1 January 2013 and was last re-elected as the Company's Director on 14 May 2020.

Mr Law was previously the Deputy Managing Director (Administration and Insurance) at the MAS, the Managing Director and Chief Executive Officer ("CEO") of GEG and a Member of the Central Provident Fund ("CPF") Board. He was also a Director of Inland Revenue Authority of Singapore ("IRAS") until September 2010 and Manulife (Singapore) Pte Ltd until September 2012. Age 77.

Mr Law will be seeking re-election at the Company's 2022 AGM. Please refer to page 28 for additional information required under Listing Rule 720(6) of the Listing Manual of the SGX-ST.

Other Directorships and Principal Commitments/Appointments

- | | |
|--|----------|
| 1. Frasers Hospitality Asset Management Pte. Ltd. (Manager of Frasers Hospitality Real Estate Investment Trust*) | Chairman |
| 2. Frasers Hospitality Trust Management Pte. Ltd. (Trustee-Manager of Frasers Hospitality Business Trust*) | Chairman |
| 3. IFS Capital Limited* | Director |

Past Directorships and Principal Commitments/Appointments for the last 5 years

- | | |
|--|----------|
| 1. Concord Insurance Company Limited | Chairman |
| 2. ACR Capital Holdings Pte. Ltd. | Director |
| 3. Asia Capital Reinsurance Group Pte. Ltd. | Director |
| 4. Asia Capital Reinsurance Malaysia Sdn Bhd | Director |

Academic and Professional Qualifications

- Bachelor of Science (First Class Honours in Mathematics), University of Singapore
- Master of Science (Actuarial Science), Northeastern University, USA
- Fellow of the Society of Actuaries, USA

Board Committees Served On

- Member, Audit Committee
- Member, Risk Management Committee
- Member, Sustainability Committee

Length of Service

9 years 2 months

Country of Principal Residence

Singapore

The Board's comments on the re-election

Mr Law Song Keng has in-depth knowledge and operating experience in both life and general insurance operations. His contributions during board and board committee deliberations continue to make him invaluable to the Great Eastern Group.

* Listed company

BOARD OF DIRECTORS

AS AT 1 MARCH 2022



LEE FOOK SUN

Non-Executive Independent Director

Mr Lee was first appointed to the Board of the Company on 1 August 2017 and was last re-elected as the Company's Director on 16 April 2021.

Mr Lee was previously the Deputy CEO and President of Defence Business of Singapore Technologies Engineering Ltd and the President of Singapore Technologies Electronics Limited. He was with the Singapore Technologies Engineering Group for 17 years until he retired in June 2017. Prior to this, he served in the Singapore Armed Forces ("SAF") and Ministry of Defence ("MINDEF"). He held various key appointments as Director of Joint Intelligence Directorate, Director of Military Security Department and Assistant Chief of General Staff (Logistics). Age 65.

Other Directorships and Principal Commitments/Appointments

- | | |
|--|---|
| 1. Ensign Infosecurity (Cybersecurity) Pte. Ltd. | Chairman |
| 2. Ensign Infosecurity Pte. Ltd. | Chairman |
| 3. SMRT TEL Pte. Ltd. | Deputy Chairman |
| 4. SMRT Trains Ltd. | Deputy Chairman |
| 5. Ensign Asia Pte. Ltd. | Director |
| 6. Ensign Global (US) LLC | Director |
| 7. Ensign Technologies Pte. Ltd. | Director |
| 8. SMRT Corporation Ltd | Deputy Chairman;
Chairman, Audit & Risk Committee; Member, Executive Committee; Member, Nominating & Remuneration Committee; Chairman, LTA-SMRT Board Joint Asset Renewal & Maintenance Standards (Joint-ARMS) Committee |

- | | |
|--|----------|
| 9. Istari Global (Singapore) Pte. Ltd. | Director |
| 10. Istari International (UK) Limited | Director |
| 11. InfoComm Technology Projects Advisory Panel, Ministry of Finance | Member |

Past Directorships and Principal Commitments/Appointments for the last 5 years

- | | |
|---|--|
| 1. Building and Construction Authority | Chairman |
| 2. D'Crypt Pte Ltd | Chairman |
| 3. ST Electronics (Info-Comm Systems) Pte. Ltd. | Chairman |
| 4. ST Electronics (Info-Security) Pte. Ltd. | Chairman |
| 5. ST Electronics (Info-Software Systems) Pte. Ltd. | Chairman |
| 6. ST Electronics (Satcom & Sensor Systems) Pte. Ltd. | Chairman |
| 7. ST Electronics (Satellite Systems) Pte. Ltd. | Chairman |
| 8. ST Electronics (Training & Simulation Systems) Pte. Ltd. | Chairman |
| 9. VT iDirect Inc. | Co-Chairman |
| 10. Singapore Technologies Dynamics Pte Ltd | Director |
| 11. ST Electronics (Shanghai) Co., Ltd | Director |
| 12. ST Engineering Management Services Pte. Ltd. | Director |
| 13. DSO National Laboratories | Director;
Chairman, Audit Committee |
| 14. Vision Technologies Electronics, Inc | Director |
| 15. Vision Technologies Kinetics, Inc | Director |
| 16. ST Engineering Electronics Ltd. | Alternate Director |
| 17. Public Sector Data Security Review Committee | Member |
| 18. Temasek International Advisors Pte. Ltd. | Corporate Advisor |

Academic and Professional Qualifications

- Bachelor of Arts (Honours), University of Oxford, UK
- Master of Arts (Engineering Science), University of Oxford, UK
- Executive Programme, Stanford University

Board Committees Served On

- Chairman, Nominating Committee
- Chairman, Remuneration Committee
- Member, Executive Committee

Length of Service

4 years 7 months

Country of Principal Residence

Singapore



KYLE LEE

Non-Executive Independent Director

Mr Lee was first appointed to the Board of the Company on 1 July 2014 and was re-elected as the Company's Director on 18 April 2019. He is also a Director of GEL.

Mr Lee trained as a Chartered Accountant in London, and in his professional career spanning 36 years, he had worked in both the United Kingdom and Singapore. He was a partner of Price Waterhouse and PricewaterhouseCoopers LLP until 2010, holding leadership positions at firm, practice, industries and sector levels.

As a non-executive independent Director of other public and private companies, Mr Lee held Chairmanship of Board, Audit Committee, Risk Management Committee and Nominating Committee positions. Age 69.

Mr Lee will be seeking re-election at the Company's 2022 AGM. Please refer to page 28 for additional information required under Listing Rule 720(6) of the Listing Manual of the SGX-ST.

Other Directorships and Principal Commitments/Appointments

- | | |
|---|----------|
| 1. ComfortDelgro Corporation Limited* | Director |
| 2. The Great Eastern Life Assurance Company Limited | Director |

Past Directorships and Principal Commitments/Appointments for the last 5 years

- | | |
|---|-------------------------|
| 1. MFS Technology Ltd* | Chairman |
| 2. CapitaLand Integrated Commercial Trust Management Limited (Manager of CapitaLand Integrated Commercial Trust*) | Director |
| 3. FEO Hospitality Asset Management Pte. Ltd. (Manager of Far East Hospitality Real Estate Investment Trust*) | Director |
| 4. FEO Hospitality Trust Management Pte. Ltd. (Trustee-Manager of Far East Hospitality Business Trust) | Director |
| 5. National Art Gallery | Member, Audit Committee |

Academic and Professional Qualifications

- Bachelor of Arts (Honours) in Business Studies, Council for National Academic Awards, Polytechnic of the South Bank London
- Master of Business Administration, University of London, Imperial College of Science, Technology and Medicine
- Master of Science (Distinction) in International Management, University of London, The School of Oriental and African Studies
- Fellow of the Institute of Chartered Accountants in England and Wales
- Fellow of the Institute of Singapore Chartered Accountants
- Fellow of the Singapore Institute of Directors

Board Committees Served On

- Chairman, Audit Committee
- Member, Executive Committee
- Member, Nominating Committee

Length of Service

7 years 8 months

Country of Principal Residence

Singapore

The Board's comments on the re-election

Mr Kyle Lee has close to 36 years of experience in audit and business advisory services, having worked in both the United Kingdom and Singapore. Mr Lee's extensive knowledge in auditing and business advisory work and useful contributions during board and board committee deliberations continue to make him invaluable to the Great Eastern Group.

* Listed company

BOARD OF DIRECTORS

AS AT 1 MARCH 2022



NG CHEE PENG

Non-Executive Independent Director

Mr Ng was first appointed to the Board of the Company on 1 March 2021 and was last re-elected as the Company's Director on 16 April 2021. He is currently the Senior Advisor to the Ministry of Manpower and the CPF Board.

Mr Ng served as the CEO of the CPF Board from 2015 to 2019. He began his career with the SAF, and held various key appointments in MINDEF and SAF, including Chief of Staff-Joint Staff, Fleet Commander and MINDEF's Director (Policy). Mr Ng served as the Chief of the Republic of Singapore Navy from 2011 to 2014. He has also served on the Boards of various companies and statutory boards, including the Maritime and Port Authority of Singapore, SPRING Singapore, Defence Science and Technology Agency, DSO National Laboratories, ST Engineering (Electronics) Ltd. and Raffles Health Insurance Pte. Ltd.

Mr Ng was awarded the President's Scholarship and SAF Overseas Scholarship in 1989 and was conferred the Lucius Littauer Fellow award by the Kennedy School of Government. Mr Ng was conferred the Public Administration Medal (Gold) (Military) in 2013. Age 51.

Other Directorships and Principal Commitments/Appointments

- | | |
|---|---|
| 1. D'Crypt Pte. Ltd. | Director;
Chairman,
Audit and Risk
Committee |
| 2. Ministry of Manpower | Senior Advisor |
| 3. Central Provident Fund Board | Senior Advisor |
| 4. PUB, Singapore's National Water Agency | Member, Board
Committee for
Transformation |

Past Directorships and Principal Commitments/Appointments for the last 5 years

- | | |
|---------------------------------------|--------------------------------------|
| 1. Central Provident Fund Board | Chief Executive
Officer; Director |
| 2. Raffles Health Insurance Pte. Ltd. | Director |
| 3. SPRING Singapore | Director |

Academic and Professional Qualifications

- Bachelor of Arts (First Class Honours) in Philosophy, Politics and Economics, University of Oxford, UK
- Master in Public Administration, Harvard University, USA

Board Committee Served On

- Member, Audit Committee

Length of Service

1 year

Country of Principal Residence

Singapore



SOON TIT KOON

Non-Executive Independent Director

Mr Soon was first appointed to the Board of the Company on 1 January 2016 and was last re-elected as the Company's Director on 14 May 2020.

Mr Soon held a series of senior positions in Oversea-Chinese Banking Corporation ("OCBC Bank") from 2002 to December 2011 when he retired from the bank. He was the Chief Financial Officer of OCBC Bank from September 2002 to June 2008, and from April 2010 to November 2011. He was the Head of Group Investments of OCBC Bank from June 2008 to April 2010. Prior to joining OCBC Bank, Mr Soon was the Chief Financial Officer of Wilmar Holdings Pte Ltd from 2000 to 2002. From 1983 to 2000, he worked in Citicorp Investment Bank (Singapore) Limited and was Managing Director from 1993 to 2000. Age 70.

Other Directorships and Principal Commitments/Appointments

- | | |
|--|----------|
| 1. OCBC Wing Hang Bank Limited | Director |
| 2. SPH REIT Management Pte. Ltd.
(Manager of SPH REIT*) | Director |
| 3. Wah Hin & Company Private Limited | Director |

Past Directorships and Principal Commitments/Appointments for the last 5 years

–

Academic and Professional Qualifications

- Bachelor of Science (Honours) in Applied Chemistry, University of Singapore
- Master of Business Administration, University of Chicago, USA
- Advanced Management Program, Harvard Business School

Board Committees Served On

- Chairman, Sustainability Committee
- Member, Risk Management Committee

Length of Service

6 years 2 months

Country of Principal Residence

Singapore

* Listed company

BOARD OF DIRECTORS

AS AT 1 MARCH 2022



TEOH LIAN EE
Non-Executive Independent Director

Mrs Teoh was first appointed to the Board of the Company on 1 August 2017 and was last re-elected as the Company's Director on 16 April 2021.

Mrs Teoh has extensive experience in the fields of tax law and trust law. She started her law career as a public officer in the Legal Division of IRAS where she served 14 years, including her scholarship bond of 8 years. She then entered private law practice and was the Head of the Tax and Trust Practice in Drew & Napier LLC when she retired in 2008. After retiring from Drew & Napier LLC, Mrs Teoh rejoined IRAS as a part-time Consultant for 6 years. She was also a Consultant with Rajah & Tann Singapore LLP, and had also served on the boards of non-profit organisations. She was a Director of Tsao Foundation, a Director of The Community Foundation of Singapore and was the Honorary General Secretary of the Singapore Girl Guides Association. Age 70.

Other Directorships and Principal Commitments/Appointments

- | | |
|--|----------|
| 1. Asian Healthcare Investment Pte Ltd | Director |
|--|----------|

Past Directorships and Principal Commitments/Appointments for the last 5 years

- | | |
|-------------------------------|------------|
| 1. Rajah & Tann Singapore LLP | Consultant |
| 2. Tsao Foundation | Director |

Academic and Professional Qualifications

- Bachelor of Laws (Second Upper Class Honours), National University of Singapore
- Master of Laws (Second Upper Class Honours), National University of Singapore

Board Committees Served On

- Member, Audit Committee
- Member, Sustainability Committee

Length of Service

4 years 7 months

Country of Principal Residence

Singapore



THEAN NAM YEW

Non-Executive Independent Director

Mr Thean was first appointed to the Board of the Company on 5 January 2017 and last re-elected as the Company's Director on 14 May 2020.

Mr Thean has more than 24 years of experience in consulting, technology, change and transformation delivery and his experience is mainly focused on working with C-level executives to create strong linkages between transformation programs to the respective clients' business agenda. He has extensive financial services industry experience and has been working with large financial institutions in the ASEAN region. Mr Thean was previously with Accenture Pte Ltd from 1992 to 2016. Age 54.

Other Directorships and Principal Commitments/Appointments

–

Past Directorships and Principal Commitments/Appointments for the last 5 years

–

Academic and Professional Qualifications

- Bachelor of Electrical and Electronic Engineering (First Class Honours), University of Melbourne, Australia
- Advanced Business Management Programme, Kellogg Graduate School of Management, Northwestern University, Illinois, USA

Board Committees Served On

- Member, Audit Committee
- Member, Executive Committee

Length of Service

5 years 2 months

Country of Principal Residence

Singapore

BOARD OF DIRECTORS

AS AT 1 MARCH 2022



WEE JOO YEOW

Non-Executive Non-Independent Director

Mr Wee was first appointed to the Board of the Company on 1 January 2016 and last re-elected as the Company's Director on 18 April 2019.

Mr Wee has more than 39 years of corporate banking experience. He was Managing Director and Head of Corporate Banking Singapore at United Overseas Bank Ltd until his retirement in June 2013. Prior to that, he was Executive Vice President and Head of Corporate Banking with Overseas Union Bank Ltd and Head, Credit and Marketing with First National Bank of Chicago (Singapore). Age 74.

Mr Wee will be seeking re-election at the Company's 2022 AGM. Please refer to page 28 for additional information required under Listing Rule 720(6) of the Listing Manual of the SGX-ST.

Other Directorships and Principal Commitments/Appointments

1. Frasers Property Limited*	Director
2. Oversea-Chinese Banking Corporation Limited*	Director
3. Thai Beverage Public Company Limited*	Director
4. WJY Holdings Private Limited	Director
5. WTT Investments Pte Ltd	Director

Past Directorships and Principal Commitments/Appointments for the last 5 years

1. Mapletree Industrial Trust Management Ltd	Director
2. OCBC Management Services Private Limited	Director
3. PACC Offshore Services Holdings Ltd	Director

Academic and Professional Qualifications

- Bachelor of Business Administration (Honours), University of Singapore
- Master of Business Administration, New York University, USA

Board Committees Served On

- Member, Nominating Committee
- Member, Remuneration Committee

Length of Service

6 years 2 months

Country of Principal Residence

Singapore

The Board's comments on the re-election

Mr Wee Joo Yeow has more than 39 years of corporate banking experience. His extensive experience in the financial sector and useful contributions during board and board committee deliberations continue to make him invaluable to the Great Eastern Group.

* Listed company



HELEN WONG

Non-Executive Non-Independent Director

Ms Wong was first appointed to the Board of the Company on 30 April 2021 as a non-executive Director.

Ms Wong is the Group CEO of OCBC Bank and sits on the boards of OCBC Bank's major subsidiaries. She has more than 37 years of banking experience, having started out as a Management Trainee in OCBC Bank and was its first China Desk Manager, based at the Hong Kong Branch. She has vast experience in Greater China, covering a wide range of roles in capital markets, syndicated finance and corporate banking. Before returning to OCBC Bank, Ms Wong spent 27 years at The Hong Kong and Shanghai Banking Corporation Limited, where her last role was as its Chief Executive for Greater China, which she was appointed to in 2015. She became the President and CEO of HSBC China based in Shanghai in 2010, and was promoted to be Group General Manager in 2011 to recognise her responsibility for the business operations and strategic expansion in China. She also held non-executive directorships at Baoshan Iron & Steel from 2012 to 2015, and at Bank of Communications from 2016 to 2019. Age 60.

Ms Wong will be seeking re-election at the Company's 2022 AGM. Please refer to page 28 for additional information required under Listing Rule 720(6) of the Listing Manual of the SGX-ST.

Other Directorships and Principal Commitments/Appointments

- | | |
|---|----------|
| 1. OCBC Wing Hang Bank (China) Limited | Chairman |
| 2. Bank of Singapore Limited | Director |
| 3. The Institute of International Finance | Director |
| 4. OCBC Bank (Malaysia) Berhad | Director |

- | | |
|---|-------------------------------|
| 5. OCBC Overseas Investments Pte. Ltd. | Director |
| 6. OCBC Wing Hang Bank Limited | Director |
| 7. PT Bank OCBC NISP Tbk. | Commissioner |
| 8. Oversea-Chinese Banking Corporation Limited* | Group Chief Executive Officer |
| 9. Dr Goh Keng Swee Scholarship Fund | Director |
| 10. Institute of Banking and Finance | Council Member |
| 11. The Association of Banks in Singapore | Council Member |
| 12. Advisory Board of the Asian Financial Leaders Programme | Member |
| 13. CNBC ESG Council | Member |
| 14. MAS Payments Council | Member |
| 15. MAS Financial Centre Advisory Panel | Member |
| 16. MAS Financial Sector Tripartite Committee | Member |

Past Directorships and Principal Commitments/Appointments for the last 5 years

- | | |
|---|--|
| 1. The Hong Kong and Shanghai Banking Corporation Limited | Chief Executive Officer, Greater China |
| 2. HSBC Bank (Taiwan) Limited | Chairman |
| 3. HSBC Global Asset Management (Hong Kong) Limited | Chairman |
| 4. HSBC Qianhai Securities Limited | Vice Chairman |
| 5. HSBC Bank (China) Company Limited | Director and Deputy Chairman |
| 6. HSBC Jintrust Fund Management Company Limited | Supervisor of the Board |
| 7. Bank of Communications Company Limited | Director |
| 8. HSBC Bank Canada | Director |

Academic and Professional Qualifications

- Bachelor of Social Sciences, University of Hong Kong

Board Committees Served On

- Member, Executive Committee
- Member, Nominating Committee
- Member, Risk Management Committee

Length of Service

10 months

Country of Principal Residence

Singapore

The Board's comments on the re-election

Ms Helen Wong has the relevant skill sets and experience in banking, finance and business management which enables her to contribute to the effectiveness of the Board and complement the skills, experience, knowledge and expertise of the existing Board members. Her contributions during the board and board committee deliberations continue to make her invaluable to the Great Eastern Group.

* Listed company

BOARD OF DIRECTORS

AS AT 1 MARCH 2022

INFORMATION REQUIRED UNDER LISTING RULE 720(6) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

The Directors seeking re-election at the 2022 Annual General Meeting (“AGM”) of the Company, namely, Mr Koh Beng Seng, Mr Law Song Keng, Mr Kyle Lee, Mr Wee Joo Yeow and Ms Helen Wong, have each:

- provided an undertaking in the format as set out in Appendix 7.7 under Listing Rule 720(1) of the Listing Manual of the SGX-ST.
- confirmed that he/she has no relationship (including immediate family relationships) with an existing director, existing executive officer, the Company and/or any substantial shareholder of the Company or of any of its principal subsidiaries, save for:
 - Mr Koh Beng Seng who is a director of Oversea-Chinese Banking Corporation Limited (“OCBC Bank”), a substantial shareholder of the Company;
 - Mr Wee Joo Yeow who is a director of OCBC Bank; and
 - Ms Helen Wong who is the Group Chief Executive Officer of OCBC Bank.
- confirmed that he/she has no conflict of interest (including any competing business).
- confirmed that there is no change to his/her responses previously disclosed under items (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST**, which were all “No”, save that Mr Wee Joo Yeow responded “Yes” to item (k) of Appendix 7.4.1, and disclosed that the Monetary Authority of Singapore had on 6 February 2014 issued a supervisory warning to him to comply with Section 133 of the Securities and Futures Act 2001 and other applicable laws and regulations at all times as, due to an inadvertent oversight, he had on his appointment on 2 January 2014 to the board of a company listed on the SGX-ST, omitted to disclose some of his interest in shares of that listed company within the prescribed time period.

The shareholding interest in the Company and its subsidiaries (if any) of each of these Directors are disclosed in the “Directors’ Statement” on page 89 of this Annual Report.

Further information required under Listing Rule 720(6) of the Listing Manual of the SGX-ST for Directors seeking re-election at the Company’s AGM are disclosed in the “Board of Directors” section on pages 18 to 27 and “Corporate Governance Report” on pages 71 and 72 of this Annual Report.

** The information relating to the above Directors as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST were announced on 28 December 2007 (Mr Koh Beng Seng), 31 December 2012 (Mr Law Song Keng), 18 June 2014 (Mr Kyle Lee), 8 December 2015 (Mr Wee Joo Yeow) and 23 April 2021 (Ms Helen Wong), in connection with their respective appointments as Directors of the Company.

PRINCIPAL INSURANCE SUBSIDIARIES IN SINGAPORE

THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED (“GEL”)

Koh Beng Seng¹, Chairman
Mimi Ho
Norman Ip
Kyle Lee¹
Leo Mun Wai
Quah Wee Ghee

GREAT EASTERN GENERAL INSURANCE LIMITED (“GEG”)

Koh Beng Seng¹, Chairman
Mimi Ho
Norman Ip
Leo Mun Wai
Quah Wee Ghee

¹ Please refer to the “Board of Directors” section on pages 18 and 21 of this Annual Report for the profiles of Mr Koh Beng Seng and Mr Kyle Lee.

BOARD OF DIRECTORS

PRINCIPAL INSURANCE SUBSIDIARIES IN SINGAPORE



MIMI HO
Director

Ms Ho was first appointed to the Boards of GEL and GEG on 17 April 2013 and 1 January 2014 respectively. She is a Director of Great Eastern General Insurance (Malaysia) Berhad, Partner Reinsurance Asia Pte. Ltd. and a member of the Southeast Asia Disaster Risk Insurance Facility Sub-Trust A Committee.

Ms Ho was previously a Director of Asia Pacific Clear Pte. Ltd., Asia Pacific Exchange Pte. Ltd., Central Provident Fund Board, Regulatory Professionals Pte Ltd, a Director and Member of the Finance Committee of Assisi Hospice. She was also an Executive Director with the Monetary Authority of Singapore (“MAS”) from March 1998 to September 2008 in various capacities including Insurance Supervision, Capital Markets Supervision, Financial Markets Development and Chief Representative for MAS in New York and London. She was also a Member of the Disciplinary Committee for Casino Regulatory Authority (“CRA”). Prior to that, she was the Chief Financial Officer and Appointed Actuary for Prudential Assurance Company Singapore (Pte) Limited from February 1994 to February 1998.

Ms Ho holds a Bachelor in Mathematics and Master in Mathematical Statistics, both from Columbia University. She is a Fellow of the Society of Actuaries, USA and also a Financial Industry Certified Professional for Compliance. Age 67.



NORMAN IP
Director

Mr Ip was first appointed to the Boards of GEL and GEG on 17 April 2014 and 15 May 2012 respectively. He is the Chairman of various Great Eastern subsidiaries in Malaysia. He is also a Director and Chairman of the Audit and Risk Committee of QAF Limited, and a Member of the Securities Industry Council (“SIC”). Mr Ip stepped down as a Director of Great Eastern Holdings Limited on 28 February 2022.

Mr Ip was previously the Chairman of WBL Corporation Limited, the Deputy Chairman of Building and Construction Authority, and a Senior Advisor to United Engineers Limited. He is a Chartered Accountant by training and has over 40 years of commercial experience in finance and investments, real estate, and managing companies. From 2000 to 2009, he was President and Group Chief Executive Officer of The Straits Trading Company Limited (“STC”), the main activities of which are in real estate, mining and hospitality. Prior to joining STC in 1983, he was with Ernst & Whinney (now known as Ernst & Young LLP). Mr Ip was awarded The Public Service Medal in 2020.

Mr Ip holds a Bachelor of Science (Economics) from London School of Economics and Political Science. He is a Fellow of the Institute of Chartered Accountants in England and Wales, and the Institute of Singapore Chartered Accountants. Age 69.

BOARD OF DIRECTORS

PRINCIPAL INSURANCE SUBSIDIARIES IN SINGAPORE



LEO MUN WAI
Director

Mr Leo was first appointed to the Boards of GEL and GEG on 15 April 2016. He is an independent consultant, an Independent Non-Executive Director of CapitaLand Integrated Commercial Trust Management Limited and a member of the Disciplinary Committee of CRA.

Mr Leo was previously a Managing Director and Advisor of State Street Bank & Trust, Singapore and a Senior Partner of Capelle Consulting Singapore. He was a Director of Tri Sector Associates Ltd; and a Director and Audit Committee Member of CRA from 2008 to 2012; and a Member of SIC from 2010 to 2012. Mr Leo was previously with the MAS for 20 years until 2012 in various capacities including Assistant Secretary of SIC, Senior Deputy Director of Supervisory Policy, Director of Human Resource Department, Executive Director of External Department, Executive Director of Banking Supervision, his last appointment being Assistant Managing Director of Capital Markets Group.

Mr Leo holds a Bachelor of Accountancy (Second Upper Honours) from National University of Singapore and a Masters of Finance, International Finance from RMIT University. He also completed the International Executive Programme at INSEAD. Age 55.



QUAH WEE GHEE
Director

Mr Quah was first appointed to the Boards of GEL and GEG on 1 March 2012 and 1 January 2014 respectively. Mr Quah is a Partner of Avanda LLP and a Director of Avanda Investment Management Pte. Ltd., Bank of Singapore Limited and Cypress Holdings Private Limited. He is an Advisor of the Investment Committee of Wah Hin & Company Pte Ltd.

Mr Quah was previously the Chairman of SLF Strategic Advisers Private Limited, a Director of EDBI Pte. Ltd., Oversea-Chinese Banking Corporation Limited, Singapore Exchange Limited and Singapore Labour Foundation, a Member of Board of Trustees of Singapore University of Technology and Design, Managing Director and President of GIC Asset Management Private Limited, the Chairman of the Investment Committee and a Member of the Evaluation Committee of MOH Holdings Pte Ltd, and Advisor to the Executive Committee of Government of Singapore Investment Corporation Pte Ltd.

Mr Quah holds a Bachelor of Engineering (Civil Engineering) from National University of Singapore. He is a Chartered Financial Analyst and Alumni Member of the Stanford Graduate Business School. In 2010, he was awarded the Institute of Banking and Finance Distinguished Financial Industry Certified Professionals title. Age 61.

KEY EXECUTIVES



KHOR HOCK SENG
Group Chief Executive Officer

With Great Eastern since 2015. Over 30 years of insurance experience and has held senior leadership positions in major multinational insurance companies. Responsible for the overall strategic direction and business growth for the Great Eastern Group.



RONNIE TAN
Group Chief Financial Officer

With Great Eastern since 2002. Responsible for Corporate Finance, Actuarial, Accounting, Financial Controls and Tax functions for the Group, as well as Investor Relations.



DATO KOH YAW HUI
Chief Executive Officer (Malaysia)

With Great Eastern since 2002. Responsible for the Malaysia Conventional Life business.



JIMMY TONG
Managing Director, General and Group Insurance

With Great Eastern since 2016. Leads and oversees the General and Group Insurance business across all markets in the Group.



PATRICK PECK
Managing Director, Regional Agency / FA and Bancassurance

With Great Eastern since 2020. Responsible for driving the growth and governance of the agency, financial advisory (FA) and bancassurance channels across the Group.



CLEMENT LIEN
Chief Executive Officer (Indonesia)

With Great Eastern since 2015. Responsible for growing the Life business in Indonesia.

KEY EXECUTIVES



RYAN CHEONG
Managing Director, Digital for Business

With Great Eastern since 2012. Responsible for the formulation of business strategy and transformation programmes across all markets in the Group.



LESLIE TEO
Managing Director, Data and Strategic Transformation

With Great Eastern since 2020. Responsible for enabling data analytics and data science in the organisation, and building business transformation capabilities to drive digital process adoption in all functions, overseeing all strategic projects to deliver data-driven business value for the Group.



COLIN CHAN
Managing Director, Group Marketing

With Great Eastern since 1994. Responsible for implementation of marketing and product efforts across the Group, including branding and communications.



KATE CHIEW
Group Chief Risk Officer

With Great Eastern since 2021. Responsible for the overall risk management of the Group, including market, credit, liquidity, insurance, operational, technology and compliance risks.



JENNIFER WONG PAKSHONG
Group Company Secretary and General Counsel

With Great Eastern since 2009 and the Group since 1999. Oversees the corporate secretarial and legal functions across the Group.



GARY TEH
Managing Director, Group IT

With Great Eastern since 2019. Responsible for the Group's IT and digitalisation efforts to deliver digital and IT solutions to improve customer experience and to support business growth.

**JAMES LEE**

Managing Director, Group Human Capital

With Great Eastern since 1997. Responsible for human capital and change programmes across the Group, with priority on developing an inclusive and collaborative workplace and high-performance culture.

**PATRICK KOK**

Managing Director, Group Operations

With Great Eastern since 2009. Leads and oversees the Customer Service, Underwriting and Claims departments across the Group, with strong focus on delivering customer service excellence.

**JEFFREY LOWE**

Group Chief Internal Auditor

With Great Eastern since 2019. Responsible for the independent and objective assessment of the Group's risk management, internal control and governance processes through internal audit.

FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER		2021	2020	2019	2018	2017
GROUP STATISTICS						
Gross Premiums	(S\$millions)	18,956.3	15,507.1	11,769.5	12,239.2	12,558.7
Profit Attributable to Shareholders	(S\$millions)	1,113.0	960.6	1,003.8	740.7	1,036.7
Operating Profit after Tax ¹	(S\$millions)	748.3²	730.7	659.8	636.1	600.3
Total Assets	(S\$millions)	110,390.1	106,927.7	98,603.6	85,042.0	82,347.3
Shareholders' Equity	(S\$millions)	10,029.6	9,361.0	8,610.7	7,436.9	7,528.7
Stock Exchange Prices ³	(S\$)	20.15	20.00	21.75	24.78	27.67
Market Capitalisation ³	(S\$millions)	9,537.4	9,466.4	10,294.7	11,728.8	13,096.7
Embedded Value	(S\$millions)	18,254.6	17,428.0	15,497.1	13,440.1	13,389.1
Economic Value of One Year's New Business	(S\$millions)	803.6⁴	669.5	612.0	535.5	543.0
GROUP FINANCIAL RATIOS						
Return on Equity ⁵	(%)	11.5	10.7	12.5	9.9	14.7
Gross Premium Growth	(%)	22.2	31.8	-3.8	-2.5	31.4
Basic Earnings per share ⁶	(S\$)	2.35	2.03	2.12	1.56	2.19
Diluted Earnings per share	(S\$)	2.35	2.03	2.12	1.56	2.19
Net Asset Value per share	(S\$)	21.19	19.78	18.19	15.71	15.91
Embedded Value per share	(S\$)	38.57	36.82	32.74	28.40	28.29
Economic Value of One Year's New Business per share	(S\$)	1.70	1.41	1.29	1.13	1.15
Dividend per share	(cents)	65.0	60.0	60.0	60.0	70.0

1 Operating Profit after Tax is defined as premiums less claims, maturities, surrenders, commissions, expenses and changes in reserves, plus net investment income (dividends, coupon, etc).

2 If translated using the monthly spot rate for 2020, FY21 operating profit after tax would have been S\$752.9 million.

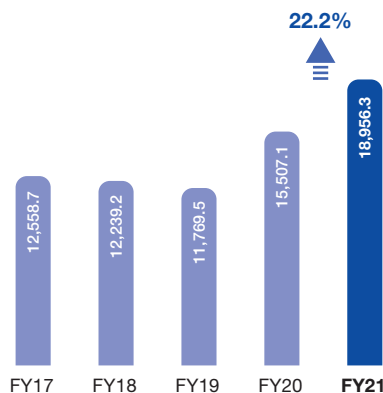
3 The Stock Exchange Prices and Market Capitalisation were obtained from Bloomberg.

4 If translated using the monthly spot rate for 2020, FY21 economic value of one year's new business would have been S\$808.0 million.

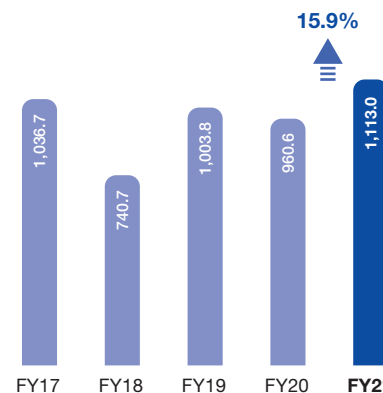
5 The average of the opening (1 January) and closing (31 December) balances of Shareholders' Equity has been used in the computation of Return on Equity.

6 The Basic Earnings per share were based on the Group's Profit Attributable to Shareholders divided by total paid-up shares.

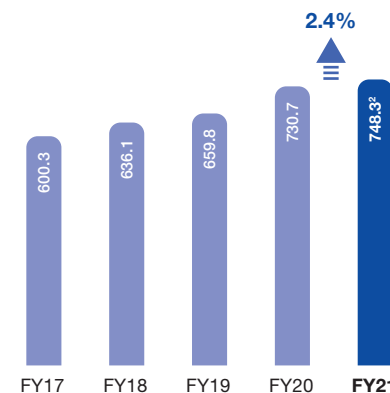
GROSS PREMIUMS
S\$ millions



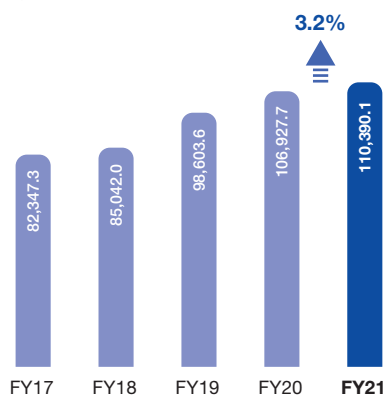
PROFIT ATTRIBUTABLE TO SHAREHOLDERS
S\$ millions



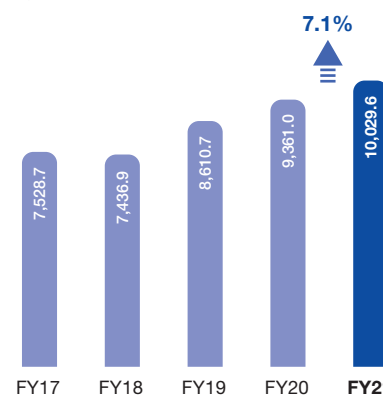
OPERATING PROFIT AFTER TAX¹
S\$ millions



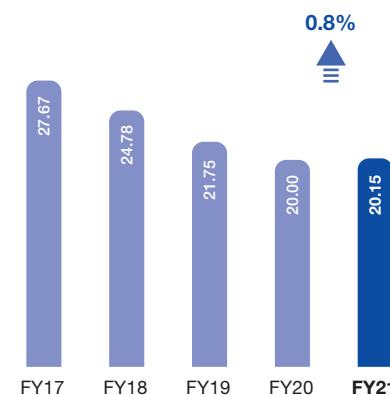
TOTAL ASSETS
S\$ millions



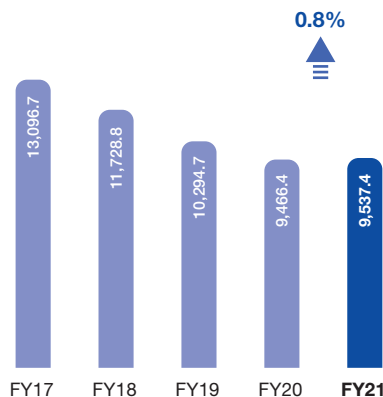
SHAREHOLDERS' EQUITY
S\$ millions



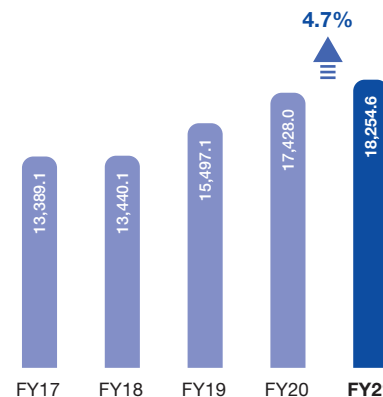
STOCK EXCHANGE PRICES³
S\$



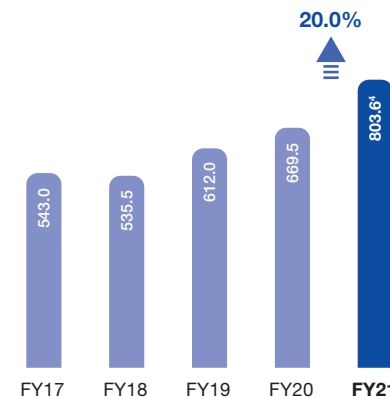
MARKET CAPITALISATION³
S\$ millions



EMBEDDED VALUE
S\$ millions



ECONOMIC VALUE OF ONE YEAR'S NEW BUSINESS
S\$ millions



EMBEDDED VALUE

EMBEDDED VALUE

Embedded value is a commonly used actuarial technique to assess the economic value of the existing business of a life insurance company. Looking at a company's distributable profits for a year, or even a few years, is not a reliable guide to its long-term economic value. This is because the timing of distributable profits arising from a profitable insurance policy may involve accounting losses in the initial policy years and higher accounting profits in later years that will make the policy profitable overall. The loss in the initial years is due to the initial expenses of writing new business, combined with the need to meet capital requirements. As a result, in any one year, high growth of business may tend to lower distributable profits. Embedded value has therefore been developed as a way to assess the long-term economic value of a life insurance company for the existing blocks of business.

The embedded value of Great Eastern Holdings Limited ("the Group") has been determined using the traditional deterministic cash flow methodology that has been adopted historically for embedded value reporting, and comprises the sum of the value of In-Force Business and the value of the adjusted Shareholders' Funds.

VALUE OF IN-FORCE BUSINESS

This represents an estimate of the economic value of projected distributable profits to shareholders, i.e. after-tax cash flows less increases in statutory reserves and capital requirements attributable to shareholders, from the In-Force Business at the valuation date, i.e. 31 December 2021. The cash flows represent a deterministic projection, using best estimate assumptions of future operating experience and are discounted at a risk-adjusted discount rate. The use of a risk-adjusted discount rate, together with an allowance for the cost of holding statutory reserves and meeting capital requirements, represent the allowance for risk in the value of In-Force Business together with an implicit allowance for the cost of options and guarantees provided to policyholders. It should be noted that this allowance for risk is approximate and may not correspond precisely with the allowance determined using capital market consistent techniques.

In projecting the value of In-Force Business, the statutory reserve valuation bases and capital requirements are based on the Risk Based Capital framework as set out in prevailing local regulations for Singapore, Malaysia and Indonesia as of 31 December 2021.

In Singapore, the Group's asset management company Lion Global Investors Ltd ("LGI") manages a proportion of the Singapore Life Funds' assets for which fees are payable from

each Fund. In line with generally accepted traditional embedded valuation methodologies in respect of services provided by asset management companies within our insurance group, the present value of profits arising in LGI from the fees paid by Singapore Life Fund is included in the embedded value and new business value of the Group for the year ended 31 December 2021.

ADJUSTED SHAREHOLDERS' FUND

This represents the value of assets over and above that required to meet statutory reserves, capital requirements and other liabilities.

ASSUMPTIONS USED

The assumptions adopted for the calculations have been determined taking into account the recent experience of, and expected future outlook for, the life insurance business of the companies involved, i.e. The Great Eastern Life Assurance Company Limited ("GEL") in Singapore, Great Eastern Life Assurance (Malaysia) Berhad ("GELM") and Great Eastern Takaful Berhad ("GETB") in Malaysia and PT Great Eastern Life Indonesia ("GELI") in Indonesia.

Investment returns assumed are based on the long term strategic asset mix and their expected future returns. The risk-adjusted discount rate used is 6.0% for Singapore, 7.75% for Malaysia and 12.5% for Indonesia.

EMBEDDED VALUE CALCULATION

The value of In-Force Business has been calculated for the life insurance business of GEL in Singapore, GELM and GETB in Malaysia and GELI in Indonesia, along with the adjusted Shareholders' Funds for the Group. The results of the calculations as at 31 December 2021 are as follows:

Embedded Value (\$ million)	Singapore*	Malaysia [^]	Total
Life Business			
Value of In-Force Business	6,441	4,038	10,479
Shareholders' Funds and Non-Life Business			
Adjusted Shareholders' Funds	6,671**	1,105	7,776
Total Embedded Value	13,112	5,143	18,255

* Includes GELI

** Includes businesses in Brunei and Hong Kong

[^] Includes GETB after deducting the amount attributable to non-controlling interests

ECONOMIC VALUE OF ONE YEAR'S NEW BUSINESS

The economic value of one year's new business, defined as the value of projected shareholder distributable profits from new business sold in the year, is used to determine the estimated value of future distributable profits from new sales. Using the same best estimate, reserving and capital requirement assumptions as those used for the In-Force Business, the economic

value of business written for the year ended 31 December 2021 has been calculated as follows:

Values (S\$ millions)	Singapore	Malaysia*	Others^	Total
Economic Value of One Year's New Business	460	336	8	804

* Includes GETB before deducting the amount attributable to non-controlling interests

^ Includes emerging markets

ANALYSIS OF CHANGE IN EMBEDDED VALUE (S\$ millions)

The chart shows various components accounting for the change in embedded value from the start to the end of the year. The table below the chart provides comparison of the individual components against 2020 analysis results.

	17,428	0	313	20	593	804	42	(447)	(284)	(214)*	18,255
Embedded Value 2020	17,428	0	313	20	593	804	42	(447)	(284)	(214)*	18,255
Opening Adjustment		0									
Operating Assumption Changes			313								
Returns on Shareholders' Funds/Other Businesses				20							
Expected Return on in-Force Business					593						
Value of New Business Written						804					
Operating Experience Variances							42				
Economic and Non-Operating Variances								(447)			
Dividends Paid									(284)		
Other Adjustment										(214)*	
Embedded Value 2021											18,255

* Other Adjustment includes adjustment for non-controlling interest for GETB and reclassification of Property, Plant, and Equipment to Intangible Assets

^ Other Adjustment includes implementation of new capital regime (Risk Based Capital 2) in Singapore

INDEPENDENT REVIEW

The embedded value, the value of one year's new business and the analysis of change in embedded value during the year were determined by the Group. PricewaterhouseCoopers Southeast Asia Consulting performed a review of the methodology used (based on the traditional deterministic embedded value reporting approach), the assumptions and procedures adopted, the materiality thresholds and limitations and performed a high level review of the results of the Group's calculations.

SCENARIO TESTING

In addition, some scenario tests were conducted using different investment return assumptions and risk-adjusted discount rates. The results are summarised below:

Values (S\$ millions)	Base Scenario	Investment +0.5%	Investment -0.5%	Discount Rate +1.0%	Discount Rate -1.0%
Total Embedded Value*	18,255	19,316	17,643	17,090	19,721
Economic Value of One Year's New Business^	804	910	709	690	950

* Total Embedded Value is presented after deducting the amount attributable to non-controlling interests

^ Economic Value of One Year's New Business is presented before deducting the amount attributable to non-controlling interests

BUSINESS REVIEW

SINGAPORE

In 2021, our Singapore operations comprising Great Eastern Life Assurance Co Ltd (GELS) and Great Eastern General Insurance (GEG), continued our business momentum and registered a solid performance despite challenges during the year.

Total Weighted New Business premiums grew 36% to S\$1.431 billion driven by strong performance across our robust distribution network and our well-received product propositions. New Business Embedded Value increased by 27% to S\$459.3 million. Our General Insurance business grew by 5% to S\$158.4 million in gross written premiums year-on-year.

During the year, we remained focused on our transformation efforts to pivot our operating model to capitalise on new opportunities and improve service quality and engagement with our customers. With customer-centricity at our core, we adopted design thinking and data-driven research insights to deliver service excellence and more targeted propositions for customers to better address their needs.

Great Eastern now serves close to 2 million policyholders under the Central Provident Fund Board's enhanced Dependants' Protection Scheme, providing affordable protection benefits to them.

We continued in our efforts to protect our customers and the community, and supported the nation's vaccination programme as the pandemic situation in Singapore evolved. We launched the GREAT Vaccine Fund to provide hospitalisation cash benefits to customers, employees, financial representatives, and their immediate families. Additionally, we offered the GREAT Covid Care Plan to all Singapore residents in June, providing complimentary post-vaccination hospital cash benefits for local and overseas hospitalisations due to COVID-19.

STRENGTHENING OUR LIFE INSURANCE BUSINESS

Our Channels

In 2021, our distribution network delivered an overall strong performance, building on the momentum generated the year before. We further enhanced our GreatAdvice platform to provide better user experience and improve our customers' sales journeys, by integrating existing



customer information and digitalising the signing process to enable a straight-through sales experience.

To tap on opportunities presented by the growing mass affluent and high net worth segment in Singapore, we equipped our financial representatives with holistic customer propositions, sales tools, service support, and skills to empower them to provide end-to-end professional advisory and wealth management solutions to address customer needs.

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During the year, we remained focused on our transformation efforts to pivot our operating model to capitalise on new opportunities and improve service quality and engagement with our customers.

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Growing the footprint of our financial representative network continued to be a key focus. Our recruitment initiatives, which included engaging entrepreneurial individuals through career webinars and presentations, yielded good results. During the year, we successfully attracted a younger generation to embark on a financial advisory career with us, thus strengthening our pipeline of young insurance professionals. At the end of 2021, we achieved manpower strength of 5,500.

We rolled out a comprehensive suite of learning solutions covering topics which increased knowledge in product, digital tools, systems, processes, soft sales skills, and leadership skills. Our financial representatives are empowered to embark on a customised journey for them to continuously uplift their professionalism and capabilities.

In late 2021, we launched the Advisor Digital Portal to enable our financial representatives to build their online professional presence, and to share up-to-date information about the company's insurance solutions, promotions and services with their existing and prospective customers digitally.

With our bank partner OCBC, we continued to work synergistically to deliver strong business growth and deepen customer engagement. Our new product offerings for retirement (*GREAT Lifetime Payout*) and savings (*Great SP series*) garnered a strong response from the bank's customers. To provide a seamless sales journey for OCBC customers, we integrated our digital sales platform into the bank's mobile app, enabling their customers to purchase selected insurance plans directly.

We worked in close collaboration with our affinity partner, Singtel, to tailor products targeted at addressing their customers' needs arising from their increasingly digital lifestyles. We launched *Singtel Car Protect* to provide comprehensive personal accident coverage on the road and *Singtel Home Protect* to offer home contents protection. Additionally, we rolled out *Singtel Travel Protect* with unique benefits when travel restrictions were relaxed late last year. This included the reimbursement of customers' Singtel mobile bills in the event of hospitalisation resulting from an accident, and additional mobile data expenses incurred due to travel delays.



BUSINESS REVIEW



Our Propositions

Developing relevant insurance solutions to meet our customers' protection, savings and retirement needs continued to be a priority for us. With healthcare costs on the rise, we introduced claims-adjusted pricing for our private hospital supplementary plans under our Integrated Shield offering.

Following the launch of our CareShield Life supplementary plans in 2020 to bring added disability protection to customers, we further enhanced our proposition and launched *GREAT CareShield Supreme* plan last year. This first-in-market plan gives monthly payouts based on the insured person's inability to perform one Activity of Daily Living, to help manage their long-term care needs.



Our survey findings in *"The Impact of Critical Illness in Singapore"* revealed Singaporeans' concerns about long-term medical expenses and income loss due to critical illness. As such, we enhanced our *GREAT Life Advantage with Complete Multipay CI Plus Advantage Rider* to offer more affordable protection, and up to 3 times coverage against all stages (early, intermediate and critical) by restoring the sum assured after each claim. We also launched a *Complete Living Care Rider* for customers seeking protection against all critical illness stages in their term plans.

We rolled out a campaign to encourage Singaporeans to plan ahead for retirement and financial independence, in conjunction with our survey - *"The State of Retirement in Singapore"*. We launched two retirement products, *GREAT Retire Income* and *GREAT Lifetime Payout*, providing customers the choice of receiving either monthly payouts over 10 or 20 years, or a lifetime of monthly cash payouts to help them achieve financial freedom.

We stay committed to supporting our customers' savings needs with our *Great SP Series*, which has garnered overwhelming response. In addition, we enhanced our savings portfolio with our first green insurance product, *GREAT Green SP (GGSP)*, in response to growing customer interests in climate and environment. With sustainability in mind, GGSP is invested into portfolio assets, such as green bonds to mitigate climate change across diverse areas, including renewable energy producers, green buildings and the deployment of electric vehicle charging stations, to achieve significant positive environmental impact.

To further raise environment consciousness, we donated S\$120,000 from a portion of our sales of GGSP to local eco-charity and non-governmental organisation Zero Waste Singapore, to support programmes for secondary school students on the use of natural resources and zero waste.

Recognising our role in delivering social impact through financial inclusion, we also partnered the Special Needs Trust Company (SNTC) to develop the *Great Eastern Cares Term Plan* (GECTP) for the special needs community. GECTP provides affordable insurance coverage to the parents of SNTC beneficiaries, to help support the long-term cost of care for their special needs children.



ACCELERATING OUR GENERAL AND GROUP INSURANCE BUSINESS

During the year, our General Insurance business continued to be resilient, as we remained focused on growing and digitalising the retail business and strengthening our distribution channels.

We simplified the online customer journey with the launch of our new sales platform, which helped drive the increase in the volume of business transacted online. As we expect the online channel to gain greater traction driven by the increasing digital fulfilment of customers' lifestyle needs, we will continue to expand the range of products and services offered on this platform.

With the travel segment impacted by strict border restrictions for most of 2021, we pivoted our business to focus on Home, Personal Accident, Health and Motor lines of business, to support our growth in the retail segment. When Singapore started to open its borders for international travel with the Vaccinated Travel Lanes, we enhanced our travel insurance plans with COVID-19 coverage to provide our customers with peace of mind.

Our Group Insurance business also maintained steady growth, and now services 2,000 corporate companies, reaching out to over 500,000 employees. We enhanced our Application Programming Interface with our medical network providers to facilitate faster real-time data exchanges and data updates. This in turn allowed our customers to enjoy faster cashless facilities at our panel clinics for a more seamless experience. Additionally, we automated our underwriting processes to shorten our response times to better address our customers' insurance needs.

With the pandemic raising greater consciousness around the importance of mental health, we launched a corporate mental wellness programme as part of our group insurance offering. This provided employees with ready access to virtual consultations with Doctor Anywhere, to support their mental and emotional well-being.



During the year, our General Insurance business continued to be resilient as we remained focused on growing and digitalising the retail business, and strengthening our distribution channels.



BUSINESS REVIEW



ENGAGING WITH OUR CUSTOMERS

During the year, notwithstanding the many restrictions on events, we strengthened our connection with our customers across multiple touchpoints.

We continued in our mission to empower women to live healthier. The 15th edition of the Great Eastern Women's Run (GEWR) saw close to 4,500 women participating across five race categories in Singapore's very first all-women's virtual run. GEWR also featured a competitive half-marathon segment, which saw 15 local elite runners competing in the first all-women physical race in Singapore in two years. Together with Great Eastern staff and financial representatives, the elite runners led a fund-raising initiative, contributing over S\$101,000 to the Breast Cancer Foundation and Daughters Of Tomorrow, to help women with breast cancer and to support underprivileged women in society in their journey towards financial independence respectively.

To provide a more exciting and holistic experience for our customers, we re-branded UPGREAT and launched the GREAT EASTERN REWARDS app with a new interface, providing attractive merchant deals and special offers developed through collaborations with lifestyle retail partners for our customers to Eat, Shop, Play.

The 15th edition of the Great Eastern Women's Run (GEWR) saw close to 4,500 women participating across five race categories in Singapore's very first all-women's virtual run.





Through our digital initiatives, we helped facilitate better policy servicing and empowered our customers to manage their protection and wealth portfolios at their convenience. Customers can purchase a wide range of solutions, including selected savings and protection plans, on our digital platforms. At the same time, they are able to enjoy omni-channel post-sales servicing, including personalised servicing by their appointed financial representatives.

We aim to continuously improve our standards in customer-centric service delivery across all our touchpoints. As such, we have invested resources to gather valuable customer insights through tracking end-to-end customer journeys and the collection of qualitative and quantitative feedback.

We started this journey through the establishment of the Centre for Design, Insights and Innovation, which seeks to harness actionable customer insights to improve on our customer journeys, influence new product development and transform customer experience. The team will work collaboratively with our business teams to accelerate decisions driven by a strong customer focus to optimise customer delight.

DELIVERING QUALITY SERVICE

Throughout the year, meeting our customers’ needs and providing them with quality service across our multiple touchpoints remained our top priority. We continue to invest to improve customer experience and enhance engagement across all touchpoints as we strive to deliver a seamless omni-channel experience for our customers.



Through our digital initiatives, we helped facilitate better policy servicing and empowered our customers to manage their protection and wealth portfolios at their convenience.



BUSINESS REVIEW



Our Malaysian operations comprising Great Eastern Life Assurance (Malaysia) Berhad (GELM), Great Eastern Takaful Berhad (GETB) and Great Eastern General Insurance (Malaysia) Berhad (GEGM) remained resilient despite continuing challenges in 2021.

Total Weighted New Business premiums from GELM and GETB increased by 10% to RM1,557.8 million (S\$505.9 million) compared to 2020, while New Business Embedded Value grew to RM1,035.5 million (S\$336.1 million). GEGM's gross written premiums dipped 1% to RM521.9 million (S\$169.3 million) year-on-year.

To overcome disruptions brought about by the ongoing pandemic, we continued to improve on our platforms and service touchpoints to serve our customers to meet their protection and financial needs.

As the country geared up its mass vaccination drive in 2021, we rolled out our COVID-19 Vaccine Fund to provide hospitalisation benefits for customers with complications arising from approved COVID-19 vaccinations.

GROWING OUR LIFE INSURANCE BUSINESS

Our Distribution Channels

In 2021, we continued to meet our customers' protection needs through our network of financial representatives and our bancassurance channel.

During the year, our financial representative network grew to over 22,000. To help our financial representatives improve their sales and advisory journey, we further enhanced our digital tools, thereby enabling them to better serve their customers and improve overall operational efficiencies. Supported by our foundational infrastructure, our financial representatives were quick to provide uninterrupted advisory services to their customers remotely via our digital platforms.

To digitally enable our financial representatives to more effectively manage and track their sales activities, we rolled out our GreatPlanner app - a Sales Activity Management System. With a 50% adoption rate since its launch in October, GreatPlanner has improved the general productivity of our financial representatives as it empowers

them to conveniently manage their sales activities anytime, anywhere.

We implemented a blended learning approach of virtual training sessions, webinars and e-learning modules to uplift the professionalism and capabilities of our financial representatives. Over the course of the year, we conducted close to 2,000 virtual training sessions. We also rolled out the Great Education series to share best practices and proactive customer engagement tips with our financial representatives to help them improve their outreach.





We became the first insurance company in Malaysia to be awarded industry accreditation from the Malaysia Financial Planning Council for two of our internal Financial Planner training modules. This accreditation will support our financial representatives in their journey to provide holistic insurance advisory and to widen their capabilities to include areas such as estate planning. In addition, we provided training for our next generation of leaders through our internally curated programmes, equipping them with leadership, management, recruitment best practices and skills.

Our bancassurance partnership with OCBC Bank remained strong despite the challenges brought about by continued movement restrictions during the year. Working in close collaboration, we ramped up digital engagements with customers through virtual interactions and remote advisory services to acquaint them with our insurance solutions. We also conducted sales training programmes for OCBC Bank's sales staff to better engage their prospects and customers both face-to-face and virtually, thus helping to increase sales closing rates. Our enhanced integrated point-of-sale system improved our policy submission processing time, and this helped to boost sales efficiency and improve customer experience.

Our Product Propositions

During the year, we focused on medical and health insurance to give people peace of mind. We launched two medical riders, *SmartMedic Million Extender* and

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Our enhanced integrated point-of-sale system improved our policy submission processing time, and this helped to boost sales efficiency and improve customer experience.

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SmartMedic Million Plus. These complemented the existing *SmartMedic Million* - an investment-linked medical rider - to give customers the flexibility of attaching additional coverage to their existing plans.

To help more Malaysians bridge their insurance gap, we developed an affordable plan - *EasyProtect* - to allow customers to easily purchase the protection they needed without underwriting.

Through our bancassurance channel, we launched various plans to meet the diverse needs of our customers, such as *All Rounder*, our first comprehensive investment-linked protection plan. We additionally rolled out our *ValueKeeper* plan which provides lifetime protection with guaranteed cash payments, and *MaxSure 3*, a 2-year endowment plan with attractive returns.

BUSINESS REVIEW



STAYING CLOSE TO OUR CUSTOMERS

During the year, we intensified our customer engagement efforts to continue to keep our brand top-of-mind with our customers. Tapping into consumer influencers to connect better with our customers on lifestyle topics, we promoted healthy living and ushered in Lunar New Year festivities with a virtual cooking webinar, and drove further interaction with the brand on our UPGREAT loyalty and rewards app.

In response to the COVID-19 environment, we conducted a Great Wellness webinar with Tung Shin Hospital for our staff, financial representatives, customers and prospective customers, to educate them on the importance of vaccinations, and how to take preventive measures to keep themselves and their loved ones safe.

To raise the importance of mental wellness, we collaborated with Eve Psychological Rehabilitation Centre and Mind Therapy to organise a mental health webinar for customers to learn how to manage stress, along with other mental health-related topics, delivered by medical experts from various fields.

ACCELERATING OUR TAKAFUL BUSINESS

In 2021, we embraced new opportunities to grow our Takaful business by developing relevant product solutions and engaging our customers actively amid the challenging business environment. Our business growth was further propelled by our highly motivated financial representative network which has grown to over 9,000. Additionally, we leveraged data analytics to design innovative products to tap new customer segments, and rolled out targeted digital campaigns with our new product offerings to emphasise the importance of financial planning.

OUR PRODUCT PROPOSITIONS AND PARTNERSHIPS

In our mission to provide more people with affordable protection solutions in Malaysia, we launched *MikroSayang* under the Perlindungan Tenang scheme, offering hospitalisation, critical illness and death benefits to serve their protection needs. These included *i-Great GENerasi*, a very well-received and affordable protection plan, and *i-Lifetime Critical Illness* rider for customers to further enhance their protection plans against 55 critical illnesses.

Through our strategic partnership with the National Higher Education Fund Corporation (Perbadanan Tabung Pendidikan Tinggi Nasional - PTPTN) which has over 5 million members, we launched *SSPN Simpan Plus* - a regular-pay Group Term Takaful plan to provide protection for higher education needs under the National Savings Education Scheme. PTPTN also selected Great Eastern Takaful as the sole takaful provider for two years to manage *SSPN Prime*, a Group Term Takaful plan to reach out to about 500,000 National Education Savings Scheme members.

We continued to develop products to address our bancatakaful partners' customers' needs according to their changing life stages. For Affin Bank, we launched the *Affin Vantage Series* to meet savings and protection needs for both the mass and mass affluent segments. For OCBC Al-Amin, we rolled out the highly popular *Empower-i* plan, a limited payment Universal Takaful Plan that provides Death, Total and Permanent Disability, and Maturity Benefits (including maturity booster).

Through the digital platforms of our affinity partner, Axiata Digital Capital, we launched *Family Protect*, an annually renewable Group Term Takaful plan which offers complimentary medical expense benefit for the certificate holder's children without the need for underwriting. We also unveiled *Critical Illness Care*, a yearly renewable Group Term Takaful plan that provides critical illness coverage. To protect the well-being of Small and Medium Enterprises' employees, we developed TeamCare, a Group Hospitalisation Scheme.

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Additionally, we leveraged analytics to design innovative products to tap new customer segments, and rolled out targeted digital campaigns with our new product offerings to emphasise the importance of financial planning.

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LEVERAGING DIGITAL FOR CUSTOMER DELIGHT

We implemented initiatives to deliver a more seamless digital experience for our customers and financial representatives.

To encourage customers to go green, we launched an online campaign in February to promote i-Get In Touch -our new customer self-service portal. Customers can now perform various self-service requests such as checking their claims applications status, making e-payments for their certificates and performing fund switches through this portal.

To improve operational efficiency, we enhanced our service delivery offerings on the i-Great Partner portal to support our financial representatives better. This included the introduction of an online claims submission feature for easy and faster processing of customer claims.

BROADENING OUR GENERAL INSURANCE BUSINESS

Our General Insurance business remained stable as we continued to strengthen our retail business by developing new product offerings and deepening our affinity partnerships.

To offer relevant protection solutions for young adults who lead active lifestyles, we launched *EasiMed Active* which provides coverage for mental illnesses and optional benefits for outpatient chiropractic and injury sustained due to hazardous activities. We further enhanced *Great Shield Home* to include complimentary windstorm damage cover for selected outdoor fixtures and fittings, and offered more coverage options for customers such as coverage against

accidental glass breakage in buildings and the option to increase coverage limits.

Additionally, we expanded our motor offerings with add-on benefits such as offering customers an allowance in the event of car breakdowns through the *Inconvenient Car Courtesy*, and a hospital income allowance in the event of hospitalisation due to vehicle accidents. We also enabled customers to purchase *Flexi Transit Protection* which offers personal accident coverage via the convenient street parking payment solution app Flexi Parking.

We fostered a partnership with BJAK, an online aggregator platform, and offered comprehensive Third Party Fire and Theft, and Third Party Car Insurance. With Axiata Digital Capital, we integrated our Motor Web API platform with its Boost Credit and Boost Life platforms, to enable their customers to purchase motor insurance directly. In anticipation of higher road usage due to the resumption of interstate travel, we also partnered Flexi Parking to roll out the Motor Web API platform to their customers to encourage direct purchases of our motor insurance.

Through our partnership with Malindo Air, our travel insurance offerings saw a steady response in the second half of 2021.

To further promote our product offerings, we launched campaigns across our four main lines of business - Motor, Personal Accident, Fire and Home Products. These included *Great Shield Active*, *Lady Protector Personal Accident*, *Great Shield Home* and *Easi-Biz Standard* plans. Through our marketing efforts, we saw strong growth in new business and renewal business for the year.

BUSINESS REVIEW

EMERGING MARKETS

INDONESIA

Despite the continued challenges brought about by the COVID-19 pandemic, Great Eastern Life Indonesia (GELI) and Great Eastern General Insurance (GEGI) delivered positive business performance in 2021, as we remained focused to meet our customers' insurance needs.

As the health and safety of both our customers and employees remained our top priority, we continued to enhance our infrastructure to improve the remote advisory service experience for customers. We also rolled out the GREAT Vaccine Fund to provide customers with hospitalisation benefits against potential complications as a result of approved COVID-19 vaccinations.

BUILDING OUR LIFE INSURANCE BUSINESS

We continued to strengthen our distribution network, widened our product offerings to address our customers' protection, savings and wealth management needs, and improved our digital platforms to broaden and deepen engagement with our customers throughout the year.

We launched *Great Multiple Critical Illness*, which offers critical illness coverage with comprehensive protection through our partner Bank OCBC NISP. This

was complemented with *Great Early CI* rider to provide protection against early stages of critical illness. In addition, we launched three new products, namely *Great Critical Extra*, *Great Maxi Assurance* and *Great Wealth Assurance*, to grow our business through our Financial Planner network.

We also enhanced our digital platforms to engage with our customers and to better support our distribution partners. We improved our GoGreat! website to enable customers to actively manage their investment-linked plans such as performing fund switches at their convenience. Customers can also purchase selected products on our GoGreat! website, such as *Great Cancer Protection* and *Great Heart Attack Protection*.

As part of our continued effort to improve customer experience, we launched the Great Eastern Corporate app for our Group Insurance customers. They now can access e-services and information via their mobile devices, to view their group insurance benefits, submit online claims and arrange teleconsultations with appointed panel doctors. The app has also helped improve administrative and operational efficiencies, thus addressing the needs of our brokers and human capital partners.



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We will continue to expand our affinity partnerships in 2022 to meet the evolving lifestyle needs of our customers and to reach out to new segments.

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ACCELERATING OUR GENERAL INSURANCE BUSINESS

In 2021, we achieved strong growth in our general insurance business by forging deeper relationships with our distribution network, comprising financial representatives, bancassurance partners and brokers, in addition to expanding our digital affinity network through insurtech and fintech partners.

We strengthened our internal capabilities, services and product propositions to better support our bank partner Bank OCBC NISP, which contributed to the company's business growth.

Tapping on the rise of e-commerce and the high usage of mobile devices in Indonesia, we partnered insurtech companies such as Qoala and Gojek to launch a *Gadget Protection* plan on their e-commerce and e-wallet platforms during the year. We expanded our gadget insurance portfolio to provide lifestyle insurance solutions for people with multiple devices for work, life and play. In addition, to increase our market share in travel insurance, we collaborated with Indonesia's largest online travel agents, Traveloka and Tiket.com, to promote our *Flight Protection* travel insurance plan to their customers.

We continued to enhance our digital sales capabilities and backend infrastructure to improve support for our distribution network and uplift overall productivity, as well as to deliver seamless self-help services to customers which included facilitating easy insurance purchases and online claims submissions.

We will continue to expand our affinity partnerships in 2022 to meet the evolving lifestyle needs of our customers and to reach out to new segments.

BRUNEI

In 2021, the COVID-19 pandemic continued to impact our business operations, especially during the second half of the year with the implementation of movement restrictions across the country to contain the spread of the pandemic. Building on momentum gained in 2020, our strong business performance in the first half of the year helped cushion the impact.

To provide our customers with peace of mind during the ongoing pandemic, we launched the GREAT Vaccine Fund to provide hospitalisation benefits for those who experienced complications after being vaccinated.

Our business and sales performance remained stable and increased over the last year as we continued to engage and meet our customers' insurance needs through remote sales advisory services. To strengthen our offerings to our customers, we launched *Great Wealth Multiplier II* and *Great Prime Rewards II* to provide our customers with protection as well as wealth accumulation solutions.

We conducted regular online training sessions and in-person classes for our financial representatives to hone their advisory skills and product competencies.

As part of our continued efforts to build a stronger brand primarily based on driving customer confidence in our financial advisory capabilities, we focused on growing our advisory footprint and launched our Agents of Life campaign to support outreach efforts in both sales and recruitment through social media channels. This effort has garnered strong business leads and a positive response from our customers and new recruits.

JOANNE LIAW
AGENCY ASSOCIATE DIRECTOR

GREAT EASTERN
AGENTS
of Life

"DISCOVER A FRUITFUL CAREER WITH REWARDING PERSONAL GROWTH."

Great Eastern
A member of the Citigroup Group

HUMAN CAPITAL

Our people are our greatest asset and their health and mental well-being are our priority. During the year, we continued to build a future-ready workforce to develop their potential to the fullest, and create a conducive environment for them to thrive.

WORKPLACE REDESIGN

With the ongoing COVID-19 pandemic, our employees across the region continued to work from home and were supported with the necessary digital tools and resources to work smoothly and productively.

Following our flexi-work and hybrid pilot in the previous year, 60 per cent of our employees in Singapore were relocated to a newly refurbished office at Great Eastern Changi from April. To ensure our employees' safety at their new office premises, we incorporated features into the workplace to strengthen pandemic resiliency in our office design. We plan to deploy our Changi workspace redesign principles to our other local and regional offices progressively.

ENGAGING EMPLOYEES

During the year, we continued to regularly engage our employees through virtual townhalls and various engagement activities in the absence of physical employee events.

To celebrate our 113th anniversary in August, we gave all our employees in Singapore a complimentary set meal at Swensen's to demonstrate our appreciation for their contribution to the company.

Our Indonesian offices, Great Eastern Life Indonesia (GELI) and Great Eastern General Insurance Indonesia (GEGI), celebrated their 25th and 27th anniversaries respectively. GELI organised engagement activities such as a virtual 5 km run, a photo challenge and a virtual chess competition, and delivered an anniversary Great Surprise package to employees' homes to thank them for their valued contribution to the company's success. GEGI held activities such as inter-department photo and video contests, and had a virtual anniversary townhall to celebrate the occasion.

As our employees' health and wellness remained our top priority, we encouraged them to take charge through our LIFE Programme. Particularly in Singapore, we organised a series of health and wellness activities to encourage holistic well-being. These included webinars on finance, mental wellness, and health challenges. About 470 employees participated in the challenges through 58 teams, and over 270 individuals joined our regular activities from March to October.

In collaboration with Doctor Anywhere, we launched a mental wellness consultation service for employees in Singapore. This is a first-in-Singapore tele-service for corporate employees manned by specially-trained doctors, providing full confidentiality and support.

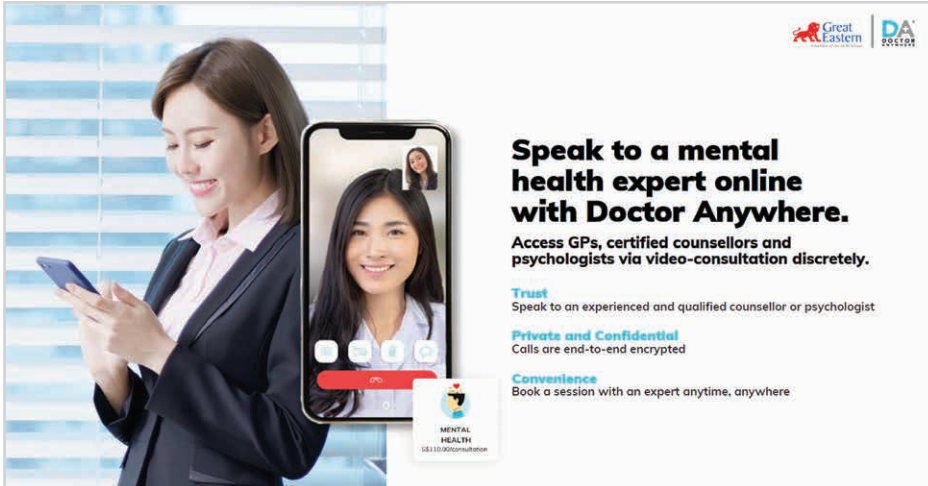
In Malaysia, we participated in the Activ@Work Challenge by PERKESO – a 3-month steps challenge that started from July to encourage employees to stay active even while working from home.

In Indonesia, GELI organised a Mental Health series for all employees and collaborated with WeGrow, an advocate of green living. Participants received an eco-friendly planting tool kit and the activity enabled our employees to bond even while working from home.

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With the ongoing COVID-19 pandemic, our employees across the region continued to work from home and were supported with the necessary digital tools and resources to work smoothly and productively.

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INSTILLING VALUES AND DEVELOPING A FUTURE-READY WORKFORCE

To build a values-based and customer-centric culture, we introduced our online “In Conversation with Leaders – You, Me & Culture” sessions in Singapore and Malaysia for employees to find out how living out our core values and Generic Skills and Competencies (GSC) at work could help them achieve a greater purpose in their careers within the organisation.

Additionally, we arranged for our employees in Singapore and Malaysia to complete the GSC workshops and e-learning modules to foster an aligned organisational culture to embed the desired behavioural qualities. These will also be introduced across our regional offices to all our employees.

We continued to invest in people development for future-readiness by arranging “on-the-go” and “bite-sized” e-learning modules via LinkedIn Learning to drive continuous learning on digital platforms, in addition to workshops and webinars for employees in Singapore and Malaysia. Our month-long #FutureReady Virtual Learning Carnival in October was rolled out across all offices with an exciting line-up of 16 webinars. These covered our seven #FutureReady pillars such as Customer Centricity, Risk and Governance, and Tech and Data, to upskill our employees’ knowledge, productivity and effectiveness at work.

SUPPORTING SUSTAINABILITY EFFORTS THROUGH OUR PEOPLE

We introduced six webinars on sustainability in our #FutureReady Virtual Learning Carnival to highlight how sustainability will play a key role in our business in future.

To promote awareness and encourage our employees to adopt sustainability-driven practices at work and in their daily life, we further launched a Sustainable Living series and organised e-learning modules and Sustainability Pulse workshops to help raise understanding in this space.

In Malaysia, we led a Sustainability Awareness campaign to promote eco-consciousness among our employees through a Zero Waste survey, and supporting a local non-governmental initiative to educate and promote zero waste living habits.



CORPORATE SOCIAL RESPONSIBILITY

As we celebrated Great Eastern's 113th anniversary in 2021, the Group continued to make a positive impact in the communities in our markets, focusing on promoting financial awareness, supporting the vulnerable and needy, health and wellness, and environment-related causes.

Throughout the year, as countries continued to grapple with COVID-19, needy and low-income families remained impacted by movement restrictions and loss of livelihoods. In response to this, we provided much-needed aid and essential items to help vulnerable segments, and organised other meaningful initiatives to help alleviate difficulties.

SINGAPORE

Doing good for the communities around us in a time where safe-distancing restrictions limited employee volunteerism to online interactions, was challenging. However, staff and financial representatives stepped up in a big way with fundraising to support relevant causes.

Aligned with our mission to support financial inclusion, we collaborated with the Special Needs Trust Company (SNTC) to help parents with special needs children plan their financial security for the future. With sustainability underpinning our propositions, we launched our *Great Eastern Cares Term Plan* - an affordable term plan for parents to put aside monies to fund future expenses for their dependants after their demise. To additionally support low-income families, the company matched funds raised by our staff, financial representatives and business partners, and we contributed over S\$111,000 towards SNTC's Gift Of A Lifetime (GOAL) Sponsorship Scheme to give them a headstart in provisioning for their children's future.





With the return of the 15th edition of the Great Eastern Women’s Run (GEWR), we renewed our call to women to take proactive steps towards better health and fitness, and to do good for other less fortunate women in the community as well. GEWR 2021 raised over S\$101,000 for women’s charitable causes – Breast Cancer Foundation and Daughters Of Tomorrow – to support women with breast cancer and to help underprivileged women achieve financial independence. Great Eastern staff and financial representatives activated their networks to raise funds through virtual runs in the Great Eastern Cares Fundraising Challenge, with the company pledging to donate S\$1 for every 1 km clocked.

On the environmental front, we supported NParks’ OneMillionTrees movement to bring nature back into the city. Our staff and financial representatives raised close to S\$329,000. Together with S\$100,000 matching from the Tote Board, we planted 1,429 native trees around Singapore to support our local biodiversity. To mark the occasion, our senior executives planted 30 trees at Great Eastern Centre in a ceremony officiated by Ms Sim Ann, Senior Minister of State for the Ministry of National Development, and Ministry of Foreign Affairs. Over the course of the next year, we will plant more trees along the Rail Corridor and East Coast Parkway.

To support zero waste education among youths in secondary schools, we donated S\$120,000 from the sales proceeds of *GREAT Green SP* to Zero Waste SG to drive its Sustainable Schools Programme in 2022. Together, Zero Waste SG and Great Eastern plan to engage secondary schools in educational outreach activities, culminating in a Sustainable Schools Competition to generate innovative solutions and build sustainable habits for the long-term.

In line with our mission to raise financial awareness among our young, we kickstarted a partnership with Junior Achievement Singapore to run a series of online financial education workshops for secondary school students. Close to 40 employees and financial representative volunteers engaged over 500 students from Evergreen and Kranji Secondary Schools through a series of interactive activities to engage them in basic money management and financial tips.

CORPORATE SOCIAL RESPONSIBILITY

MALAYSIA

The ongoing pandemic continued to pose significant challenges for many Malaysians, particularly for the vulnerable and disadvantaged groups.

Through the GET BIG CSR fundraising campaign, we raised over RM220,000 to support non-governmental organisations in providing aid to communities impacted by COVID-19. This included organisations like Befrienders KL, a crisis hotline to support the community, especially those impacted by the pandemic.

To share festive joy with the less fortunate, we donated shopping vouchers worth RM37,500 to 15 Jabatan Kebajikan Masyarakat (JKM) children homes for Hari Raya, Deepavali and Christmas, bringing cheer to over 600 children. We also disbursed RM21,480 in Zakat contributions to six JKM children homes to ease their financial burdens and support their operations.

We continued to support underprivileged children in their education journey through Program Aspirasi Gemilang 'A', where we awarded RM2,400 to nine children from JKM children homes who scored 'A's in the 2020 national examinations. Through our Great Eastern Supremacy Scholarship programme, we awarded five tertiary scholarships to students from low-income groups for further education at local universities.



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Strengthening our efforts to support the community in Kampung Orang Asli Sungai Gabong in Pahang, we set up a PC centre with internet connectivity, provided computers and a printer so the children could continue their learning. We also collaborated with Medical Awareness Camp Outreach to donate over 100 refurbished laptops to needy students in Pahang, Perak, Klang and Kuala Lumpur.

We donated back-to-school kits for children from low-income families as part of *mySalam*, the government's Takaful scheme to help low-income earners, and provided Ramadan food packs to families whose children were being treated for cancer at Hospital Universiti Kebangsaan Malaysia.

In addition, through Mercy Malaysia, we contributed RM10,000 to support flood victims in Johor, Terengganu, Pahang, Perak and Kelantan, as well as RM10,000 to support patients who require palliative care through our participation in the Hospis Malaysia virtual treasure hunt. We also donated RM3,000 to the Cancerlink Foundation to support cancer patients.

INDONESIA

In response to the earthquake recovery efforts in West Sulawesi, we participated in a “Together We Can” CSR programme organised by the Indonesia Life Insurance Association and donated Rp15 million to provide temporary shelter, food and necessities to those displaced by the natural disaster.

To improve the quality of life for disadvantaged children, we helped to renovate the sports field at Panti Asuhan Tanah Putih orphanage in Semarang to facilitate a healthy lifestyle for the children through sports, and donated computers, washing machines and a water dispenser to help with their daily living. We also renovated the bathrooms, toilets and roofs at Panti Asuhan Elshadai orphanage in North Sumatra to provide the children with safer and more comfortable facilities.

Supporting health and wellness, along with our #SiapJalaniHidup campaign, we conducted a series of classes for Bank OCBC NISP employees, with close to 2,000 participants attending over 30 activities held throughout the year.

In conjunction with financial inclusion month in October, we collaborated with Dream Diadona to conduct an online financial literacy webinar on “Build Your Sustainable Eco-Friendly Business” for entrepreneurs, which saw over 150 participants attending the event.



To promote consumer education, we participated in the Indonesia Financial Services Authority’s (OJK) Virtual FinExpo and organised an online financial literacy webinar for millennials.



YEAR IN REVIEW

HIGHLIGHTS



JANUARY

- GELS pledged the GREAT Vaccine Fund to provide hospitalisation benefits for approved COVID-19 vaccinations against complications
- GELS held its Great Kick-Off event for over 2,500 financial representatives
- GELM held its first-ever virtual Next Gen Awards event to recognize 550 Next Gen and Great Entrepreneur Talent Search high achievers
- GELM was the first insurance company to be recognised from the Malaysia Financial Planning Council for their internal training programmes for financial representatives
- GETB held a virtual “National Takaful Headstart 2021” event for its over 3,200 financial representatives
- GELI held a virtual Kick-Off Session for over 200 employees to kickstart the new year
- GEGI launched an official corporate WhatsApp platform as a new communication channel to agents
- GEGI hosted the Agency Kick-Off 2021 and Agency Award 2021 virtual event, which was attended by nearly 300 agents

FEBRUARY

- Great Eastern Malaysia pledged the COVID-19 Vaccine Fund to support customers with hospitalisation benefits against potential complications
- GELM launched *ValueKeeper* protection plan that provides lifetime protection with guaranteed cash payments through OCBC Bank
- GETB launched *Empower-i*, a limited pay Universal Takaful Plan that provides Death, Total and Permanent Disability, and Maturity Benefit (including maturity booster) through OCBC Bank



- GELI launched the GREAT Vaccine Fund to protect customers against COVID-19 complications
- GELI launched *Great Critical Extra*, *Great Maxi Assurance* and *Great Wealth Assurance* plans through Bank OCBC NISP

MARCH

- GELS launched *GREAT Life Advantage* and its *Complete MultiPay CI Plus Advantage Rider* that provides continued coverage for life against critical illnesses
- GETB launched *i-Great GENerasi*, a regular contribution plan with a coverage from RM250,000, which also gives an incremental sum covered, of up to 10 times for every 5th certificate year



APRIL

- GELS rolled out the Enhanced Dependents' Protection Scheme (DPS) to offer affordable and wider coverage to over 2 million policyholders
- GEGM rolled out an online booking facility for customers to make advance over-the-counter service appointments
- GELI launched the Great Eastern Corporate app for Group Insurance customers with benefits such as to view their insurance benefits, submit online claims and purchase insurance plans online
- GELI launched *Great Cancer Protection* and *Great Heart Attack Protection* for easy purchase through the GoGREAT! website
- GEGI partnered Qoala to market its *Hotel Protection* plan on Traveloka website and apps, and launched *Gadget Protection* plan on JD.ID, an e-commerce platform

MAY

- GETB launched *Family Protect*, a yearly renewable Group Term takaful plan which offers complimentary medical expense benefit for the covered person's children without the need for underwriting
- GEGM rolled out a Motor Web API with Axiata Digital Capital for customers to directly purchase motor insurance via its Boost Credit platform

JUNE

- GETB launched *Critical Illness Care (CI)*, a yearly renewable Group Term takaful plan that provides CI coverage and restores the CI benefit after 12 months from the first CI claim

YEAR IN REVIEW

HIGHLIGHTS



JULY

- GELS launched *Great Green SP*, Singapore's first green life insurance product which invests its portfolio assets to achieve positive environmental impact
- GELS organised its virtual Mid-Year Boost event with over 3,000 financial representatives attending
- GELM partnered Tung Shin Hospital to hold a webinar on COVID-19 preventive measures for financial representatives and their customers
- GEGI launched its Facebook and Instagram presence

AUGUST

- GELS offered *GREAT CareShield Supreme* that gives earlier monthly payouts to customers to help manage their long-term disability needs
- GELS launched *GREAT Retire Income* and *GREAT Lifetime Payout* plans to encourage forward retirement planning
- Great Eastern Malaysia unveiled the COVID-19 Medical Plan Coverage Programme for customers with eligible medical plans against potential complications
- GELM enhanced the MPOS app for its financial representatives to upload scanned documents before or after proposal submissions for greater operational efficiency
- GETB organised a nationwide webinar to provide career advice to 6,000 participants whose livelihoods were affected by the pandemic
- GETB launched an online claims submission feature on the i-Great Partner portal to enable faster claims processing



- GELI celebrated its 25th Anniversary with its #SiapJalaniHidup campaign and launched "The Great 25" customer promotion

SEPTEMBER

- GELS partnered Doctor Anywhere to provide free professional mental wellness advice from specially trained and certified doctors for staff to manage stress
- GETB partnered the National Higher Education Fund Corporation to provide protection for the members' children higher education needs through *Simpan SSPN Plus*, a regular contribution Group Term takaful plan
- GEGM partnered Axiata Digital Capital to enable their customers to directly purchase motor insurance via its Boost Life platform
- GEGI celebrated its 27th anniversary by holding a virtual townhall with all staff



OCTOBER

- GELS celebrated its 113th anniversary by offering Great Eastern Gift Credits for customers to offset their purchases of selected insurance plans through the Great Eastern Rewards app
- GELS introduced *TravelSmart Premier* to protect customers against COVID-19 as borders re-opened
- GELS held the virtual Final Sprint event attended by over 5,000 financial representatives
- GETB launched *MikroSayang*, a microtakaful distribution channel to provide affordable basic protection products to meet the protection needs of the community
- GELM and GETB launched the GreatPlanner app for their financial representatives to help better manage sales activities and monitor sales performance results
- GEGI organised a webinar on “Insurance Introduction” to over 100 attendees as part of a financial inclusion programme by the Indonesia Financial Services Authority (OJK)

NOVEMBER

- GELS revamped the Great Eastern Rewards app to provide a more seamless experience for customers to redeem exclusive merchant deals and attractive rewards
- GELS enhanced the Financial Storyboard tool to facilitate scenario-based financial planning for customers
- GELS organised its first ever virtual Great Eastern Women's Run with some 4,500 participants
- GELS partnered Special Needs Trust Company to help parents fund the long-term expenses for their special needs children through *Great Eastern Cares Term* plan

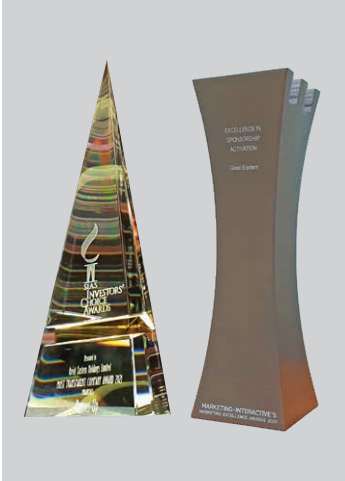


- GELM unveiled a SmartMedic Million campaign to encourage people to purchase an investment-linked medical rider providing up to RM2 million medical coverage and free COVID-19 coverage

DECEMBER

- GELS senior executives planted 30 trees at Great Eastern Centre to support NParks' OneMillionTrees movement
- GELS piloted the Great Eastern Advisor Digital Portal for financial representatives to connect with their online customers and prospects digitally
- GELM launched *All Rounder*, its first investment-linked plan that provides lifetime protection with guaranteed cash payments to OCBC Bank customers
- GEGI launched an online app to enable its agents to sell Travel and Personal Accident plans

AWARDS



SINGAPORE

Singapore's Best Employers 2021
The Straits Times and Statista

Best in Future of Digital Infrastructure Award
Best in Future of Customers and Consumers
IDC Future Enterprise Awards 2021

Most Transparent Company (Financials Category)
Runner-up
Securities Investors Association (Singapore)'s Investors' Choice Awards (ICA) 2021

Health Insurance Initiative of the Year – Singapore
Insurance Asia Awards 2021

Excellence in Sponsorship Activation
Great Eastern Women's Run
Bronze
Marketing Excellence Awards 2021

Best Insurance Provider (Services Category)
Bronze
Expatriate Living Readers' Choice Awards 2022

Platinum Award for 2020 Annual Report
Hermes Creative Awards 2021

MALAYSIA

Gold Award in the Life Insurance Category
Gold Award in the Health Insurance Category
Reader's Digest Trusted Brand 2021

Brand of the Year
The BrandLaureate World Best Brands

Best Employee Wellness Strategy
Silver
Employee Experience Awards 2021

Malaysia's 100 Leading Graduate Employers
Malaysia's 100 Award 2021

Best Companies to Work for in Asia 2021
HR Asia Awards 2021

LOMA 2021 Educational Achievement Award
LOMA 2021 Excellence in Education Award
Life Office Management Association (LOMA)

Brand of the Year, Takaful Solutions
The BrandLaureate World Halal BestBrands e-Branding Awards 2021



INDONESIA

Indonesia Best Business Transformation Award 2021
SWA Magazine

Infobank 22nd Insurance Awards 2021
(Category – Life Insurance with Gross Premium Rp1 T-Rp5 T)
Infobank Magazine

Infobank 22nd Insurance Awards 2021
(Category – General Insurance with Gross Premium Rp250 B-Rp500 B)
Infobank Magazine

Best Insurance Awards 2021
(Category – Life Insurance with Asset Rp5 T-Rp10 T)
Investor Magazine

Top Insurance Employers Award 2021
Insurance Business Asia Magazine

Indonesia Best Insurance Awards 2021
Outstanding Financial Performance & Business Segmentation Development
(Category – Life Insurance Total Asset Rp5 T-Rp10 T)
Warta Ekonomi

Insurance Award 2021
(Category – Life Insurance Equity Rp500 B-Rp1.25 T)
(Category – General Insurance Equity Rp500 B-Rp1.5 T)
Media Asuransi

The Best Marketing Campaign
Marketing Award 2021, Marketing Magazine

Data GovAI Award 2021
Best Data Governance 2021
Best Customer Data Safety & Privacy Protection Data
ABDI & Komite.ID portal

Indonesia Best Corporate Sustainability Initiatives 2021
(Category – Pandemic Initiatives)
MIX MarComm Magazine

CORPORATE GOVERNANCE REPORT

As at 1 March 2022

The Board of Directors and Management of Great Eastern Holdings Limited (“GEH” or the “Company”) place great importance on the high standards of corporate governance and are committed to upholding the values of integrity, honesty and proper conduct at all times in the business operations and dealings of the Company and its subsidiaries (collectively, the “Group”).

Since the designation of GEH as a financial holding company by the Monetary Authority of Singapore (“MAS”) on 27 April 2012, GEH has adopted the corporate governance practices that conform with the Banking (Corporate Governance) Regulations 2005 and any exemptions thereto (collectively, the “CG Regulations”), as well as the MAS Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued on 3 April 2013 (the “MAS CG Guidelines”). The Company also complies in material aspects with the Code of Corporate Governance 2018 (the “Code”) as part of its listing obligations. Where differences exist between the requirements of the above, the Company follows the CG Regulations.

A summary of the disclosures made pursuant to the Company’s corporate governance practices are provided on Pages 85 and 86 of this Annual Report.

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

1. The Board is appointed by the shareholders to supervise the management of the business and affairs of the Company. The prime stewardship responsibility of the Board is to ensure the viability and sustainability of the Company and to ensure that it is managed in the best interests of the Company as a whole while taking into account the interests of shareholders and other stakeholders. The Company has a Board charter approved by the Board.
2. The Board provides strategic direction to, and oversight of the operations of, the Company and the Group. In addition, the Board provides oversight of senior management executives to ensure they carry out the day-to-day operations of the Company effectively and in accordance with the Company’s Code of Conduct, with their roles, responsibilities, accountability, delegated authority and reporting lines properly documented, and also ensures that their expertise and knowledge are appropriate given the risk profile and nature of the Group’s business.
3. The principal roles and functions of the Board, as set out in the Board charter, include the following:
 - (a) reviewing and approving the overall business strategy and the organisation structure of the Company and the Group as developed and recommended by Management;
 - (b) ensuring that decisions and investments are consistent with the long-term strategic goals of the Company and the Group and the objectives of the individual policy funds;
 - (c) ensuring that interests of shareholders, policyholders and other stakeholders are taken into account in managing the Company’s and the Group’s business;
 - (d) ensuring that the necessary human resources are in place for the Company to achieve its objectives;
 - (e) ensuring that the Company is operated in accordance with the relevant laws and regulations, as well as policies, processes and guidelines approved by the Board, so as to preserve its financial integrity;
 - (f) reviewing the acquisition or disposal of assets that is material to the Company and to the Group;
 - (g) providing oversight in ensuring that the risk appetite of the Company and Group reflects its strategic intent, taking into account the operating and regulatory environment, and consists of a balanced set of return objectives and risk tolerance, such as effectiveness of internal controls and capital sufficiency;
 - (h) overseeing, through the Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures, and system of internal controls;
 - (i) overseeing, through the Risk Management Committee, the establishment and operation of an independent risk management function, the adequacy of the risk management policies and systems, and capital management strategy, including the optimal allocation of capital resources, and the quality of the risk management processes and reporting;

CORPORATE GOVERNANCE REPORT

As at 1 March 2022

- (j) overseeing, through the Nominating Committee, the succession planning for key senior executive positions within the Group, the selection and appointment of senior executive officers, and the management of its talent resources;
 - (k) establishing corporate values and risk cultures, emphasising integrity, honesty and proper conduct at all times, with respect to internal dealings and external transactions, including situations where there are potential conflicts of interests, so as to uphold fair-dealing standards;
 - (l) providing a balanced and objective assessment of the performance, position and prospects of the Company and the Group to shareholders and the investment community in general. This includes information provided in interim and other price-sensitive public reports and regulatory reports;
 - (m) overseeing, through the Remuneration Committee, the design and operation of an appropriate remuneration framework and ensuring that the remuneration practices are aligned with the remuneration framework;
 - (n) reviewing Management's performance and ensuring that Management formulates policies and processes to promote fair practices and high standards of business conduct by staff;
 - (o) maintaining records of all meetings of the Board and Board Committees, especially with regards to records of discussions on key deliberations and decisions taken, and concerns raised by Directors about the operations of the Company or proposed corporate action that was not resolved, if any; and
 - (p) formulating strategies, taking into consideration sustainability issues such as environmental and social factors, and reviewing and approving all material environmental, social and governance issues and the sustainability strategy.
4. The Board also ensures that corporate governance frameworks and systems are in place across the Group and that they remain relevant and effective.
5. Directors with conflicts of interest recuse themselves from discussions and decisions involving issues of conflict.
- ### Board Approval
6. The Company has adopted internal guidelines on matters which require Board approval. These guidelines are communicated to Management in writing. Matters requiring Board approval include overall business strategy and direction, significant policies governing the operations of the Group, strategic or significant acquisitions, investments and divestments by the Group, corporate restructuring, major corporate initiatives and other Group activities of a significant nature, dividend policy and dividend declaration, the interim and year-end financial reporting and announcement of financial results and financial statements of the Company and the Group.
7. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below the threshold limits to the Board Committees and Management to optimise operational efficiency.
- ### Board Committees
8. While the Board has ultimate responsibility for the affairs of the Company, it has established a number of Board Committees to assist it in carrying out more effectively its oversight of the operations and business affairs of the Company and the Group. These Board Committees consist of the Audit Committee, Executive Committee, Nominating Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee. All the Board Committees have been constituted with clear Board-approved terms of reference and any changes thereto also require the Board's approval.
9. The Company's Board Committees, in carrying out their responsibilities in accordance with their respective terms of reference, are also actively involved in assisting the Board to ensure compliance with good corporate governance practices by the Company. Minutes of Board Committee meetings, which provide a fair and accurate record of the discussions and key deliberations and decisions taken during the meetings, are maintained and circulated to the Board. The composition and details of the principal roles and responsibilities of the Board Committees are set out below.

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Executive Committee

10. Under the CG Regulations, the Executive Committee is required to comprise a majority of independent Directors.
11. The Executive Committee comprises the following Directors:
 - Mr Koh Beng Seng, Chairman
 - Mr Lee Fook Sun, Member
 - Mr Kyle Lee, Member
 - Mr Thean Nam Yew, Member
 - Ms Helen Wong, Member
12. Mr Lee Fook Sun, Mr Kyle Lee and Mr Thean Nam Yew are independent Directors under the CG Regulations.
13. The Executive Committee carries out the functions set out in its Board-approved terms of reference. Such functions consist principally of overseeing the management of the business and affairs of the Company and the Group within the parameters and scope of authority delegated by the Board, and include the review of the Group's policies, strategies, objectives and performance targets, proposed transactions or initiatives of a material nature and any major proposed investment or divestment. The Executive Committee does not take on the functions of the Management. Major decisions of the Executive Committee are submitted to the Board for endorsement and approval.
14. The Executive Committee held a total of two meetings in 2021.
17. A majority of the members are independent from management and business relationships under the CG Regulations and at least one-third, being the Nominating Committee Chairman, Mr Lee Fook Sun, and Mr Kyle Lee, are independent Directors under the CG Regulations.
18. The appointment and re-appointment of Nominating Committee members are subject to the prior written approval of MAS.
19. The responsibilities of the Nominating Committee are set out in its Board-approved terms of reference. The Nominating Committee reviews the Board and Board Committee compositions annually and ensures that there is progressive renewal of the Board. The Company has established a framework to identify the skills and competencies that the Board collectively needs in order to discharge the Board's responsibilities effectively, taking into account the complexity of the Company's business operations, risk profile, regulatory and operating environment and future business strategy. This ensures that the Board and the respective Board Committees have the relevant skills to discharge their responsibilities effectively.
20. The Nominating Committee is responsible for identifying candidates, reviewing and recommending nominations and/or re-nominations of Directors on the Board and Board Committees. It also reviews the nominations, dismissals and resignations of senior management positions in the Company, including the Group Chief Executive Officer ("Group CEO"), Group Chief Financial Officer ("Group CFO") and Group Chief Risk Officer ("Group CRO"). The Group Chief Investment Officer will be leaving the Group in April 2022 and a successor will be named in due course.

Nominating Committee

15. Under the CG Regulations, the Nominating Committee is required to comprise at least five Directors, with at least one-third of Directors being independent Directors (including the Nominating Committee Chairman) and at least a majority being independent from management and business relationships.
16. The Nominating Committee comprises the following Directors:
 - Mr Lee Fook Sun, Chairman
 - Mr Koh Beng Seng, Member
 - Mr Kyle Lee, Member
 - Mr Wee Joo Yeow, Member
 - Ms Helen Wong, Member

Talent Development and Succession Planning

21. The Company has instituted a rigorous process for talent development and succession planning. It conducts an annual review of the succession plans for key senior management executives, taking into account the current needs and future strategic capabilities. An annual discussion is held with the Nominating Committee to review potential successors and their corresponding development plans.

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22. The Nominating Committee reviews the talent development framework and processes in order to build a deeper and wider bench strength and a strong talent pool. Critical jobs are identified and potential successors are groomed for key positions. Group Human Capital engages the Group CEO and the respective heads of business units to review the list of critical jobs and the potential successors annually based on current and future business needs.

23. The Nominating Committee held a total of two meetings in 2021.

Audit Committee

24. The Audit Committee is required to comprise at least three non-executive Directors, all of whom are independent from management and business relationships under the CG Regulations, and at least a majority of Directors (including the Audit Committee Chairman) being independent Directors. At least two members of the Audit Committee, including the Audit Committee Chairman, must have recent and relevant accounting or related financial management expertise or experience.

25. The Audit Committee comprises the following Directors:

- Mr Kyle Lee, Chairman
- Mr Law Song Keng, Member
- Mr Ng Chee Peng, Member
- Mrs Teoh Lian Ee, Member
- Mr Thean Nam Yew, Member

26. All of the members are non-executive Directors. A majority of the members (including the Audit Committee Chairman) are independent Directors and all the members are independent from management and business relationships under the CG Regulations. None of the members are serving on the Audit Committee within a period of two years commencing on the date of his/her ceasing to be a partner/director of PricewaterhouseCoopers LLP (“PwC”), the external auditor of the Company. None of them hold any financial interest in PwC.

27. Members of the Audit Committee are appropriately qualified to discharge their responsibilities. In particular, Mr Kyle Lee and Mr Thean Nam Yew have relevant accounting and auditing experience and Mrs Teoh Lian Ee has experience in taxation and trust law. All the Audit Committee members possess financial management knowledge and experience. The Audit Committee members keep abreast of relevant changes through regular updates

from the external auditor on changes to accounting standards and issues which have a direct impact on the financial statements. The Audit Committee carries out its functions in accordance with Section 201B(5) of the Companies Act 1967, the Code, the listing manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the CG Regulations and the MAS CG Guidelines and operates within Board-approved terms of reference which set out the Audit Committee’s authorities and duties.

28. The Audit Committee has explicit authority to investigate any matter within its terms of reference and has the full co-operation of and access to Management. It has full discretion to invite any Director or senior management executive to attend its meetings. It also has resources to enable it to discharge its functions properly.

29. The Audit Committee held a total of six meetings in 2021. The Audit Committee meetings were attended by the internal and external auditors, the Group CEO and certain senior management executives, including the Group CFO.

30. Further information on the Audit Committee is provided under Principle 10 on Page 79 of this Annual Report.

Remuneration Committee

31. Under the CG Regulations, the Remuneration Committee is required to comprise at least three Directors, with at least one-third of Directors, being independent Directors (including the Remuneration Committee Chairman) and at least a majority being independent from management and business relationships.

32. The Remuneration Committee comprises the following Directors:

- Mr Lee Fook Sun, Chairman
- Mr Koh Beng Seng, Member
- Mr Wee Joo Yeow, Member

33. All the members are independent from management and business relationships. The Remuneration Committee Chairman, Mr Lee Fook Sun, is an independent Director under the CG Regulations.

34. The Remuneration Committee ensures that the Company implements formal and transparent procedures for developing policies on Director and executive remuneration and for determining the remuneration packages of Directors and senior management executives.

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35. The responsibilities of the Remuneration Committee are set out in its Board-approved terms of reference. The Remuneration Committee's principal responsibilities are to recommend to the Board for endorsement a framework of Directors' fees and senior management executives' remuneration, as well as the remuneration of executive Directors and senior management executives based on such framework. For executive Directors and senior management executives, the framework covers all aspects of remuneration including salaries, allowances, bonuses, share options and other incentives and benefits. The Remuneration Committee also ensures that the Group's remuneration policies and practices are aligned with the approved framework and that remuneration packages are appropriate to attract, retain and motivate the executive Directors to provide good stewardship of the Company and senior management executives to successfully manage the Company for the long term without being excessive.
36. The Remuneration Committee held a total of two meetings in 2021.

Risk Management Committee

37. The Risk Management Committee is required under the CG Regulations to comprise at least three Directors, a majority of whom (including the Risk Management Committee Chairman) are non-executive Directors. The MAS CG Guidelines further stipulate that members of this Committee should be appropriately qualified to discharge their duties, with at least two having the relevant technical financial sophistication in risk disciplines or business experience.
38. The Risk Management Committee comprises the following Directors:
- Mr Koh Beng Seng, Chairman
 - Mr Law Song Keng, Member
 - Mr Soon Tit Koon, Member
 - Ms Helen Wong, Member
39. All the members are non-executive Directors. All the members have the relevant technical financial sophistication in risk disciplines or business experience to enable them to discharge their duties effectively.
40. The Risk Management Committee is responsible for the oversight of all risk management and compliance issues which the Company is or may be exposed to (including market, credit, liquidity, insurance, operational, technology, conduct, money laundering and terrorism financing, legal, regulatory, reputational, strategic and environmental risks) to manage the financial, operational and reputational impact arising from these risks. It reviews the overall risk management philosophy, including the risk profile, risk appetite and tolerance level, and risk and capital management and strategy, guided by the overall risk appetite and corporate strategy approved by the Board.
41. The Risk Management Committee performs its functions pursuant to its Board-approved terms of reference. Such terms of reference include the review and approval or endorsement of the Group's enterprise risk management framework, major policies, charters and strategies for effective risk management (including risks arising from investment management and asset-liability management). The terms of reference also include the review and approval of major risk management initiatives.
42. The Risk Management Committee endorses the appointment and annual appraisal of the Group CRO who reports directly to the Risk Management Committee and the Group CEO. The appointment of the Group CRO also requires the prior approval of MAS. The current Group CRO, Ms Kate Chiew, was appointed in April 2021.
43. The Group CRO is responsible for establishing and implementing the Group's risk management framework and processes for identifying, assessing, measuring, controlling, mitigating, monitoring and reporting of risks.
44. The Group Risk Management Department has adequate resources and is staffed by experienced and qualified personnel who are sufficiently independent to perform their duties objectively. The Group Risk Management Department regularly engages senior management executives to develop enterprise-wide risk controls and risk mitigation procedures.
45. The Risk Management Committee held a total of six meetings in 2021.
46. The Group's enterprise risk governance and management objectives and policies and other pertinent details are disclosed in Note 33 of the Notes to the Financial Statements of this Annual Report.

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Sustainability Committee

47. Under its Board-approved terms of reference, the Sustainability Committee is required to have at least three Directors with a majority of them (including the Sustainability Committee Chairman) being non-executive Directors.
48. The Sustainability Committee comprises the following Directors:
 - Mr Soon Tit Koon, Chairman
 - Mr Koh Beng Seng, Member
 - Mr Law Song Keng, Member
 - Mrs Teoh Lian Ee, Member
49. All the members are non-executive Directors.
50. The responsibilities of the Sustainability Committee are set out in its Board-approved terms of reference. The Sustainability Committee is responsible for the supervision and oversight of the Group's sustainability strategy and related projects, goals and priorities principally in relation to environmental, social and governance ("ESG") matters.
51. The Sustainability Committee also provides supervision and oversight on activities of the management committees or management working group in the area of sustainability, and reviews progress made and the results of the implementation.
52. The Sustainability Committee held a total of two meetings in 2021.

Digital Initiatives Working Group

53. The Digital Initiatives Working Group was established in March 2021 to assist the Board in reviewing Great Eastern Group's digital strategy and making recommendations to the Board on any necessary changes to the Company's digitalisation initiatives. It performs its functions pursuant to its Board-approved terms of reference and will be dissolved upon the completion of its review.
54. The Digital Initiatives Working Group comprises the following non-executive Directors of the Company and those of its principal insurance subsidiaries in Singapore:
 - Mr Lee Fook Sun, Joint Chairman
 - Mr Thean Nam Yew, Joint Chairman
 - Mr Soon Tit Koon, Member
 - Ms Mimi Ho, Member
 - Mr Leo Mun Wai, Member
 - Mr Quah Wee Ghee, Member

Meetings and Directors' attendance

55. The Board meets regularly during the year to review the business performance and key activities of the Group presented by Management, and to deliberate significant business proposals presented by Management. All members of the Board participate actively in Board discussions and decisions are taken objectively in the interests of the Company. The Board works with Management to achieve its stated goals and Management remains accountable to the Board. Where warranted by particular circumstances, *ad hoc* Board or Board Committee meetings will be convened. Each year, the Board and senior management executives meet to review and refresh strategies for the Group. In 2021, the Board and its Board Committees held a total of twenty-eight meetings, including the Great Eastern Virtual Forum.
56. The contributions of the Board members go beyond attendance at meetings. They individually or collectively engage with other Board members and Management outside formal meetings in their oversight of the affairs of the Company and the Group.
57. Meetings of the Board and Board Committees via telephone or video conference are permitted by the Company's Constitution. If a Director is unable to attend a Board or Board Committee meeting, he will still receive all the papers and materials to be tabled for discussion at that meeting. Directors are provided with complete, adequate and timely information related to agenda items before each meeting. Directors are also equipped with electronic tablets that allow secured access to Board and Board Committee meeting materials. Information provided includes background information on matters to be addressed by the Board, copies of disclosure documents, monthly internal financial statements, enterprise risk management and audit dashboards, operating plans, forecasts, and reports of variances from operating plans and forecasts.
58. The number of meetings of the Board and Board Committees held in 2021 and the attendance of the Directors at those meetings are tabulated in the following table.

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Directors' attendance at Board and Board Committee meetings in 2021

Director	Board ⁽¹⁾	Audit Committee	Executive Committee	Nominating Committee	Remuneration Committee	Risk Management Committee	Sustainability Committee	Annual General Meeting
	Number of meetings held in 2021							
	8	6	2	2	2	6	2	
Koh Beng Seng	8	-	2	2	2	6	2	√
Norman Ip ⁽²⁾	8	-	-	2	-	6	-	√
Law Song Keng ⁽³⁾	8	6	2	-	-	6	2	√
Lee Fook Sun	8	-	2	2	2	-	-	√
Kyle Lee ⁽⁴⁾	8	6	-	2	-	-	-	√
Ng Chee Peng ⁽⁵⁾	6	4	-	-	-	-	-	√
Soon Tit Koon	8	-	-	-	-	6	2	√
Teoh Lian Ee	8	6	-	-	-	-	2	√
Thean Nam Yew	8	6	2	-	-	-	-	√
Samuel N. Tsien ⁽⁶⁾	2	-	0	1	-	2	-	√
Wee Joo Yeow	8	-	-	2	2	-	-	√
Helen Wong ⁽⁷⁾	6	-	2	1	-	4	-	√

Notes:

- (1) Inclusive of the Great Eastern Virtual Forum held on 9 September 2021.
- (2) Mr Norman Ip stepped down as Director and Member of the Nominating Committee and Risk Management Committee on 28 February 2022.
- (3) Mr Law Song Keng stepped down as Member of the Executive Committee on 1 January 2022.
- (4) Mr Kyle Lee was appointed as Member of the Executive Committee on 1 January 2022.
- (5) Mr Ng Chee Peng was appointed as Director and Member of the Audit Committee on 1 March 2021. He attended all meetings of the Board and Audit Committee held during his term as a member of the Board and Audit Committee respectively in 2021.
- (6) Mr Samuel N. Tsien stepped down as Director and Member of the Executive Committee, Nominating Committee and Risk Management Committee on 16 April 2021. He attended all meetings of the Board, Executive Committee, Nominating Committee and Risk Management Committee held during his term as a member of the Board, Executive Committee, Nominating Committee and Risk Management Committee respectively in 2021.
- (7) Ms Helen Wong was appointed as Director and Member of the Executive Committee, Nominating Committee and Risk Management Committee on 30 April 2021. She attended all meetings of the Board, Executive Committee, Nominating Committee and Risk Management Committee held during her term as a member of the Board, Executive Committee, Nominating Committee and Risk Management Committee respectively in 2021.

Two Board sessions without Management were held in 2021. Directors' attendance at these sessions and at meetings of the Digital Initiatives Working Group are not included in the above table.

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Access to Information

59. The Board members are provided with relevant and timely information by Management on matters to be discussed or considered at meetings of the Board and Board Committees. For matters requiring approval, information furnished by Management usually includes background explanatory information, relevant facts and/or analysis to support the proposal, implications or merits of the case, risk analysis and mitigating strategies, the budget (if applicable) and Management's recommendation. The senior management executives who can provide additional information and insight or provide clarifications to queries raised are usually present at the meeting during discussion on such matters. Occasionally, external consultants engaged on specific projects may also be invited to brief the Board or Board Committees, where relevant. All Board and Board Committee members have unfettered access to information, which the Company is in possession of or has access to, to enable them to make informed decisions and discharge their duties and responsibilities.
60. Information furnished to the Board on an on-going basis includes business forecasts, monthly Group financials and quarterly reports on the financial results and performance of the Group and principal subsidiaries within the Group, with explanations of material deviations between actual results and business plans and/or budgets. Management also provides the Board with information on material risks exposed by the Company and the Group, including credit, market, liquidity and operational risks.
61. Directors have separate and independent access to the Company Secretary. The Company Secretary attends all Board meetings and prepares minutes of Board proceedings. She assists the Chairman to ensure that appropriate Board procedures are followed and that applicable regulations are complied with. Under the direction of the Chairman, she ensures good information flow within the Board and Board Committees, and between senior management executives and non-executive Directors. The Company Secretary also facilitates the orientation of new Directors and professional development of Directors, as required. The appointment and removal of the Company Secretary is considered to be a matter for the Board as a whole.
62. The Board also has separate and independent access to Management. Other than at Board and Board Committee meetings, Board members are able to approach Management to discuss and review information, business development and decisions made which relate to the business and operations of the Group.
63. The Directors may take independent professional advice as and when necessary to enable them to discharge their duties effectively. Similarly, the Board and Board Committees may obtain professional advice, whenever necessary and appropriate, so as to effectively discharge their roles and responsibilities. All engagements of external advisors are at the Company's expense.

Board Orientation and Development

64. Upon the appointment of a new Director, the newly-appointed Director will be apprised of his/her statutory and fiduciary duties and obligations and issued a Director's orientation kit, which will include key information on the Company and the Group, the terms of reference of the Board and Board Committees, duties and obligations of Directors as well as relevant rules and regulations. As part of the induction programme for new Directors, the Group CEO and senior management executives will conduct presentation sessions for new Directors on the Group's principal activities, business lines, strategic plans, risk profile and business operations and the induction programme will be tailored to the specific development needs of the new Directors. The Company constantly reviews and improves on the contents of such briefings to new Directors to take into account any new legislative changes which affect the roles and responsibilities of Directors and to enable them to have a more comprehensive understanding of the Group, the insurance business and practices, and the Group's financial position. All Directors are invited to attend the briefing sessions arranged for new Directors to refresh their knowledge. In 2021, presentation sessions were conducted for newly-appointed Directors, Mr Ng Chee Peng and Ms Helen Wong. The Company also arranges for new Directors to be briefed on areas such as accounting, risk management, insurance and for first-time Directors with no prior experience as a listed company director or as a director of a financial institution, to undergo training in roles and responsibilities of directors of listed companies as prescribed by the SGX-ST. Mr Ng Chee Peng and Ms Helen Wong have both attended the mandatory

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training under the Listed Entity Directors Programme conducted by the Singapore Institute of Directors in 2021.

65. The Nominating Committee ensures that there is a continuous professional development programme for all Directors, to ensure that they are equipped with the appropriate skills and knowledge to perform their roles on the Board and Board Committees effectively. The Company's continuous professional development programme is reviewed and updated, where necessary, by the Nominating Committee on an annual basis. In 2021, two additional subject matters, sustainability and ESG-related matters as well as technology risks and cybersecurity, have been included in the continuous professional development programme for the Directors.

66. From time to time, the Company organises talks, seminars or presentations by external professionals, consultants or Management on topics relevant to the insurance industry, relevant new laws, regulations and changing commercial risks and provides updates on developments in the industry locally and in other developed countries. Industry-related and topical articles are regularly circulated to Directors as part of the Company's continuous development programmes for Directors. Continued training and development programmes are offered to Directors and they may attend appropriate courses, conferences and seminars conducted by professional bodies within the industry or other professional organisations including programmes conducted by the Singapore Institute of Directors where relevant.

67. The Company arranges for and funds the training and development programmes for existing and new Directors. The Company also maintains formal records of the training and development received by its Directors.

68. Continuing development programmes arranged by the Company for Directors in 2021 included the following topics:

- China's Investment Landscape – Economics, Geopolitics and other considerations
- Technology, can China catch up?
- US-China Tech Contest – “On which side will the chips fall?”
- Future of Financial Services (FoFS) study with Boston Consulting Group

- IFRS17 Programme Implementation
- Anti-Money Laundering and Countering the Financing of Terrorism
- Risk and Cyber Security in a time of COVID
- Climate Change – How it affects you?
- Sustainable Investing, Regulation and Reporting
- Disclosures and Environmental Risk Assessments – Impact of ESG on Financial Institutions

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Membership

69. The Company's present Board of Directors are all non-executive. The Chairman of the Board is Mr Koh Beng Seng and the other non-executive Directors are Mr Law Song Keng, Mr Lee Fook Sun, Mr Kyle Lee, Mr Ng Chee Peng, Mr Soon Tit Koon, Mrs Teoh Lian Ee, Mr Thean Nam Yew, Mr Wee Joo Yeow and Ms Helen Wong. Mr Norman Ip stepped down from the Board of the Company on 28 February 2022. Board members do not appoint alternate directors as a matter of practice.

70. All appointments and re-appointments of Directors of the Company are subject to approval by MAS.

Key information on Directors

71. Key information on the Directors' qualifications, background, working experience, age, directorships and appointments are provided on Pages 18 to 27 under the section “Board of Directors” of this Annual Report. Information on their shareholdings in the Company and its related corporations are provided in the Directors' Statement on Page 89 of this Annual Report. The Company does not grant share options to non-executive Directors of the Company. The Directors do not hold shares in the Company's subsidiaries.

72. Key information on each Director of the Company's principal insurance subsidiaries in Singapore, namely, The Great Eastern Life Assurance Company Limited (“GEL”) and Great Eastern General Insurance Limited (“GEG”) is also set out under the section “Board of Directors” on Pages 29 and 30 of this Annual Report.

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Board Composition and Independence

73. The Company determines the independence of its Directors in accordance with the requirements under the CG Regulations. Under the CG Regulations, an independent Director of the Company is one who is independent from the substantial shareholders of the Company, and management and business relationships with the Company and its subsidiaries, and has not served for more than nine years on the Board. He/She is also independent in conduct, character and judgment. Each Director is required to abstain from the deliberations of the Nominating Committee and the Board respectively on his/her own independence.
74. Under the CG Regulations, the Board is required to comprise a majority of independent Directors.
75. The Company's Board comprises a majority of independent Directors. The Nominating Committee determines annually whether a Director is independent. Taking into consideration the definition of "independence" of a Director under the CG Regulations, the Nominating Committee has determined that the Company's independent Directors are currently Mr Lee Fook Sun, Mr Kyle Lee, Mr Ng Chee Peng, Mr Soon Tit Koon, Mrs Teoh Lian Ee and Mr Thean Nam Yew.
76. Mr Lee Fook Sun, Mr Soon Tit Koon and Mr Wee Joo Yeow are non-executive Directors of companies that have business or insurance transactions with the Company's subsidiaries. Such business and insurance transactions have been conducted in the ordinary course of business, on an arm's length basis and on normal commercial terms. The Nominating Committee considers them to be independent of business relationships as they are not involved in the day-to-day conduct of these companies' businesses and is of the view that these business relationships do not affect their independent business judgment with regard to the interests of the Company.
77. Under the CG Regulations, Mr Koh Beng Seng is deemed non-independent as he has served for more than nine years on the Board and he is a non-executive Director of the Company's substantial shareholder, Oversea-Chinese Banking Corporation Limited ("OCBC Bank"). While the Group has business transactions with OCBC Bank, such business transactions have been conducted in the ordinary course of business, on an arm's length basis and on normal commercial terms. As Mr Koh Beng Seng serves in a non-executive capacity on the boards of the Company and OCBC Bank, he would be substantially removed from actual business transactions between the two entities. The Nominating Committee is of the view that such business transactions between the entities do not affect his independent business judgment with regard to the interests of the Company and has determined that he is independent of business relationships. Mr Koh Beng Seng is independent from management relationships with the Company and its subsidiaries.
78. Mr Law Song Keng is deemed non-independent as he has served for more than nine years on the Board. The Nominating Committee has determined that he is independent from the substantial shareholder of the Company, and management and business relationships with the Company and its subsidiaries.
79. Mr Wee Joo Yeow is a non-independent Director as he is a member of the Board of OCBC Bank and hence, under the CG Regulations, is not independent from the substantial shareholder of the Company. As Mr Wee Joo Yeow is an independent Director of OCBC Bank and substantially removed from actual business transactions between OCBC Bank and the Group, he has been determined by the Nominating Committee to be independent from management and business relationships with the Company and its subsidiaries.
80. Ms Helen Wong is a non-independent Director as she is the Group Chief Executive Officer of OCBC Bank.
81. The current Board complies with the requirements on Board composition and Board independence under the CG Regulations. Six out of the ten Board members are independent Directors and all Board members are non-executive Directors.
82. The Board, through its Nominating Committee, is of the view that the current Board and Board Committees are of an appropriate size to facilitate effective decision-making, taking into account the scope and nature of the operations of the Company and the Group.
83. A Board Diversity Policy, setting out the approach to diversity on the appointment of members and composition of the Board, is published on the Company's website www.greateasternlife.com. In the appointment of Board members, the policy embraces the diversity of skills, knowledge, experience, including familiarity in the Group's core markets, age, gender and length of service, as well as merit and independence. Steps are taken to improve

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effectiveness, where necessary. The Board, through its Nominating Committee, annually assesses the diversity of its members' competency profiles, including gender representation, and determines the collective skills required for the Board and the Board Committees to discharge their responsibilities effectively. The same factors are taken into consideration in respect of the re-appointment of Board members.

84. The Company's Board members have diverse backgrounds, experience and qualifications, and bring a wide range of commercial and financial experience to the Board. Collectively, they provide the necessary business acumen, knowledge, capabilities and core competencies to the Company and the Group, including industry knowledge in insurance (such as key products and customers) and actuarial science, investment and asset management (such as real estate and property), knowledge in banking, accounting, finance, strategy formulation, management experience, risk management, technology, transformation management, taxation, trust law, cyber security and familiarity with regulatory requirements. Several Directors also have experience in jurisdictions outside Singapore, such as Malaysia, Indonesia and Greater China. At least one of the Board members has experience in the insurance industry. The diversity of experience and competencies of the Directors enhance the effectiveness of the Board in discharging its responsibilities. Female representation on the Board is currently 20%.
85. With the knowledge, objectivity and balance contributed by its members, the Board constructively challenges and enhances proposals on strategy, reviews the performance of Management against agreed goals and objectives, and monitors the reporting of performances.
86. The non-executive Directors met twice during the year without the presence of Management to discuss matters such as the performance and effectiveness of Management.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

87. The Chairman and the Group CEO are not related to each other. The roles of the Chairman, Mr Koh Beng Seng, and the Group CEO, Mr Khoo Hock Seng, are distinct and separate, with a clear division of responsibilities between them to

ensure an appropriate balance of power, increased accountability and greater independence in decision-making. The Company has Board-approved internal guidelines setting out the scope of authority of the Chairman and the Group CEO.

88. The principal responsibilities of the Chairman include leading the Board to ensure it effectively discharges its roles and responsibilities, approving agendas of Board meetings, monitoring the quality and timeliness of the flow of information from Management to the Board and promoting effective communication with shareholders. The Chairman also facilitates robust and open discussions and deliberations in Board meetings and effective contribution by all members of the Board, encourages constructive relations within the Board and between the Board and Management, and promotes high standards of corporate governance with the full support of the other Directors, the Company Secretary and Management.
89. The Group CEO manages the Company and oversees the Group's operations and implementation of the Group's strategies, plans and policies to achieve planned corporate performance and financial goals. His management of the Group's businesses, including implementing the Board's decisions, is carried out with the assistance of the senior management executives of the Group. Collectively, they are responsible for the day-to-day operations and administration of the Company and the Group, ensuring, *inter alia*, operational and organisational efficiency, profitable performance of the operating units, regulatory compliance, good corporate governance and effective risk management. The Board establishes the performance targets of the Group CEO and reviews his performance against the targets annually.
90. The Board has not appointed a Lead Independent Director as the Chairman and the Group CEO are already separate persons, are not related to each other and the Chairman is not involved in the day-to-day running of the Company's business and operations. The Chairman is independent from management and business relationships with the Company and its subsidiaries. He is also independent of the Management and performs an effective check and balance on the Management. The Board has a majority of independent Directors and the Directors are able to exercise independent and objective judgment. As part of its continuous assessment of corporate governance standards, the Board will appoint a Lead Independent Director when the Board situation warrants it.

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Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Process for appointment of new Directors

91. The Nominating Committee has a key role in carrying out the formal and transparent process established for the appointment of Directors to the Board. Taking into account the competencies and skills required by the Board, the Nominating Committee establishes annually the profile required of the Board members, before making any recommendations on the appointment of new Directors, where necessary. The Nominating Committee may engage external search consultants to source for potential candidates. Proposals for the appointment of new Directors are reviewed by the Nominating Committee. The Nominating Committee meets with shortlisted candidates to assess their suitability and commitment. Competent individuals are nominated for Board approval after the Nominating Committee has assessed their suitability taking into consideration, amongst others, their professional qualifications, integrity, prior experience as a director, other directorships and principal commitments, relationships (if any) with other members of the Board, the Company or the substantial shareholders of the Company, financial and commercial business experience and field of expertise relevant to the Group, potential to contribute to the effectiveness of the Board and how such proposed candidates would complement the skills, knowledge and expertise of the Board.

92. In addition, the Nominating Committee further determines the proposed candidate's independence under the CG Regulations and ensures that the proposed candidate would satisfy the criteria under the CG Regulations in that his/her appointment would not result in non-compliance with any of the composition requirements for the Board and Board Committees, and that he/she is a fit and proper person for the office, taking into account his/her track record, age, experience, capabilities, skills and other relevant factors as may be determined by the Nominating Committee. Such reviews are also conducted on an annual basis to ensure that each Director remains qualified for the office based on the above criteria.

Re-nomination and Re-election of Directors

93. All Directors of the Board are required to submit themselves for re-nomination and re-election at regular intervals, at least once every three years. At each Annual General Meeting ("AGM") of the Company, one-third of the Directors, being those who have served longest in office since their re-election, are required to retire by rotation in accordance with the Company's Constitution. Pursuant to the Company's Constitution, newly-appointed Directors will hold office until the next AGM and, if eligible, can stand for re-election. Retiring Directors are eligible for re-election when re-nominated by the Nominating Committee, taking into account (other than relevant factors as already mentioned above as to the appointment of new Directors) the Directors' attendance at meetings, their expertise, knowledge and commitment, and their contributions to Board discussions and to the effectiveness of the Board.

94. The Directors who are retiring by rotation under Article 97 of the Company's Constitution and standing for re-election at the 2022 AGM are Mr Koh Beng Seng, Mr Law Song Keng, Mr Kyle Lee and Mr Wee Joo Yeow. Ms Helen Wong, who was appointed as a Director of the Company on 30 April 2021, will retire under Article 103 of the Company's Constitution and will stand for re-election at the 2022 AGM.

95. Directors are expected to set aside adequate time for their oversight of matters relating to the Company. The Directors provide declarations of changes in their other appointments which are disseminated to all Board members. The Company has established guidelines on meeting attendance and the extent of other appointments outside the Company that a Director may assume. Generally, a Director who has full-time employment in any organisation may have appointments in no more than three other listed companies, while a Director who does not have any full-time employment may have appointments in no more than six other listed companies. Each of the Directors' directorships on other companies and principal commitments are provided on Pages 18 to 27 under the section "Board of Directors" of this Annual Report. The Nominating Committee annually assesses each Director's attendance record and degree of participation at meetings to determine if a Director is able to and has been diligently discharging his/her duties as a Director of the Company. All Directors have met the requirements under the Nominating Committee's guidelines.

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Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

96. The Board has an annual performance evaluation process, carried out by the Nominating Committee, to assess the effectiveness of the Board, Board Committees and each Director's contributions. This annual assessment process consists principally of evaluation by and feedback from each Director. Each Director evaluates the performance of the Board and Board Committees. The assessment of the contributions of individual Directors to the effectiveness of the Board is also performed annually. Such assessments are made against established performance criteria consistent with those approved by the Board and used in the previous year. A member of the Nominating Committee will recuse himself or herself when the Nominating Committee deliberates upon his or her performance to avoid conflicts of interest.
97. An external party is engaged every three years to facilitate the Board evaluation process and to provide the Board with an independent perspective of the Board's performance, including benchmarks against peer boards and industry best practices.
98. The Board evaluation questionnaire focused on areas such as competency and independence, information quality and timeliness, conduct of meetings, sustainability and corporate social responsibility, managing the Company's performance, succession planning, Directors' development, internal controls and risk management, culture and conduct, and Board Committees. With regard to the individual Director's assessment criteria, this would include attributes such as each Director's contribution, integrity, knowledge and abilities. The Board Chairman and/or Nominating Committee Chairman will act upon the feedback provided to enhance the Board's and Board Committees' performance.
99. The purpose of the evaluation is to increase the overall effectiveness of the Board and the Board Committees. The Board has found the evaluation process useful and constructive since its implementation more than ten years ago. This collective process has also provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board and the Board Committees.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

100. The objective of the Group's remuneration policy is to attract, motivate, reward and retain quality personnel.
101. In considering its recommendations to the Board and in approving remuneration, the Remuneration Committee ensures that remuneration policies are in line with the Group's strategic objectives, Code of Conduct and corporate values, and do not give rise to conflicts between the objectives of the Company and interests of individual Directors and key executives.
102. The Remuneration Committee is tasked to review and recommend to the Board the general remuneration framework as well as the specific remuneration for each Director and for each key executive. The composition and summary terms of reference of the Remuneration Committee are provided on Pages 65 and 66 of this Annual Report. No Director is involved in the deliberations regarding any remuneration, compensation or any form of benefits to be granted to himself/herself.
103. The Remuneration Committee members are well-versed in executive compensation matters, given their extensive experience in senior corporate positions and major appointments. They also have access to expert advice from external independent remuneration consultants, where necessary. The Remuneration Committee will ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.
104. In 2021, Willis Towers Watson provided independent advisory services on the Group's executive compensation framework to ensure greater alignment of pay policies and practices with market and regulatory standards. Willis Towers Watson is not related to the Company and the Company is not aware of any business or personal relationship between Willis Towers Watson and the Company's Directors and key management executives.

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105. The Company does not provide any termination, retirement and post-employment benefits to its key management personnel.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration of non-executive Directors

106. The non-executive Directors are paid Directors' fees, which take into account factors such as the Directors' contributions, effort and time spent, attendance at meetings and the frequency of meetings, the respective responsibilities of the Directors including the Board Committees on which they serve, market practices and the need to pay competitive fees to attract, retain and motivate Directors.
107. The Remuneration Committee performs an annual review of the structure for Directors' fees and of the computation of the aggregate Directors' fees based on the earlier Board-approved fee structure, before recommending any proposed changes to the Board for endorsement. The Directors' fees proposed by the Board each year are subject to shareholders' approval at the Company's AGM.
108. In its review of the non-executive Directors' remuneration, the Remuneration Committee can seek expert advice, if necessary. No consultant was engaged in 2021 to provide advice on the remuneration of non-executive Directors.
109. The Remuneration Committee has considered the market practices for non-executive Directors' compensation and, on its recommendation, the Board has decided to use the same fee structure for computing the fee for each non-executive Director for FY2021 as that used in the previous financial year (as shown in the following table):

		Annual retainer
Board	Chairman	\$300,000
	Member	\$75,000
Board Committees	Chairman: • Audit Committee • Executive Committee • Risk Management Committee	\$60,000
	Chairman: • Nominating Committee • Remuneration Committee • Sustainability Committee	\$30,000
	Member: • Audit Committee • Executive Committee • Risk Management Committee	\$30,000
	Member: • Nominating Committee • Remuneration Committee • Sustainability Committee	\$15,000
Attendance fees per Board or Board Committee meeting		\$3,000

Attendance fees are paid to non-executive Directors to recognise their contributions and time spent in attending meetings.

Remuneration policy in respect of Key Senior Management Executives

110. The remuneration of the Group CEO and the key senior management executives who report directly to the Group CEO are reviewed annually by the Remuneration Committee, based on the overall remuneration framework approved by the Board.
111. In such annual reviews, the Remuneration Committee takes into consideration factors such as market competitiveness and market benchmark, and that the remuneration is commensurate with individual performance and contribution. The Remuneration Committee also takes into account the time horizon of risks, such as ensuring that all variable compensation payments shall not be fully paid over short periods when risks are realised over longer periods.

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112. As part of the Company's continuous efforts to create sustainable value for stakeholders through broad-based growth across its core markets, delivering sustained earnings, driving core competencies of disciplined risk management, prudent investment and continued upgrading of technology and people, and ensuring sustainable business practices, the performance measures set for each business unit embeds these objectives, which match their functions and are consistent with the Group's risk appetite. In determining the remuneration of key senior management executives, risk and control indicators as well as audit findings and compliance issues are taken into account when assessing their overall performance, in addition to their achievement in business and operation performance. Executives are remunerated based on the achievements of their own performance measures, and the demonstration of core values and competencies, while taking into account market compensation data for their respective job roles.
- Principle 8: Disclosure on Remuneration**
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.
113. To ensure that its remuneration packages are competitive, the Company regularly reviews salary levels and benefits packages based on market data provided by recognised consultants who conduct surveys on comparative groups in the financial sector. The determination of the Company's variable bonus pool is fully discretionary and the factors taken into consideration include financial and non-financial metrics such as the Company's performance, audit ratings, risk indicators and compliance issues, market conditions and competitive market practices.
114. The total compensation packages for key senior management executives comprise basic salary, various performance bonus, allowances, deferred share awards and benefits. The variable components have been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and approved by the Remuneration Committee and the Board.
115. The annual budget for salary increment and performance-related variable bonus, reviewed and approved by the Remuneration Committee, is submitted to the Board for endorsement and approval.
116. As a consequence of the financial crisis in recent years, financial institutions globally have been reviewing compensation practices to reduce incentives that encourage excessive risk taking. While the Company has adopted compensation practices that take into account the principles and implementation standards issued by the Financial Stability Forum for Sound Compensation Practices, it also continues to review its compensation practices on an on-going basis to further ensure that decisions made are conducive for sustained business performance. In its deliberations, the Remuneration Committee also takes into account the remuneration principles, practices and standards that may be specified by regulations and guidelines issued by MAS from time to time.
117. The Company has identified a group of senior executives whose authorities and actions are deemed to have a major influence on the long term performance of the Company. This group, identified as "Material Risk Takers" comprises the Group CEO and his direct reports, key personnel at business units and senior control staff. Employees who are not senior staff but are identified as "Material Risk Takers" are also included in this group. The Company has a well-defined risk governance framework for "Material Risk Takers" including appropriate incentive arrangement that is aligned with Financial Stability Board's standards. The Company has engaged Willis Towers Watson, a human resource consultant, to enhance the "Material Risk Takers" identification framework. For the "Material Risk Takers" in Singapore with performance bonuses exceeding \$100,000, at least 40% of their entire bonuses are deferred in the form of shares and subject to vesting over a period of three years, to account for the time horizon of risks.
118. Cash bonuses are subject to clawback within six years of payment.
- Share-based incentives**
119. The Company does not have any share option scheme or share plan in place. Instead, the Company's holding company, OCBC Bank, grants share awards pursuant to the OCBC Deferred Share Plan to selected senior executives of the Group, based on recommendations of the Remuneration Committee. The Company has ceased granting OCBC share options to eligible executives with effect from FY2019 for FY2018 performance.

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120. Details of the share options (granted previously) and the award of deferred shares to the Company's eligible executives are disclosed in the financial statements. Further details of the share option scheme and deferred share plan of OCBC Bank are set out in Note 29 of the Notes to the Financial Statements of this Annual Report and in OCBC Bank's Annual Report.
121. All grants and awards are subject to cancellation and clawback if it is determined that they were made on the basis of materially inaccurate financial statements and/or the employee has engaged in conduct that results in financial loss, reputational harm, restatement of financial results and/or adverse changes of the Company's risk profile/rating, which takes into consideration the risks that could have a long-term negative impact on the Company.

Disclosure on Directors' and the Group CEO's remuneration

122. The remuneration of each individual Director and the Group CEO in respect of FY2021 is shown in the table below. Non-executive Directors will be paid Directors' fees totalling \$2,517,000 in respect of FY2021, subject to shareholders' approval at the 2022 AGM. For the financial year ended 31 December 2020, non-executive Directors were paid Directors' fees totalling \$2,359,000. The increase in Directors' fees for FY2021 was mainly attributable to an increase in the number of Directors to 11 in 2021 (2020: 10), the Directors' fees payable for the full year in 2021 to the Chairman and members of the Sustainability Committee which was established on 1 March 2020 (2020: 9 months), and the Directors' fees payable to Directors of the Company who are members of the Digital Initiatives Working Group which was established in March 2021 to assist the Board in reviewing Great Eastern Group's digital strategy.

Directors' and the Group CEO's remuneration for FY2021

	Total Remuneration (Great Eastern Group)	Directors' Fees (GEH)	Directors' Fees (Subsidiaries)	Salary	Bonuses ⁽¹⁾	Long-term incentives ⁽²⁾	Benefits-in-kind ⁽³⁾
Name	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Directors							
Koh Beng Seng	558	546	-	-	-	-	12
Norman Ip ⁽⁴⁾	358	171	187	-	-	-	-
Law Song Keng	255	255	-	-	-	-	-
Lee Fook Sun	255	255	-	-	-	-	-
Kyle Lee ⁽⁵⁾	242	201	41	-	-	-	-
Ng Chee Peng ⁽⁶⁾	121	121	-	-	-	-	-
Soon Tit Koon	198	198	-	-	-	-	-
Teoh Lian Ee	171	171	-	-	-	-	-
Thean Nam Yew	231	231	-	-	-	-	-
Samuel N. Tsien ⁽⁷⁾	71	71	-	-	-	-	-
Wee Joo Yeow	144	144	-	-	-	-	-
Helen Wong ⁽⁷⁾	155	155	-	-	-	-	-
Group CEO							
Khor Hock Seng	4,400	-	-	1,100	1,638	1,198	464

Notes:

- (1) Bonuses comprise variable bonus paid in 2021.
- (2) Represents fair value of share options under the OCBC Share Option Scheme 2001, award of deferred shares under the OCBC Deferred Share Plan and long-term incentive take-out.
- (3) Represents non-cash component and comprises housing allowance, car, club, insurance benefits and employer's contribution to the Central Provident Fund.
- (4) Mr Norman Ip received Director's fees for his board service in respect of GEH subsidiaries in Singapore and Malaysia. Mr Ip stepped down as Director and Member of the Nominating and Risk Management Committees on 28 February 2022.
- (5) Mr Kyle Lee received Director's fees for his board service in respect of a GEH subsidiary in Singapore.
- (6) Mr Ng Chee Peng was appointed as Director on 1 March 2021.
- (7) Mr Samuel N. Tsien retired as Director on 16 April 2021 and Ms Helen Wong was appointed as Director on 30 April 2021. The Director's fees attributable to Mr Samuel N. Tsien and Ms Helen Wong are payable to OCBC Bank.

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Remuneration of Top Five Key Management Personnel in 2021

123. The Code recommends the disclosure of the individual remuneration of the Company's top five key management personnel as well as their aggregate remuneration. The Board considered this matter carefully and has decided against such a disclosure for the time being as it is not a standard business practice to do so, having taken into account the highly competitive conditions for talent in the industry.

Remuneration of Immediate Family of Directors/Group CEO/Substantial Shareholder

124. None of the Directors or the Group CEO of the Company had immediate family members who were employees of the Company in 2021. As the Company's substantial shareholder, OCBC Bank, is not an individual, the disclosure on remuneration of employees who are immediate family of substantial shareholders is not applicable.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

125. The Board is responsible for the governance of risk. It sets the tone for the Company's risk culture and monitors, through the Risk Management Committee, the effectiveness and adequacy of the risk management processes and systems of the Company and its principal subsidiaries. The Board approves the Company's risk appetite and has oversight of the risk activities to ensure that the Company's strategic intent, operating environment, internal control mechanisms and capital sufficiency are consistent with the Company's risk appetite and regulatory standards. Further details of the Enterprise Risk Management Framework implemented by the Company are set out in Note 33 of the Notes to the Financial Statements of this Annual Report.

126. The Board of Directors emphasises the importance of institutionalising a strong risk culture within the Company. As a subset of the broader organisational culture, a strong risk culture supports appropriate risk awareness, bolsters effective risk management and promotes sound risk taking to ensure the Company's risk profile remains within its risk appetite. The Board also approves the risk culture principles and, along with it, the set of desired behaviours to support the target risk culture throughout the Company.

Accountability

127. The Company has in place a process for Management to represent to the Board on the integrity of the Company's and the Group's financial statements and internal control system in relation to the requirement under the listing manual of the SGX-ST for the Board to issue an assurance statement that accompanies the Company's announcements of its interim and full year financial results. Following the removal of mandatory quarterly reporting, the Company provided abridged financial disclosures for its first and third quarters for FY2021. These disclosures supplemented the mandatory reporting of its half year and full year financial statements. With respect to its announcements of half year and full year financial results, the Company also provided interim financial reports prepared in accordance with Singapore Financial Reporting Standards (International) as required under Listing Rule 705(3A) of the listing manual of the SGX-ST which took effect from 12 February 2021.

128. The Board is kept apprised of material changes in legislations and regulatory requirements, including requirements under the listing manual of the SGX-ST. The Board takes necessary steps to ensure that the Company complies with these requirements. The Board and Management also observe the Guidelines on Risk Management Practices and the Guidelines on Individual Accountability and Conduct issued by the MAS. In compliance with Listing Rule 720(1) of the listing manual of the SGX-ST, the Company has procured undertakings from its Directors and key executive officers in the prescribed form.

129. To keep Board members informed and updated, Management provides the Board with monthly financial updates on the performance and position of the Group. The Board is also updated on any significant events that have occurred or affected the industry during the year.

Internal Controls

130. The Board is responsible for ensuring that the Company's internal controls are adequate to safeguard shareholders' interests and the Company's assets. Self-assessment processes are in place for all business units to assess the adequacy and effectiveness of their internal controls, and level of compliance with applicable rules and regulations. The results of evaluations are reviewed by senior management. The Board has received assurance from the Group CEO (which includes assurance

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provided by key management personnel to the Group CEO) on the effectiveness of the Company's risk management and internal control systems. The Board has also received assurance from the Group CEO and Group CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

131. Based on the established internal controls, work performed by the internal and external auditors, and reviews performed by Management and various Board Committees, the Board, with the concurrence of the Audit and Risk Management Committees, is of the view that the system of internal controls, including financial, operational, compliance and information technology controls and risk management policies and systems, were adequate and effective as at 31 December 2021, to address the risks which the Group considers relevant and material to its operations.

132. The system of internal controls provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

133. The composition of the Audit Committee is provided under the caption "Audit Committee" on Page 65 of this Annual Report. The Audit Committee adopts, where appropriate, relevant best practices set out in the Guidebook for Audit Committees in Singapore.

134. The responsibilities of the Audit Committee are set out in its Board-approved terms of reference. The functions performed by the Audit Committee and details of the Audit Committee's activities during FY2021 included the following:

134.1 Reviewed with internal auditors:

134.1.1 their audit plans, evaluation of the system of internal controls and audit reports;

134.1.2 the scope and results of internal audits; and

134.1.3 the assistance given by the officers of the Company and the Group to the auditors.

134.2 Reviewed with the external auditor:

134.2.1 the audited financial statements of the Company and the Group for the financial year, which are prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations, for submission to the Board for consideration and approval thereafter;

134.2.2 their scope and overall audit procedures and cost effectiveness, and their independence and objectivity taking into consideration factors including the nature and extent of non-audit services provided by them;

134.2.3 the implications and impact on the financial statements of proposed implementation of new financial reporting standards and any changes in accounting policies and regulatory requirements; and

134.2.4 any significant financial reporting issues, to ensure the integrity of the financial statements of the Company and the Group.

134.3 Reviewed the draft audited financial statements and announcements relating to the financial performance of the Company and the Group with Management, including discussion on the accounting policies applied and significant judgments affecting the financial statements. The following key audit matters highlighted in the Independent Auditor's Report on Pages 92 and 93 of this Annual Report were also discussed with Management and the external auditor:

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- 134.3.1 Valuation of life insurance contract liabilities – The Audit Committee has reviewed the life insurance contract liabilities, and the key assumptions and judgments made in valuing these liabilities. The Committee considered information on key assumptions such as mortality, morbidity, expense, lapse, surrender and interest rates. The review included the methodology used in the valuation of the liabilities, rationale for changes to key assumptions during the year and explanation on the variances against past trends.
- 134.3.2 Valuation of provision for current income tax and deferred tax – The Audit Committee has reviewed Management’s analysis of the changes in current income tax and deferred tax provision during the year. The Committee also considered the input from Management on the adequacy of the provision.
- No significant issue arose in respect of these items.
- 134.4 Reviewed the findings of internal and external auditors on their reviews of the adequacy and effectiveness of the internal controls and risk management systems of the Company and its principal subsidiaries, including financial, operational, compliance and information technology controls and systems established by Management.
- 134.5 Reviewed the assurance from the Group CEO and Group CFO on the financial records and financial statements.
- 134.6 Assessed the adequacy and effectiveness of the internal audit functions of the Company and its principal subsidiaries.
- 134.7 Assessed the independence of external and internal auditors.
- 134.8 Made recommendations to the Board on the re-appointment of the external auditor and approved the remuneration and terms of engagement of the external auditor.
- 134.9 Reviewed material related party transactions and the write-off of material related party transactions as may be required by the relevant regulatory authorities, and recommended the same to the Board for approval.
- 134.10 Reviewed interested person transactions as may be required by the relevant regulatory authorities as well as transactions that will be disclosed in the Annual Report.
135. The Audit Committee undertook a review of all relationships between the Group and the external auditor (including non-audit services provided by the external auditor) for FY2021, and is satisfied that the provision of such non-audit services would not, in its opinion, affect the independence of the external auditor. Please refer to Note 7 of the Notes to the Financial Statements of this Annual Report for details of fees payable to the external auditor in respect of audit and non-audit services.
136. Taking into account the aforesaid and other factors such as the size and complexity of the Group and the adequacy of resources and experience of the external auditor, the Audit Committee has recommended the re-appointment of PricewaterhouseCoopers LLP as the external auditor at the 2022 AGM. The Company has complied with Listing Rules 712 and 715 of the listing manual of the SGX-ST in relation to its external auditor.
137. The Audit Committee, in performing its functions, met at least annually with the internal and external auditors in separate sessions without the presence of Management, to consider any other matters which may be raised privately. The auditors, both internal and external, have unrestricted access to the Audit Committee, and to information and such persons within the Group as necessary to conduct the audit.

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Whistle-Blowing Policy

138. The Group has a whistle-blowing policy in place whereby staff of the Group and external parties may raise concerns on possible improprieties in matters of financial reporting or other matters in confidence. The whistle-blowing policy and procedures for raising such concerns are disclosed and clearly communicated to employees. All whistle-blowing incidents will be reported to the Audit Committee. Concerns expressed anonymously will be considered and investigated on the basis of their merits. The Audit Committee ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. If fraud is determined, appropriate remedial action will be taken and the Audit Committee will be updated regularly on its status. The whistle-blower will have protection against reprisals provided he/she has acted in good faith.

Internal Audit

139. The internal audit function ("Group Internal Audit") serves to provide the Board and Management with an independent appraisal of the reliability, adequacy and effectiveness of the system of internal controls established by Management, to ensure that transactions are promptly and accurately recorded and that the Group's assets are safeguarded. Group Internal Audit resides in-house and is independent of the activities it audits. The Audit Manual and Audit Frequency Matrix are approved by the Audit Committee.

140. Group Internal Audit adopts a risk-based approach where audit work is prioritised and scoped according to an assessment of risk exposures, including not only financial risks, but operational, technology, compliance and strategic risks as well. The work undertaken by Group Internal Audit involves the assessment of the adequacy and effectiveness of the Group's risk management and internal control framework, including ascertaining if the internal controls are sufficient in ensuring prompt and accurate recording of transactions and the adequate safeguarding of assets. Reviews conducted by Group Internal Audit also focus on the Group's compliance with relevant laws and regulations, adherence to established policies and processes and whether Management has taken appropriate measures to address control deficiencies.

141. The Group Chief Internal Auditor reports to the Chairman of the Audit Committee and administratively to the Group CEO. His annual remuneration, evaluation, appointment, resignation and removal are approved by the Audit Committee.

142. Group Internal Audit is staffed by executives with the relevant qualifications and experience, and the Audit Committee ensures that Group Internal Audit is adequately resourced. Group Internal Audit has unfettered access to the Board, the Audit Committee and senior management executives, where necessary, and has the right to seek information and explanations, as well as access to all the Company's documents, records, properties and personnel. Group Internal Audit meets or exceeds the International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors.

143. Group Internal Audit reports to the Audit Committee its annual or periodic plan and the proposed areas of audit focus, factors that may adversely affect the Group Internal Audit's independence, objectivity or effectiveness and material findings from audits conducted. During the year, Group Internal Audit carried out audits on selected significant business units in the Group, including an audit review of the IT systems. Group Internal Audit's summary of major findings and recommendations and Management's related responses were discussed at Audit Committee meetings. The Audit Committee ensures that procedures are in place to follow-up on the recommendations by Group Internal Audit in a timely manner and to closely monitor any outstanding issues. From its review of the internal audit function for FY2021, the Audit Committee is of the view that the internal audit function is independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

144. The Board is responsible for the provision of a balanced and understandable assessment of the performance, position and prospects of the Company and the Group, including financial statements and other reports.

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145. In FY2021, the Board provided to shareholders the abridged financial disclosures for its first and third quarters and the financial statements of the Company and the Group for the half year and full year, together with a balanced review of the Company and the Group's performance, position and prospects. These financial reports and other price-sensitive information were disseminated to shareholders through announcements via SGXNet to the SGX-ST, then posted on the Company's website www.greasternlife.com and were also made available in media releases.

Communication with Shareholders

146. Shareholders may download the Company's Annual Report (printed copies are available upon request) from the Company's website www.greasternlife.com. All registered shareholders of the Company will receive the Notice of AGM within the statutory timeline before the AGM. The Notice of AGM is also announced via SGXNet and published in the press. At the AGM, shareholders are given the opportunity to participate effectively by providing feedback and raising questions. Shareholders may vote in person at the Company's AGM or at any extraordinary general meeting ("EGM") or by proxy if they are unable to attend.

147. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company held its AGM by way of electronic means on 16 April 2021. The Notice of AGM, proxy form and details of the alternative arrangements for the AGM were announced via SGXNet and were also made available on the Company's website. The Notice of AGM was also published in the press. In view of the safe distancing measures in force, the Company arranged for shareholders to participate by observing and/or listening to the proceedings of the AGM via live audio-visual webcast or live audio-only stream and their questions were submitted to the Company in advance of the AGM.

148. The Company's Constitution provides that shareholders may appoint not more than two proxies to attend and speak at the Company's AGM and/or EGM and to vote in their stead. Relevant intermediaries (which has the meaning ascribed to it in Section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote at the Company's AGM and/or EGM. This will enable indirect investors, including Central Provident

Fund Board's investors to be appointed as proxies to participate at general meetings. To ensure authenticity of shareholder identity and other related security issues, the Company currently does not allow voting in absentia by mail, email or facsimile. Voting at the AGM held in 2021 was by proxy only. Shareholders who wished to exercise their voting rights at the AGM appointed the Chairman of the AGM as their proxy by completing and submitting the proxy form 72 hours before the time for holding the AGM.

149. Since 2012, the Company has conducted electronic poll voting for all resolutions passed at the AGM, for greater transparency in the voting process. Shareholders are informed of the rules, including voting procedures that govern the proceedings of general meetings of shareholders. Detailed results of the votes, showing the number of votes cast for and against each resolution and the respective percentages, are instantaneously displayed at the Company's AGM and subsequently announced via SGXNet on the same day. An independent scrutineer is engaged to review the voting process and address shareholders' queries on the voting procedures.

150. For the Company's AGMs, separate resolutions are set out on distinct issues, such as the proposed re-election of Directors, proposed Directors' fees and recommendation of final dividend. Where an EGM is convened by the Company, the proposed corporate action or transaction, as applicable, and the rationale and other pertinent details for such proposal are set out in a separate circular to shareholders, with the proposed resolution set out for approval by shareholders at the EGM. The Company does not "bundle" resolutions, unless the resolutions are interdependent and linked so as to form one significant proposal.

151. At the Company's previous AGMs, the Chairman and Directors, the chairpersons of all Board Committees, Group CEO, Management and the Company's professional advisers would be present and available to address queries from shareholders. The external auditor would also be present to address any shareholders' queries about the conduct of the audit and the preparation and content of the auditor's report. At the Company's 2021 AGM which was conducted via electronic means, the Chairman and Directors, the chairpersons of all Board Committees, Group CEO, Management and the Company's professional advisers and external auditors were either present in person or attended via electronic means. Questions submitted by shareholders in advance of the 2021 AGM were addressed during the 2021 AGM.

CORPORATE GOVERNANCE REPORT

As at 1 March 2022

152. The Company Secretary prepares minutes of general meetings that include responses from the Board and Management to the substantial and relevant comments or queries from shareholders. The minutes are made available on the Company's website www.greateasternlife.com.

Dividend Policy

153. The Company is committed to maintaining a sustainable dividend policy that will enhance long-term shareholder value. In determining the dividend pay-out, the Board will take into consideration the Company's financial position, business expansion plans, market conditions and capital requirements. The dividend pay-out for the four financial years preceding FY2021 and the proposed dividend pay-out for FY2021 are set out in the Financial Highlights on Page 34 and Note 35 of the Notes to the Financial Statements of this Annual Report.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

154. The Company recognises that regular, effective, timely and fair communication with shareholders is essential to enable its shareholders to make informed decisions about the Company. The Company announces its abridged financial results for the first and third quarters and its financial results for the half year and full year within the time frames prescribed by the listing manual of the SGX-ST. The Company conducts calls with analysts on its quarterly results and briefings to the media on its full year results. All pertinent material and price-sensitive information are disclosed promptly via SGXNet and posted on the Company's website www.greateasternlife.com. No unpublished price-sensitive information is disclosed on a selective basis.

155. The Company's Annual Report containing the financial statements of the Company and the Group for the financial year also contains other pertinent information and disclosures, including a review of the operations and activities for that financial year, to enable shareholders and investors to have a better understanding of the Group's business and performance.

156. Shareholders and the public can access the Company's website www.greateasternlife.com for the latest media releases, financial results, financial results presentation materials, annual reports and other corporate information on the Company. The Company's vision and mission statements can also be found in the Company's website. Investors can submit feedback and queries to the Company's Investor Relations Department through the contact details provided on the Company's website. The Investor Relations personnel communicate with the Company's investors and respond to their queries on published information promptly and effectively. One of the key roles of the Group's Group Corporate Communications and Investor Relations Departments is to keep the market and investors apprised of the Group's major corporate developments and financial performance through regular media releases, briefings and meetings with the media, analysts and fund managers.

MANAGING STAKEHOLDER RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

157. The Company recognises the importance of maintaining positive stakeholder relationships, and adopts an inclusive approach in the management and engagement of its stakeholders – namely customers, suppliers, regulators, investors, employees, financial representatives and community partners. The Sustainability Report sets out the Company's approach to stakeholder engagement including key areas of focus and how it responds to stakeholder concerns.

158. The Company maintains a corporate website, www.greateasternlife.com, to communicate and engage with its stakeholders.

CORPORATE GOVERNANCE REPORT

As at 1 March 2022

DEALINGS IN SECURITIES

159. The Company has adopted internal codes and policies on dealings in the Company's securities in line with the relevant rules set out in the listing manual of the SGX-ST. As an enhancement of its policies and controls on insider trading, the Company has included prohibitions as to the trading of securities of OCBC Bank during the black-out period. The Directors, and executives and employees of the Company and of the Group are periodically reminded not to deal in the securities of the Company and OCBC Bank for the period commencing one month before the Company's announcement of its half year and full year financial results (to the date of the announcement of the relevant results of OCBC Bank); and for the period commencing two weeks before the announcement of the Company's quarterly abridged financial disclosures for its first and third quarters of the financial year (to the date of the announcement of the relevant results of OCBC Bank). The Company will notify Directors, and executives and employees of the Company and of the Group of each black-out period. Directors, and executives and employees of the Company and of the Group are regularly reminded not to deal in the securities of the Company, OCBC Bank and/or other listed companies at all times if they are privy to unpublished material price-sensitive information and not to deal in the securities of the Company and OCBC Bank on short-term considerations. Employees in departments deemed to have access to price-sensitive information are instructed to conduct all personal securities transactions through OCBC Bank's stockbroking subsidiary for transaction monitoring purposes.

RELATED PARTY TRANSACTIONS

160. The Company has implemented policies and procedures on related party transactions covering the definitions of relatedness, limits applied, terms of transactions, and the authorities and procedures for approving, monitoring and, where necessary, writing off such transactions. All related party transactions are conducted on normal commercial terms and in the ordinary course of business. The terms and conditions of such transactions are carried out on an arm's length basis. Directors with conflicts of interest are excluded from the approval process of granting and managing related party transactions. Material related party transactions and the write-off of material related party transactions are reported to the Audit Committee for review and to the Board for approval.

161. The Company also complies with the listing manual of the SGX-ST on interested person transactions ("IPTs"). All IPTs are conducted on normal commercial terms and carried out on an arm's length basis.

162. Details of the Company's related party transactions and IPTs during FY2021 are respectively set out in Note 31 of the Notes to the Financial Statements and Page 206 of this Annual Report.

ETHICAL STANDARDS

163. The Directors and Management are committed to promoting and maintaining values, which emphasise integrity, honesty and proper conduct at all times in the business operations and dealings of the Group. The Company has adopted a Code of Conduct that sets out the guiding principles and minimum standards expected of its employees such as the highest standards of conduct and professional integrity. The Code of Conduct also provides guidance on areas such as responsible stewardship of the Company's resources, the Company's position against fraudulent conduct, conflicts of interests and the appropriate disclosures to be made, and maintaining confidentiality of information. The Code of Conduct is available on the Company's staff intranet. The Group Human Capital Department provides an annual attestation to the Audit Committee that the Code of Conduct has been properly disseminated to all staff.

164. The Company has a suite of policies in place for proper governance and management that staff have to comply with. All policies are prepared in accordance with the Company's risk management and internal control systems and processes, including Management's self-assessment and independent audits.

165. The Company treats feedback and complaints from its customers seriously, and has instituted channels whereby customers may provide feedback or complaints. The Company aims to resolve feedback and complaints professionally and fairly in accordance with the service standards indicated on its website www.greateasternlife.com.

CORPORATE GOVERNANCE REPORT

As at 1 March 2022

SUMMARY OF DISCLOSURES

Express disclosure requirements in the provisions of the Code and additional guidelines of the MAS CG Guidelines.

Provisions	Paragraph Number in Corporate Governance Report
Provision 1.2 The induction, training and development provided to new and existing directors.	64 to 68
Provision 1.3 Matters that require Board approval.	6 and 7
Provision 1.4 Names of the members of the Board Committees, the terms of reference of the Board Committees, delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities.	8 to 52
Provision 1.5 The number of Board and Board Committee meetings and each individual director's attendance at such meetings.	58
Provision 2.4 The board diversity policy and progress made towards implementing the board diversity policy, including objectives.	83 to 85
Provision 4.3 Process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates.	91 to 93 and 95
Provision 4.4 If the Board determines that a director is independent notwithstanding the existence of a relationship with the Company, its related corporations, its substantial shareholders or its officers, which may affect his/her independence, the relationships and the Board's reasons for considering him/her as independent.	76
Provision 4.5 (a) Listed company directorships and principal commitments of each director.	95 and Pages 18 to 27 under the section "Board of Directors" of this Annual Report.
(b) Where a director holds significant number of such directorships and principal commitments, the Nominating Committee and Board should disclose reasoned assessment of the director's ability to diligently discharge his/her duties.	95
Provision 5.2 How the assessments of the Board, its Board Committees and each director have been conducted, including the identity of any external facilitator and its connection (if any) with the Company or any of its directors.	96 to 98
Provision 6.4 The engagement of any remuneration consultants and their independence.	104, 108 and 117
Provision 8.1 Policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:	
(a) Each individual director and the CEO.	106 to 122
(b) At least the top five key management personnel (who are not directors or the CEO) in bands no wider than \$250,000 and in aggregate the total remuneration paid to these key management personnel.	110 to 121 and 123

CORPORATE GOVERNANCE REPORT

As at 1 March 2022

Provisions	Paragraph Number in Corporate Governance Report
Provision 8.2 Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds \$100,000 during the year, in bands no wider than \$100,000. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	124
Provision 8.3 All forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to directors and key management personnel of the Company and details of employee share schemes.	114 to 123
Provision 9.2 Whether the Board received assurance from: <ul style="list-style-type: none"> (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems. 	130 130
Provision 11.3 Directors' attendance at general meetings of shareholders held during the financial year.	58 and 151
Provision 12.1 The steps the Board has taken to solicit and understand the views of shareholders.	147, 148, 151, 154 to 156
Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	157 and 158
Additional Guidelines	Paragraph Number in Corporate Governance Report
Guideline 1.16 An assessment of how the induction, orientation and training provided to new and existing directors meet the requirements as set out by the Nominating Committee to equip the Board and the respective Board Committees with relevant knowledge and skills in order to perform their roles effectively.	64 to 68
Guideline 2.13 Names of the members of the Executive Committee and the key terms of reference of the Executive Committee, explaining its role and the authority delegated to it by the Board.	11 and 13
Guideline 4.13 Resignation or dismissal of key appointment holders.	20
Guideline 4.14 Deviation and explanation for the deviation from the internal guidelines on time commitment referred to in Guidelines 4.4 and 4.10.	95
Guideline 11.14 Names of the members of the Risk Management Committee and the key terms of reference of the Risk Management Committee, explaining its role and the authority delegated to it by the Board.	38, 40 to 44
Guideline 17.4 Material related party transactions.	160 to 162

FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT

The Directors are pleased to present this statement to the members together with the audited consolidated financial statements of Great Eastern Holdings Limited (“GEH” or the “Company”) and its subsidiaries (collectively the “Group”) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Mr Koh Beng Seng, Chairman
Mr Norman Ip
Mr Law Song Keng
Mr Lee Fook Sun
Mr Kyle Lee
Mr Ng Chee Peng (Appointed on 1 March 2021)
Mr Soon Tit Koon
Mrs Teoh Lian Ee
Mr Thean Nam Yew
Mr Wee Joo Yeow
Ms Helen Wong (Appointed on 30 April 2021)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangements whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, save as disclosed in this statement.

DIRECTORS' STATEMENT

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of Directors' shareholdings, the Director who held office at the end of the financial year had an interest in shares in, or debentures of, the Company as at the end of the financial year and as at 21 January 2022, is as follows:

	Holdings registered in the name of Directors or in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 1.1.2021 or date of appointment	As at 31.12.2021	As at 1.1.2021 or date of appointment	As at 31.12.2021

Ordinary shares in the capital of the Company

Mrs Teoh Lian Ee	–	–	5,000 ⁽¹⁾	5,000 ⁽¹⁾
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The interests in shares in, or debentures of, the Company's holding company, Oversea-Chinese Banking Corporation Limited ("OCBC Bank") and its related corporations, of Directors who held office at the end of the financial year, were as follows:

	Holdings registered in the name of Directors or in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 1.1.2021 or date of appointment	As at 31.12.2021	As at 1.1.2021 or date of appointment	As at 31.12.2021

Ordinary shares in the capital of OCBC Bank

Mr Koh Beng Seng	1,543	7,644	–	–
Mr Norman Ip	4,585	4,614	10,204 ⁽¹⁾	10,340 ⁽¹⁾
Mr Law Song Keng	124,586	126,246	15,249 ⁽¹⁾	15,249 ⁽¹⁾
Mr Lee Fook Sun	–	–	190,158 ⁽²⁾	190,158 ⁽²⁾
Mr Kyle Lee	133,344	135,121	–	–
Mr Ng Chee Peng	13,109	13,109	1,500 ⁽¹⁾	1,500 ⁽¹⁾
Mr Soon Tit Koon	472	472	–	–
Mrs Teoh Lian Ee	24,711	24,711	299 ⁽¹⁾	299 ⁽¹⁾
Mr Wee Joo Yeow	76,527	83,627	4,892 ⁽¹⁾	4,892 ⁽¹⁾
Ms Helen Wong	135,779	135,779	188,718 ⁽³⁾	342,061 ⁽⁴⁾

Notes:

⁽¹⁾ Held by spouse.

⁽²⁾ Held under Halden Joy Trust.

⁽³⁾ Comprises deemed interest in 188,718 ordinary shares subject to award(s) granted under the OCBC Deferred Share Plan as at appointment date, 30 April 2021.

⁽⁴⁾ Comprises deemed interest in 342,061 ordinary shares subject to award(s) granted under the OCBC Deferred Share Plan.

Save as disclosed above, the Directors holding office at the end of the financial year did not have any interest in shares in, or debentures of, the Company or any related corporation either at the beginning of the financial year, date of appointment, or at the end of the financial year.

There were no changes to any of the above mentioned interests between the end of the financial year and 21 January 2022.

DIRECTORS' STATEMENT

5. SHARE OPTIONS

The Company does not have any share option scheme in place.

6. AUDIT COMMITTEE

The Audit Committee (“AC”) comprises four non-executive Directors. The AC members at the date of this statement are Mr Kyle Lee (AC Chairman), Mr Law Song Keng, Mr Ng Chee Peng, Mrs Teoh Lian Ee and Mr Thean Nam Yew. The AC convened four meetings during the financial year under review.

The AC performs the functions specified under Section 201B(5) of the Companies Act 1967, including reviewing with the auditor its audit plan, its evaluation of the system of internal accounting controls and its audit report, reviewing the assistance given by the Company’s officers to the auditor, reviewing the scope and results of the internal audit procedures, reviewing the financial statements of the Company and of the Group and the auditor’s report thereon prior to their submission to the Company’s Board of Directors. Details of the functions performed by the AC, including functions specified in the SGX-ST Listing Manual, Banking (Corporate Governance) Regulations 2005, Banking (Corporate Governance) (Amendment) Regulations 2010, MAS Guidelines on Corporate Governance and the Code of Corporate Governance 2018, are set out in the Report on Corporate Governance included in the Company’s Annual Report for the financial year ended 31 December 2021.

The AC has nominated PricewaterhouseCoopers LLP for reappointment as auditor at the forthcoming Annual General Meeting of the Company.

7. AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the Board of Directors



Koh Beng Seng
Chairman



Kyle Lee
Director

Singapore
21 February 2022

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 2021 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 2021;
- 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 2021;
- 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

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 2021. 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of life insurance contract liabilities</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 15.1 <i>Life Insurance Contracts</i> and Note 33 <i>Insurance Risk</i>.</p> <p>As at 31 December 2021, the Group has life insurance contract liabilities of S\$87,718.3 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"> • We understood the actuarial valuation process, including model changes and assumptions setting; • We tested the design and operating effectiveness of controls over the accuracy and completeness of the data used; • 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; • We performed an independent review of model points on a sample basis to assess that the methodologies and assumptions have been applied appropriately; • 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;

INDEPENDENT AUDITOR'S REPORT

To the Members of Great Eastern Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

OUR AUDIT APPROACH (CONTINUED)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of life insurance contract liabilities (continued)</p>	<ul style="list-style-type: none"> • 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 2020 to 31 December 2021, showing the key drivers of the changes during the year; and • We assessed the appropriateness of the disclosures in the financial statements. <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>
<p>Valuation of provision for current income tax and deferred tax</p>	<p>We performed the following audit procedures to address this matter:</p> <ul style="list-style-type: none"> • We reviewed the reasonableness of the current income tax and deferred tax liabilities determined by management and evaluated the judgments and assumptions applied by management to estimate the probabilities and amounts; • We examined the correspondences with the tax authority to identify potential tax exposures; and • We assessed the appropriateness of the disclosures in the financial statements.
<p>Refer to the following notes in the consolidated financial statements: Note 2.12.1 <i>Current Income Tax</i>, Note 2.12.2 <i>Deferred Tax</i>, Note 2.30(b) <i>Critical accounting estimates and judgments on income taxes</i> and Note 8 <i>Income Tax</i>.</p>	<p>Based on the work performed and the evidence obtained, we found management's assessment of the current income tax payable and net deferred tax liabilities reasonable. Our audit procedures on the disclosures showed that they were in accordance with the relevant SFRS(I) disclosure requirements.</p>
<p>As at 31 December 2021, the Group has recognised a current income tax payable of S\$328.6 million and net deferred tax liabilities of S\$2,579.0 million.</p>	
<p>The Group operates in various countries and is subject to income taxes in those jurisdictions. There is an inherent uncertainty involved in the calculation of current income tax and deferred tax. There are significant open tax positions. The final tax outcome determined by the tax authority may be different from the amounts initially recorded, resulting in changes in the tax provisions made in prior periods.</p>	

INDEPENDENT AUDITOR'S REPORT

To the Members of Great Eastern Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Directors' Statement and List of Major Properties (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.

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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Great Eastern Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- 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.
- 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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 21 February 2022

CONSOLIDATED PROFIT OR LOSS STATEMENT

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	2021	2020
Income			
Gross premiums		18,956.3	15,507.1
Premiums ceded to reinsurers		(766.9)	(706.3)
Decrease/(increase) in premium liabilities	15	0.2	(1.3)
Net premiums		18,189.6	14,799.5
Commissions received from reinsurers		51.4	136.9
Investment income, net	4	2,699.5	2,594.9
Rental income, net		27.8	23.9
Fees and other income		39.7	27.9
(Loss)/gain on sale of investments and changes in fair value	5	(1,080.3)	3,898.6
Change in third-party interests in consolidated investment funds		-	(14.3)
Gain on disposal of interest in associate		-	1.4
Gain on disposal of subsidiary		-	8.4
Gain on exchange differences		36.7	0.5
Total income		19,964.4	21,477.7
/ess: Expenses			
Gross claims, maturities, surrenders and annuities		11,388.2	10,371.9
Claims, maturities, surrenders and annuities recovered from reinsurers		(530.7)	(696.2)
Commissions and distribution expenses		1,489.7	1,301.8
Increase in provision for impairment of assets	7	1.5	4.8
Management and other expenses	7	665.0	1,403.8
Interest expense		0.2	18.3
Increase in provision for agents' retirement benefits	6	19.7	25.9
Depreciation and amortisation expenses	7	79.4	78.1
Gross change in insurance contract liabilities	15	2,605.2	8,416.4
Change in insurance contract liabilities ceded to reinsurers	15	1,597.7	(185.8)
Total expenses		17,315.9	20,739.0
Profit before income tax		2,648.5	738.7
Income tax (expense)/credit attributable to policyholders' returns	8	(1,294.0)	216.9
Profit before tax attributable to shareholders' profits		1,354.5	955.6
Income tax (expense)/credit		(1,515.1)	249.7
/ess: Income tax expense/(credit) attributable to policyholders' returns		1,294.0	(216.9)
Income tax (expense)/credit attributable to shareholders' profits	8	(221.1)	32.8
Profit after income tax		1,133.4	988.4
Attributable to:			
Shareholders		1,113.0	960.6
Non-controlling interests		20.4	27.8
		1,133.4	988.4
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	9	\$2.35	\$2.03

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	2021	2020
Profit after income tax for the year	1,133.4	988.4
Other comprehensive income:		
Items that will not be reclassified to the Profit or Loss Statement:		
Exchange differences arising on translation of overseas entities attributable to non-controlling interests	(0.2)	–
Revaluation gain on equity instruments at fair value through other comprehensive income	139.2	32.6
Income tax related to the above	(23.6)	(7.3)
Items that may be reclassified subsequently to the Profit or Loss Statement:		
Exchange differences arising on translation of overseas entities	(23.7)	(1.8)
Debt instruments at fair value through other comprehensive income:		
Changes in fair value	(253.2)	393.6
Changes in allowance for expected credit losses	(0.4)	4.6
Reclassification of realised gain on disposal of investments to the Profit or Loss Statement	(49.3)	(335.6)
Income tax related to the above	50.6	(12.2)
Other comprehensive (loss)/income for the year, after tax	(160.6)	73.9
Total comprehensive income for the year	972.8	1,062.3
Total comprehensive income attributable to:		
Shareholders	952.6	1,034.5
Non-controlling interests	20.2	27.8
	972.8	1,062.3

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

BALANCE SHEETS

As at 31 December 2021

in Singapore Dollars (millions)	Note	Group		Company	
		2021	2020	2021	2020
Share capital	10	152.7	152.7	152.7	152.7
Reserves					
Merger reserve	11	–	–	419.2	419.2
Currency translation reserve	11	(17.1)	6.6	–	–
Fair value reserve	11	281.7	464.9	–	–
Retained earnings		9,612.3	8,736.8	3,121.7	3,130.7
SHAREHOLDERS' EQUITY		10,029.6	9,361.0	3,693.6	3,702.6
NON-CONTROLLING INTERESTS		106.8	113.5	–	–
TOTAL EQUITY		10,136.4	9,474.5	3,693.6	3,702.6
LIABILITIES					
Insurance payables	12	6,620.6	5,841.7	–	–
Other creditors	13	1,924.3	2,705.4	8.1	7.9
Debt issued	14	–	400.0	–	–
Income tax payable		328.6	225.5	–	–
Derivative financial liabilities	21	111.4	273.2	–	–
Provision for agents' retirement benefits	6	291.3	295.5	–	–
Deferred tax	8	2,579.0	1,484.6	–	–
Insurance contract liabilities	15	88,398.5	86,227.3	–	–
TOTAL EQUITY AND LIABILITIES		110,390.1	106,927.7	3,701.7	3,710.5
ASSETS					
Cash and cash equivalents		9,117.7	9,649.8	19.8	19.3
Other debtors	16	904.5	1,028.4	0.4	0.3
Insurance receivables	17	3,335.6	3,072.9	–	–
Reinsurers' share of insurance contract liabilities	18	886.7	2,487.6	–	–
Amount due from subsidiaries	19	–	–	2,674.3	2,692.8
Loans	20	592.2	890.5	–	–
Derivative financial assets	21	369.9	764.2	–	–
Investments	22	92,462.4	86,407.2	–	–
Investment in associate	23	95.2	96.9	–	–
Investment in subsidiaries	24	–	–	1,007.1	998.0
Intangible assets	26	195.0	31.2	–	–
Investment properties	27	1,883.9	1,767.2	–	–
Property, plant and equipment	28	547.0	731.8	0.1	0.1
TOTAL ASSETS		110,390.1	106,927.7	3,701.7	3,710.5

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

STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	Attributable to shareholders of the Company					Non-Controlling Interests	Total Equity
		Share Capital	Currency Translation Reserve	Fair Value Reserve	Retained Earnings	Total		
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	33	-	-	(0.4)	-	(0.4)	-	(0.4)
Reclassification of net realised gain on disposal of investments to the Profit or Loss Statement		-	-	(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	22	-	-	(46.5)	46.5	-	-	-
<u>Distributions to shareholders</u>								
Dividends paid during the year:								
Final one-tier tax exempt dividend for the previous year	35	-	-	-	(236.7)	(236.7)	-	(236.7)
Interim one-tier tax exempt dividend	35	-	-	-	(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

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

STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	Attributable to shareholders of the Company					Total	Non-Controlling Interests	Total Equity
		Share Capital	Currency Translation Reserve	Fair Value Reserve	Other Reserve	Retained Earnings			
Balance at 1 January 2020		152.7	8.4	338.3	0.2	8,111.1	8,610.7	90.9	8,701.6
Profit for the year		-	-	-	-	960.6	960.6	27.8	988.4
<u>Other comprehensive (loss)/income</u>									
Exchange differences arising on translation of overseas entities		-	(1.8)	-	-	-	(1.8)	-	(1.8)
Net revaluation gain on equity instruments at fair value through other comprehensive income		-	-	25.3	-	-	25.3	-	25.3
Debt instruments at FVOCI:									
Changes in fair value		-	-	393.6	-	-	393.6	-	393.6
Changes in allowance for expected credit losses	33	-	-	4.6	-	-	4.6	-	4.6
Reclassification of net realised gain on disposal of investments to the Profit or Loss Statement		-	-	(335.6)	-	-	(335.6)	-	(335.6)
Income tax related to the above		-	-	(12.2)	-	-	(12.2)	-	(12.2)
Other comprehensive (loss)/income for the year, after tax		-	(1.8)	75.7	-	-	73.9	-	73.9
Total comprehensive (loss)/income for the year		-	(1.8)	75.7	-	960.6	1,034.5	27.8	1,062.3
Reclassification of net change in fair value of equity instruments upon derecognition	22	-	-	50.9	-	(50.9)	-	-	-
<u>Distributions to shareholders</u>									
Dividends paid during the year:									
Final one-tier tax exempt dividend for the previous year	35	-	-	-	-	(236.7)	(236.7)	-	(236.7)
Interim one-tier tax exempt dividend	35	-	-	-	-	(47.3)	(47.3)	-	(47.3)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(9.1)	(9.1)
Total distributions to shareholders		-	-	-	-	(284.0)	(284.0)	(9.1)	(293.1)
<u>Changes in ownership interests in subsidiaries</u>									
Disposal of subsidiary		-	-	-	(0.2)	-	(0.2)	-	(0.2)
Transaction with non-controlling interests without a change in control		-	-	-	-	-	-	3.9	3.9
Total changes in ownership interests in subsidiaries		-	-	-	(0.2)	-	(0.2)	3.9	3.7
Total transactions with shareholders in their capacity as shareholders		-	-	-	(0.2)	(284.0)	(284.2)	(5.2)	(289.4)
Balance at 31 December 2020		152.7	6.6	464.9	-	8,736.8	9,361.0	113.5	9,474.5

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

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	Share Capital	Merger Reserve	Retained Earnings	Total Equity
Balance at 1 January 2021		152.7	419.2	3,130.7	3,702.6
Profit for the year		–	–	275.0	275.0
Total comprehensive income for the year		–	–	275.0	275.0
Distributions to shareholders					
Dividends paid during the year:					
Final one-tier tax exempt dividend for the previous year	35	–	–	(236.7)	(236.7)
Interim one-tier tax exempt dividend	35	–	–	(47.3)	(47.3)
Total distributions to shareholders		–	–	(284.0)	(284.0)
Total transactions with shareholders in their capacity as shareholders		–	–	(284.0)	(284.0)
Balance at 31 December 2021		152.7	419.2	3,121.7	3,693.6
Balance at 1 January 2020		152.7	419.2	3,337.6	3,909.5
Profit for the year		–	–	77.1	77.1
Total comprehensive income for the year		–	–	77.1	77.1
Distributions to shareholders					
Dividends paid during the year:					
Final one-tier tax exempt dividend for the previous year	35	–	–	(236.7)	(236.7)
Interim one-tier tax exempt dividend	35	–	–	(47.3)	(47.3)
Total distributions to shareholders		–	–	(284.0)	(284.0)
Total transactions with shareholders in their capacity as shareholders		–	–	(284.0)	(284.0)
Balance at 31 December 2020		152.7	419.2	3,130.7	3,702.6

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		2,648.5	738.7
<i>Adjustments for non-cash items:</i>			
Loss/(gain) on sale of investments and changes in fair value	5	1,080.3	(3,898.6)
Gain on disposal of subsidiary		–	(8.4)
Gain on disposal of interest in associate		–	(1.4)
Increase in provision for impairment of assets	7	1.5	4.8
Increase in provision for agents' retirement benefits	6	19.7	25.9
Loss on disposal of property, plant and equipment	7	–	0.1
Depreciation and amortisation expenses	7	79.4	78.1
Unrealised gain on exchange differences		(36.7)	(0.5)
Gross change in insurance contract liabilities	15	2,605.2	8,416.4
Change in insurance contract liabilities ceded to reinsurers	15	1,597.7	(185.8)
Change in premium liabilities	15	(0.2)	1.3
Dividend income	4	(668.8)	(579.5)
Interest income	4	(2,165.9)	(2,216.6)
Interest expense		0.2	18.3
Interest expense on policy benefits and lease liabilities	7	201.0	211.0
Share-based payments	7	7.1	6.6
Others		–	(0.3)
		5,369.0	2,610.1
<i>Changes in working capital:</i>			
Insurance receivables		(318.3)	(212.2)
Other debtors		93.4	62.5
Insurance payables		595.0	645.9
Other creditors		(945.9)	(1,165.7)
Cash generated from operations		4,793.2	1,940.6
Income tax paid		(299.9)	(172.5)
Interest paid on policy benefits and lease liabilities		(201.0)	(211.0)
Agents' retirement benefits paid	6	(18.7)	(25.0)
Net cash flows generated from operating activities		4,273.6	1,532.1

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities and sale of investments		36,754.2	42,029.0
Purchase of investments		(43,589.0)	(42,479.8)
Net cash outflow from acquisition of associate		–	(93.4)
Net cash inflow from disposal of associate		–	3.5
Net cash inflow from disposal of subsidiary		–	32.5
Proceeds from sale of property, plant and equipment		3.0	0.1
Purchase of property, plant and equipment and investment properties	27,28	(41.1)	(99.1)
Acquisition of intangible assets	26	(63.3)	–
Interest income received		2,178.1	2,262.9
Interest expense paid		(9.3)	(18.4)
Dividends received		686.5	566.8
Net cash flows (used in)/provided by investing activities		(4,080.9)	2,204.1
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	35	(284.0)	(284.0)
Dividends paid to non-controlling interests		(26.9)	(9.1)
Changes in non-controlling interests		–	3.9
Principal element of lease payments	28	(13.9)	(13.1)
Redemption of debt issued		(400.0)	–
Net cash flows used in financing activities		(724.8)	(302.3)
Net (decrease)/ increase in cash and cash equivalents		(532.1)	3,433.9
Cash and cash equivalents at the beginning of the year		9,649.8	6,215.9
Cash and cash equivalents at the end of the year		9,117.7	9,649.8
Cash and cash equivalents comprise:			
Cash and bank balances		2,544.0	1,764.5
Cash on deposit		2,623.9	3,504.8
Short term instruments		3,949.8	4,380.5
		9,117.7	9,649.8

Included in the cash and cash equivalents are bank deposits amounting to \$8.4 million (31 December 2020: \$8.9 million) which are lodged with the regulator as statutory deposits, which are not available for use by the Group.

NOTES TO THE FINANCIAL STATEMENTS

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 principal activities of the significant subsidiaries within the Group are stated in Note 3. There have been no significant changes in the nature of these activities during the financial year.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) and SFRS(I) Interpretations as issued by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The 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

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual financial periods beginning on or after 1 January 2021.

SFRS(I)	Title	Effective date (Annual periods beginning on or after)
Various	Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
SFRS(I) 16	Amendments to SFRS(I) 16: Covid-19 – Related Rent Concessions	1 June 2020

The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company, except as follows.

Interest Rate Benchmark Reform – Phase 2

The Group has adopted the amendments to SFRS(I) 9 and SFRS(I) 7 Interest Rate Benchmark Reform – Phase 2 effective 1 January 2021. In accordance with the transition provisions, the amendments shall be applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the current period opening reserves amount on adoption.

Hedge relationships

The Phase 2 amendments address issues arising from the interest rate benchmark reform (“IBOR” reform), including specifying when hedge designations and documentation should be updated, and when amounts accumulated in the cash flow hedge reserve should be recognised in profit or loss. The Group holds derivatives for risk management and efficient portfolio management purposes and these are not designated in hedging relationships.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in Accounting Policies (continued)

2.2.1 New standards and amendments (continued)

Interest Rate Benchmark Reform – Phase 2 (continued)

Financial instruments measured at amortised cost

Phase 2 of the amendments requires that, for financial instruments measured using amortised cost, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised.

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. See also Note 33 for related disclosures about risks, financial assets and financial liabilities indexed to IBOR.

2.2.2 SFRS(I) not yet effective

The Group and the Company have not applied the following SFRS(I)s that have been issued but which are not yet effective:

SFRS(I)	Title	Effective date (Annual periods beginning on or after)
SFRS(I) 16	Amendment to Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)	1 April 2021
SFRS(I) 3	Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Various	Annual improvements to SFRS(I)s 2018-2020	1 January 2022
SFRS(I) 17	Insurance Contracts	1 January 2023
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Disclosure of Accounting Policies	1 January 2023
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
SFRS(I) 1-12	Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
SFRS(I) 17	Amendments to SFRS(I) 17: Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2023
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in Accounting Policies (continued)

2.2.2 SFRS(I) not yet effective (continued)

The Directors expect that the adoption of the new standards above will not have any material impact on the financial statements in the year of initial application, except as below.

SFRS(I) 17 Insurance Contracts

SFRS(I) 17 was issued in March 2018 as replacement for SFRS(I) 4 Insurance Contracts. The Accounting Standards Council Singapore ("ASC") has issued Amendments to SFRS(I) 17 on 27 November 2020 to defer the effective date to annual reporting periods beginning on or after 1 January 2023.

It is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. SFRS(I) 17 requires a general model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows;
- an explicit risk adjustment; and
- a contractual service margin representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The general model is supplemented by:

- a simplified approach (the premium allocation approach) mainly for short duration contracts; and
- a modification of the general measurement model (the variable fee approach) for contracts with direct participation features.

SFRS(I) 17 is effective for annual periods beginning on or after 1 January 2023, with comparative figures required. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach. The Group plans to adopt SFRS(I) 17 on the required effective date and a Project Steering Committee was formed to oversee the implementation of the standard. The Group expects that SFRS(I) 17 will result in an important change to the accounting policies for insurance contract liabilities of the Group and is likely to have a significant impact on profit and total equity together with the Group's financial statements' presentation and disclosures.

2.3 Basis of Consolidation and Business Combinations

2.3.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances, except for insurance contracts (Note 2.10). A list of the Company's significant subsidiaries is shown in Note 3.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of Consolidation and Business Combinations (continued)

2.3.1 Basis of Consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.3.2 Business Combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.22. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.4 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control and is generally established for a narrow and well-defined objective.

For the purpose of disclosure, the Group would be considered to sponsor a structured entity if it has a key role in establishing the structured entity or its name appears in the overall structure of the structured entity.

2.6 Joint Arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interests in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in a joint venture is set out in Note 2.7.

2.7 Associates and Joint Ventures

Associates are entities over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investment in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture. If the investment in an associate is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the Group may elect to measure that investment at fair value through profit or loss in accordance with SFRS(I) 9. The Group will make this election separately for each associate, at initial recognition of the associate or joint venture.

On acquisition of the investment, an excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, investments in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Associates and Joint Ventures (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in an associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and the respective carrying value and recognises the amount in the profit or loss.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures the retained investment at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.8 Transactions with Non-Controlling Interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to shareholders of the Company, and is presented separately in the Consolidated Profit or Loss Statement, Consolidated Statement of Comprehensive Income and within equity in the Consolidated Balance Sheet, separately from Shareholders' Equity. An exception to this occurs when non-controlling interests arise through minority unit holders' interest in consolidated investment funds, when they are recognised as a liability, reflecting the net assets of the consolidated entity. These interests qualify as a financial liability as they give the holder the right to put the instrument back to the issuer for cash. Changes in these liabilities are recognised in the Consolidated Profit or Loss Statement as expenses.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

2.9 Foreign Currency Conversion and Translation

2.9.1 Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional and presentation currency.

2.9.2 Transactions and Balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Foreign Currency Conversion and Translation (continued)

2.9.2 Transactions and Balances (continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Profit or Loss Statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation. Exchange differences on items such as equity investments classified as fair value through other comprehensive income financial assets are included in the fair value reserve in equity.

2.9.3 Consolidated Financial Statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange ruling at the end of the reporting period. The Profit or Loss Statement is translated at the exchange rates prevailing at the dates of the transactions. The exchange differences arising from the translation are recognised in the Statement of Comprehensive Income as foreign currency translation reserve.

On disposal of a foreign operation, the cumulative amount of exchange differences recognised in other comprehensive income relating to that particular foreign operation is recognised in the Profit or Loss Statement as gain or loss on disposal of the operation.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences is re-attributed to non-controlling interest and is not recognised in Profit or Loss Statement. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the Profit or Loss Statement.

2.10 Insurance Contracts

2.10.1 Product Classification

Insurance contracts are those contracts where the Group (the insurer) has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are contracts that may transfer financial risk but do not transfer significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

Insurance and investment contracts are further classified as being either with or without discretionary participating features ("DPF"). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- Likely to be a significant portion of the total contractual benefits;
- Whose amount or timing is contractually at the discretion of the issuer; and contractually based on the:
 - Performance of a specified pool of contracts or a specified type of contract,
 - Realised and/or unrealised investment returns on a specified pool of assets held by the issuer, or
 - The profit or loss of the company, fund or other entity that issues the contract.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Insurance Contracts (continued)

2.10.1 Product Classification (continued)

For financial options and guarantees which are not closely related to the host insurance contract with DPF, bifurcation is required to measure these embedded derivatives separately at fair value through the Profit or Loss Statement. However, bifurcation is not required if the embedded derivative is itself an insurance contract with DPF, or if the host insurance contract itself is measured at fair value through the Profit or Loss Statement.

For the purpose of SFRS(I) 4, the Group adopts maximum policy benefits as the proxy for insurance risk and cash surrender value or discounted maturity value as the proxy for realisable value of the insurance contract. The Group defines insurance risk to be significant when the ratio of the insurance risk over the deposit component is not less than 105% of the deposit component at inception of the insurance contract. Based on this definition, all policy contracts issued by insurance subsidiaries within the Group are considered insurance contracts as at the balance sheet date.

The insurance subsidiaries within the Group write insurance contracts in accordance with the local Insurance Regulations prevailing in the jurisdictions in which the insurance subsidiaries operate.

2.10.2 Types of Insurance Contracts

Insurance contract liabilities are classified into principal components as follows:

- (a) Life Insurance contract liabilities; comprising
 - Participating Fund contract liabilities;
 - Non-Participating Fund contract liabilities; and
 - Investment Linked Fund contract liabilities.
- (b) Non-life Insurance contract liabilities.
- (c) Reinsurance contracts.

2.10.3 Life Insurance Contract Liabilities

Insurance contracts are recognised and measured in accordance with the terms and conditions of the respective contracts and are based on guidelines laid down by the respective insurance regulations. Premiums, claims and benefit payments, acquisition and management expenses and valuation of future policy benefit payments or premium reserves as the case may be, are recognised in the Profit or Loss Statement.

The valuation of insurance contract liabilities is determined according to the Insurance Regulations:

- (a) Singapore Insurance Act 1966, Insurance (Valuation and Capital) Regulations 2004 for insurance funds regulated in Singapore (“MAS Regulations”); and
- (b) Risk-Based Capital Framework for Insurers for insurance funds regulated in Malaysia.

Life insurance contract liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium valuation method. The liability is determined as the sum of the present value of future guaranteed and, where relevant, appropriate level of non-guaranteed benefits and expenses, less the present value of future gross considerations arising from the policy discounted at the appropriate discount rate. The liability is based on best estimate assumptions and with due regard to significant recent experience. An appropriate risk margin allowance for adverse deviation from expected experience is made in the valuation of non-participating life policies, the guaranteed benefit liabilities of participating life policies and liabilities of non-unit investment-linked policies.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Insurance Contracts (continued)

2.10.3 Life Insurance Contract Liabilities (continued)

The liability in respect of participating insurance contracts is based on the higher of the guaranteed benefit liabilities or the total benefit liabilities at the contract level derived as stated above. Refer to Table 2.10 for details.

In the case of life policies where part of, or all the premiums are accumulated in a fund, the accumulated amounts, as declared to policyholders are shown as liabilities if the accumulated amounts are higher than the amounts as calculated using the gross premium valuation method.

In the case of short-term life policies covering contingencies other than death or survival, the liability for such life insurance contracts comprises the provision for unearned premiums and unexpired risks, together with provision for claims outstanding, including an estimate of the incurred claims that have not yet been reported to the Group.

Risk transfer

The Group issues a variety of short and long duration insurance contracts which transfer risks from the policyholders to the Group to protect policyholders from the consequences of insured events such as death, disability, illness, accident, including survival. These contracts may transfer both insurance and investment risk or insurance risk alone, from the policyholders to the Group.

For non-participating policy contracts other than medical insurance policy contracts, the payout to policyholders upon the occurrence of the insured event is pre-determined and the transfer of risk is absolute. For medical insurance policy contracts, the payout is dependent on the actual medical costs incurred upon the occurrence of the insured event.

Contracts which transfer insurance risk alone from policyholders to the Group are commonly known as investment linked policies. As part of the pricing for these contracts, the insurance subsidiaries within the Group include certain charges and fees to cover for expenses and insured risk. The net investment returns derived from the variety of investment funds as selected by the policyholders accrue directly to the policyholders.

The Group issues investment linked contracts as an insurance contract which insure human life events such as death or survival over a long duration; coupled with an embedded derivative linking death benefit payments on the contract to the value of a pool of investments within the investment linked fund set up by the insurance subsidiary. As an embedded derivative meets the definition of an insurance contract it need not be separately accounted for from the host insurance contract. The liability valuation for such contracts is adjusted for changes in the fair value of the underlying assets at frequencies in accordance with the terms and conditions of the insurance contracts.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Insurance Contracts (continued)

2.10.3 Life Insurance Contract Liabilities (continued)

TABLE 2.10 below provide the key underlying assumptions used for valuation of life insurance contract liabilities.

	SINGAPORE	MALAYSIA
Valuation Method	<p>Gross Premium Valuation</p> <p>For Participating Fund, the method that produces the higher reserves of:</p> <p>(i) Guaranteed and non-guaranteed cashflows discounted at the appropriate rate of return reflecting the strategic asset allocation;</p> <p>(ii) Guaranteed cashflows discounted using the interest rate outlined below; and</p> <p>(iii) Total assets less all liabilities except insurance contract liabilities of the Participant fund.</p>	<p>Gross Premium Valuation</p> <p>For Participating Fund, the method that produces the higher reserves of:</p> <p>(i) Guaranteed and non-guaranteed cashflows discounted at the appropriate rate of return reflecting the strategic asset allocation i.e. Total Benefit Reserves; and</p> <p>(ii) Guaranteed cashflows discounted using Malaysia Government Securities zero coupon spot yields (as outlined below).</p> <p>For Asset Share Participating Products, the Total Benefit Reserves will be further adjusted in accordance to the value of Policy Asset.</p>
Discount Rate	<p>For policies denominated in SGD / USD:</p> <p>(i) Singapore Government Securities / US Treasury yields for cash flows up to 20 years and 30 years respectively;</p> <p>(ii) Ultimate forward rate of 3.8% applicable for cash flows beyond 60 years;</p> <p>(iii) Extrapolated yields in between; and</p> <p>(iv) Adjustments for matching adjustment and illiquidity premium according to MAS Notice 133, if any.</p>	<p>Malaysia Government Securities yields determined based on the following:</p> <p>(i) For cashflows with duration less than 15 years, Malaysia Government Securities zero coupon spot yields of matching duration.</p> <p>(ii) For cashflows with duration 15 years or more, Malaysia Government Securities zero coupon spot yields of 15 years to maturity.</p>
Mortality, Disability, Dread disease, Expenses, Lapse and surrenders	<p>Participating Fund:</p> <ul style="list-style-type: none"> – Best estimates for Gross Premium Valuation method (i); – Best estimates plus provision for adverse deviation (PAD) for Gross Premium Valuation method (ii). <p>Non-Participating and Non-Unit reserves of Investment Linked Fund: Best estimates plus provision for adverse deviation (PAD).</p>	<p>Participating Fund:</p> <ul style="list-style-type: none"> – Best estimates for Gross Premium Valuation method (i); – Best estimates plus provision for risk of adverse deviation (PRAD) for Gross Premium Valuation method (ii). <p>Non-Participating and Non-Unit reserves of Investment Linked Fund: Best estimates plus provision for risk of adverse deviation (PRAD).</p>

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Insurance Contracts (continued)

2.10.3 Life Insurance Contract Liabilities (continued)

Subsequent measurement of life insurance contract liabilities

Adjustments to liabilities at each reporting date are recorded in the Profit or Loss Statement. Profits originating from the release in margins for adverse deviations are recognised in the Profit or Loss Statement over the lives of the contracts, whereas losses are fully recognised in the Profit or Loss Statement during the first year.

Derecognition of life insurance contract liabilities

The liability is extinguished when the contract expires, is discharged or is cancelled.

Benefits and claims

Insurance contract benefits reflect the cost of all maturities, surrenders, withdrawals and claims arising during the period, as well as policyholder dividends accrued in anticipation of dividend declarations. Accident and health claims incurred include all losses occurring during the period, whether reported or not, related handling costs, a reduction for recoveries, and any adjustments to claims outstanding from previous years.

Claims handling costs include internal and external costs incurred in connection with the negotiation and settlement of claims, and are included in operating expenses.

Insurance contracts and investment contracts with DPF

A significant portion of insurance contracts issued by subsidiaries within the Group contain discretionary participating features. These contracts are classified as participating policies. In addition to guaranteed benefits payable upon insured events associated with human life such as death or disability, the contracts entitle the policyholder to receive benefits, which could vary according to investment performance of the fund. The Group does not recognise the guaranteed components separately from the discretionary participating features.

Profits to shareholders from the participating fund are allocated from the surplus or surplus capital, determined from the results of the annual actuarial valuation parameters which are set out in the Insurance Regulations of the respective jurisdiction in which the insurance subsidiaries operate. The results of the annual actuarial valuation also determine the liabilities relating to all the policyholders' benefits of the participating fund. The provisions in the Articles of Association of the insurance subsidiaries within the Group are applied in conjunction with the prescriptions in the respective Insurance regulations, such that the distribution for any year to policyholders of the participating fund and shareholders approximate 90% and 10% respectively of total distribution from the participating fund. Any surplus that is not allocated is recognised as unallocated surplus. The unallocated surplus forms part of the life insurance contract liabilities. The annual declaration of the quantum of policyholder bonus and correspondingly the profits to shareholders to be distributed out of the participating fund is approved by the Board of Directors of each insurance subsidiary under the advice of the Appointed Actuary of the respective insurance subsidiary, in accordance with the Insurance Regulations and the Articles of Association of the respective insurance subsidiaries.

Liability adequacy test

Each insurance subsidiary within the Group is required by the Insurance Regulations and accounting standards to carry out a liability adequacy test using current estimates of future cash flows relating to its insurance contracts; the process is referred to as the gross premium valuation or bonus reserve valuation, depending on the jurisdiction in which the insurance subsidiary operates.

The liability adequacy test is applied to both the guaranteed benefits and the discretionary participating features; the assumptions are based on best estimates, the basis adopted is prescribed by the Insurance Regulations of the respective jurisdiction in which the insurance subsidiary operates. The Group performs liability adequacy tests on its actuarial reserves to ensure that the carrying amount of provisions is sufficient to cover estimated future cash flows. When performing the liability adequacy test, the Group discounts all contractual cash flows and compares this amount against the carrying value of the liability. Any deficiency is charged to the Profit or Loss Statement.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Insurance Contracts (continued)

2.10.4 Non-life Insurance Contract Liabilities

The Group caters to the protection needs of individuals and business owners through a wide range of general insurance products including but not limited to Fire, Motor, Marine and Aviation, Workmen's Compensation, Personal Accident, Health, and Other Property and Casualty lines.

Non-life insurance contract liabilities include claim liabilities and premium liabilities.

Claim liabilities

Claim liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the balance sheet date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these claims cannot be known with certainty at the balance sheet date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques based on empirical data and current assumptions that may include a provision for adverse deviation. The liabilities are derecognised when contracts expire, are discharged or are cancelled.

The valuation of non-life insurance claim liabilities at balance sheet date is based on best estimates of the ultimate settlement cost of claims plus a provision for adverse deviation. The provision for adverse deviation is set at 75% level of sufficiency for Singapore, Malaysia and Indonesia. The valuation methods used include the Paid and Incurred Loss Development methods (also known as the Link Ratio methods), the Paid and Incurred Bornhuetter-Ferguson methods and the Expected Loss Ratio method. For Singapore and Malaysia, the claim liabilities are not discounted for the time value of money. However, for Indonesia, the claim liabilities are discounted for the time value of money as per pre-acquisition practice. No provision for equalisation or catastrophe reserves is recognised.

Premium liabilities

Premium liabilities are the provision of unearned premiums representing premiums received for risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged. The provision is released over the coverage period of the contracts and is recognised as premium income.

In determining the unearned premium reserve at the balance sheet date, the method that most accurately reflects the actual unearned premium is used, as follows:

For Singapore:

- 1/24th method for all classes of business

For Malaysia and Indonesia:

- 25% method for marine and aviation cargo, and transit business
- 1/365th method for all other classes of business

Further provisions are made if expected future cash flows of unexpired insurance contracts with a provision for adverse deviation exceed the unearned premiums of these contracts.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Insurance Contracts (continued)

2.10.5 Reinsurance Contracts

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent amounts receivable in respect of ceded insurance liabilities. These amounts are estimated in a manner consistent with the reinsured insurance contract liabilities, the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract. Reinsurance assets arising from ceding of an in-force book and gross onerous contracts are recognised in the same period when the gross liabilities are accrued.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the financial period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive part or all outstanding amounts under the terms of the contract. The impairment loss is recorded in the Profit or Loss Statement. Gains or losses on reinsurance are recognised in the Profit or Loss Statement immediately at the date of contract and are not amortised. Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

The Group also assumes reinsurance risk in the normal course of business for life insurance and non-life insurance contracts where applicable. Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

2.11 Recognition of Income and Expense

2.11.1 Premiums and Commissions

Life Insurance Business

First year premiums of insurance policies are recognised from inception date and subsequent renewal premiums are recognised when due. Single premiums are recognised on the dates on which the policies are effective. Premiums from the investment-linked business, universal life and certain Takaful Non-participating products are recognised as revenue when payment is received. Commission is recognised as an expense when incurred.

Non-Life Insurance Business

Premiums from the non-life insurance business are recognised as revenue in the Profit or Loss Statement upon commencement of insurance cover. Premiums pertaining to periods outside of the financial reporting period are adjusted through the movement in premium liabilities. Commission is recognised as an expense when incurred, typically upon the risk underwritten as reflected in the premium recognised.

Premiums ceded out and the corresponding commission income from non-life insurance contracts are recognised in the Profit or Loss Statement upon receipt of acceptance confirmation from the ceding company or in accordance with provisions incorporated in the treaty contracts. Premiums ceded out pertaining to periods outside of the financial reporting period are adjusted through the movement in unexpired risk reserve.

2.11.2 Interest Income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Recognition of Income and Expense (continued)

2.11.3 Dividend Income

Dividend income is recognised as investment income when the Group's right to receive the payment is established. Dividend income from the Company's subsidiaries is recognised when the dividend is declared payable.

2.11.4 Rental Income

Rental income from operating leases is recognised on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

2.11.5 Gain/Loss on Sale of Investments

Gains or losses on sale of investments are derived from the difference between net sales proceeds and the purchase or amortised cost. They are recognised on trade date.

2.11.6 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment test for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the Profit or Loss Statement.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the Profit or Loss Statement. Unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11.7 Impairment of Financial Assets

The Group recognises loss allowances for expected credit losses ("ECL") on the following financial instruments that are not measured at FVTPL:

- (i) Debt instruments measured at FVOCI;
- (ii) Loans and receivables measured at amortised cost; and
- (iii) Loan commitments.

The Group assesses on a forward looking basis the ECL associated with its loans and debt instruments carried at amortised cost and FVOCI and its loan commitments. For trade and insurance receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. The Group recognises a loss allowance for ECL at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Recognition of Income and Expense (continued)

2.11.7 Impairment of Financial Assets (continued)

The Group measures loss allowances at an amount equal to lifetime ECL, except for financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL represents the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Note 33(h) provides more details on how the expected loss allowance is measured.

Not credit-impaired financial assets

For financial assets that are not credit-impaired at the reporting date, the ECL is the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Modified financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected modification will not result in derecognition of the existing asset then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected modification will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortised cost and debt financial assets measured at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group considers factors such as probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For financial assets that are credit-impaired at the reporting date, the ECL is the difference between the gross carrying amount and the present value of estimated future cash flows.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Recognition of Income and Expense (continued)

2.11.8 Fees and Other Income

Fees and other income comprise mainly management and advisory fee income. Management and advisory fee income includes income earned from the provision of administration services, investment management services, surrenders and other contract fees. This fee income is recognised as revenue over the period in which the services are rendered. If the fees are for services to be provided in future periods, then they are deferred and recognised over those periods.

2.11.9 Employee Benefits

Defined Contribution Plans under Statutory Regulations

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore and Malaysia companies in the Group make contributions respectively to the Central Provident Fund and Employees' Provident Fund, which are defined contribution pension schemes. These contributions are recognised as an expense in the period in which the service is rendered.

Employee Leave Entitlements

An employee's entitlement to annual leave and long-service leave is estimated and accrued according to the Group's Human Resource policy.

Share Options

Senior executives of the Group are granted share options in the OCBC Bank's Share Option Scheme as consideration for services rendered. Options granted are exercisable for up to 10 years. The options may be exercised after the first anniversary of the date of the grant, and generally vest in one-third increments over a 3-year period. The cost of these options is recognised as expense in the Profit or Loss Statement based on the fair value of the options at the date of the grant. The share options are cash-settled share-based payment transactions. The expense is recognised over the vesting period of the grant, with a corresponding increase in liabilities.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as a result of a failure to meet a non-vesting condition that is within the control of the Group or the senior executives, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in the Profit or Loss Statement upon cancellation.

Deferred Share Plan

In addition to the OCBC Bank's Share Option Scheme, certain employees within the Group are granted OCBC shares under the OCBC Deferred Share Plan ("DSP"). The deferred share awards are granted as part of variable performance bonus. Half of the share awards will vest two years from the grant date and the remaining half will vest at the end of three years from the grant date. The cost of the DSP is recognised in the Profit or Loss Statement on the straight-line basis over the vesting period of the DSP.

At each balance sheet date, the cumulative expense is adjusted for the estimated number of shares granted under the DSP that have vested and/or lapsed.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Recognition of Income and Expense (continued)

2.11.10 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration – i.e. the customer has the right to:

- obtain substantially all of the economic benefits from using the asset; and
- direct the use of the asset.

As Lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of lease liability, any lease payments made or before the commencement date, any indirect costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group generally uses its incremental borrowing rate as the discount rate.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the carrying amount of the right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured to reflect any lease modifications or reassessments.

The Group presents its right-of-use assets in 'property, plant and equipment' and lease liabilities in 'other creditors' in the balance sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As Lessor

The Group classifies all leases for which it is a lessor as operating leases, because each of these leases does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term and are included in 'rental income, net'.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Taxes

2.12.1 Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.12.2 Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Exceptions include:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the year when the asset is realised or the liability is settled, based on tax rates (and applicable tax laws and jurisdictions) that have been enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Taxes (continued)

2.12.2 Deferred Tax (continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2.12.3 Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Policy Benefits

Policy benefits are recognised when the policyholder exercises the option to deposit the survival benefits with the life insurance subsidiary companies when the benefit falls due. Policy benefits are interest bearing at rates adjusted from time to time by the life insurance subsidiary companies. Interest payable on policy benefits is recognised in the Profit or Loss Statement as incurred.

2.15 Claims Admitted or Intimated

Full provision is made for the estimated cost of all life insurance claims notified but not settled at balance sheet date. Provision is made for estimated claims incurred but not reported for all classes of non-life insurance business written.

2.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments, or are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Insurance Receivables

Insurance receivables are recognised when due. They are measured at initial recognition at the fair value received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest method. A loss allowance is measured at an amount equal to lifetime expected credit losses, with the impairment loss recognised in the Profit or Loss Statement. Insurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 2.18 has been met. The Group's insurance receivables include outstanding premiums, policy loans and reinsurance receivables. Policy loans are loans and advances made to policyholders, and are collateralised by the underlying policies.

2.18 Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial asset. The Group determines the classification of its financial assets at initial recognition. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets carried at fair value through profit or loss are recognised as expense in the Profit or Loss Statement.

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI only if it meets both of the following conditions and is not designated as measured at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity security that is not held for trading may, by irrevocable election, be designated as measured at FVOCI. This election is made on an investment-by-investment basis. The Group has designated certain equity securities held for strategic purposes as measured at FVOCI.

A financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI may, by irrevocable election, be designated as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group has designated certain debt securities which are held with the intent to collect contractual cash flows and sell as measured at FVTPL.

All other financial assets are classified as measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Financial Assets (continued)

Business model assessment

The Group assesses the objective of the business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or whose performance is evaluated on a fair value basis, are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell.

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If the cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers the following key aspects:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets; and
- Features that modify consideration of the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Financial Assets (continued)

Subsequent measurement

2.18.1 Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in the Profit or Loss Statement. Gains or losses are also recognised in profit or loss when the assets are derecognised.

(ii) Fair value through other comprehensive income (FVOCI)

Debt instruments that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Any gains or losses from changes in fair value are recognised in other comprehensive income and accumulated in fair value reserve. Impairment, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss when the financial asset is derecognised.

(iii) Fair value through profit or loss (FVTPL)

Debt instruments that do not meet the criteria for classification as amortised cost or FVOCI are measured at FVTPL. Any gains or losses from changes in fair value and interest are recognised in profit or loss.

2.18.2 Equity Instruments

The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Equity instruments are not subjected to impairment. Dividends, when representing a return from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of equity instruments at FVTPL are recognised in profit or loss.

2.18.3 Derivatives and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group applies hedge accounting for hedges of net investments in foreign operations. At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Financial Assets (continued)

Subsequent measurement (continued)

2.18.3 Derivatives and Hedging Activities (continued)

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For hedges of net investments in foreign operations, gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the Profit or Loss Statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the Profit or Loss Statement.

The Group uses forward currency contracts as hedges of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or has been transferred such that substantially all of the risks and rewards of ownership of the financial asset are transferred.

On derecognition of a financial asset, except for equity securities measured at FVOCI, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI, is recognised in the Profit or Loss Statement.

On derecognition of equity securities measured at FVOCI, any cumulative gain/loss recognised in OCI is not recognised in the Profit or Loss Statement, but retained in OCI.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.19 Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when the Group becomes a party to the contractual obligations of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

The Group's financial liabilities include other creditors, provision for agents' retirement benefits, debt issued and derivative liabilities.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Financial Liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

2.19.1 Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term and include derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the Profit or Loss Statement.

2.19.2 Financial Liabilities at Amortised Cost

After initial recognition, other financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Profit or Loss Statement.

2.20 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The financial assets and financial liabilities that are offset are immaterial.

2.21 Determination of Fair Value of Financial Instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted or published bid prices on the balance sheet date. If quoted prices are not available over the counter, broker or dealer price quotations are used.

For units in unit trusts and shares in open-ended investment companies, fair value is determined by reference to published bid-values.

For financial instruments where there is no active market, the fair value is determined by using valuation techniques. Such techniques include using recent arm's length transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis and/or option pricing models. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates based on market's perspective and the discount rate is a market-related rate for a similar instrument. Certain financial instruments, including derivative financial instruments, are valued using pricing models that consider, among other factors, contractual, and market prices, correlation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Determination of Fair Value of Financial Instruments (continued)

The fair value of floating rate and overnight deposits with financial institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the balance sheet date.

2.22 Intangible Assets

2.22.1 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the Profit or Loss Statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments which arose on acquisitions of foreign subsidiaries before 1 January 2005 are deemed to be assets and liabilities of the parent company and are recorded in SGD at the rates prevailing at the date of acquisition.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date.

2.22.2 Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

No amortisation is provided on capital works in progress as the assets are not yet available for use. Amortisation of an asset begins when it is available for use and calculated on a straight-line basis over the estimated useful life of an asset. The useful lives are as follows:

Computer software and software development costs	3 to 10 years
Distribution platform	6.5 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Intangible Assets (continued)

2.22.2 Other Intangible Assets (continued)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Profit or Loss Statement.

2.23 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and is not depreciated. No depreciation is provided for 999-year leasehold land. No depreciation is provided on capital works in progress as the assets are not yet available for use.

Depreciation of an asset begins when it is available for use and is calculated on a straight-line basis over the estimated useful life of an asset. The useful lives are as follows:

Buildings	50 years
Office furniture, fittings and equipment	5 to 10 years
Renovation	3 to 5 years
Computer equipment and software development costs	3 to 10 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate. This is to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the Profit or Loss Statement in the year the asset is derecognised.

2.24 Investment Properties

Investment properties are properties that are owned by the Group in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in the Profit or Loss Statement in the year in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Investment Properties (continued)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains or losses on the retirement or disposal of an investment property are recognised in the Profit or Loss Statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.23 up to the date of change in use.

2.25 Provision for Agents' Retirement Benefits

Provision for agents' retirement benefits is set aside for agents and is calculated in accordance with the terms and conditions in the respective agent's agreement ("the Agreement"). The terms and conditions of the Agreement stipulate that upon the agent maintaining his position for the qualifying year and achieving the required personal sales and minimum new business, the agent shall be allocated a deferred benefit/retirement benefit. The deferred benefit/retirement benefit accumulated at Balance Sheet date includes accrued interest. The accrued deferred benefit shall only become payable provided the Agreement has been in force for certain continuous contract years and the agent has attained the minimum retirement age stipulated in the Agreement. The carrying amount is based on amortised cost.

2.26 Related Parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In the Company's financial statements, loans to subsidiaries are interest-free and stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investment in subsidiaries in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest income in the Profit or Loss Statement over the expected repayment period.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services. The management regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.28 Share Capital and Share Issuance Expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.29 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

2.30 Critical Accounting Estimates and Judgments

In the preparation of the Group's financial statements, management makes estimates, assumptions and judgments that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. Estimates, assumptions and judgments are continually evaluated and based on internal studies of actual historical experience and other factors. Best estimates and assumptions are constantly reviewed to ensure that they remain relevant and valid. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(a) Liabilities of insurance business

The estimation of the ultimate liability arising from claims made under life and non-life insurance contracts is the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liabilities that the Group will ultimately be required to pay as claims.

For life insurance contracts, estimates are made for future deaths, morbidity, disabilities, lapses, voluntary terminations, investment returns, administration expenses and discount rates (Note 2.10). The Group relies on standard industry and national mortality and morbidity tables which represent historical experience, and makes appropriate adjustments for its respective risk exposures and portfolio experience in deriving the mortality and morbidity estimates. These estimates provide the basis for the valuation of the future benefits to be paid to policyholders and to ensure adequate provisions which are monitored against current and future premiums. For those contracts that insure risk on longevity and disability, estimates are made based on recent past experience and emerging trends. Epidemics and changing patterns of lifestyle could result in significant changes to the expected future exposures. Each year, these estimates are assessed for adequacy and changes will be reflected as adjustments to insurance contract liabilities. The carrying value of life insurance contract liabilities, gross as at 31 December 2021 amounted to \$86,958.4 million (31 December 2020: \$82,906.1 million).

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.30 Critical Accounting Estimates and Judgments (continued)

(a) Liabilities of insurance business (continued)

For non-life insurance contracts, estimates have to be made for both the expected ultimate cost of claims reported at the balance sheet date and for the expected ultimate cost of claims incurred but not yet reported at the balance sheet date ("IBNR").

It can take a significant time before the ultimate claims costs can be established with certainty and for some type of policies IBNR claims form the majority of the balance sheet liability. The ultimate cost of outstanding claims is estimated using a range of standard actuarial claims projection techniques such as Chain Ladder and Bornhuetter-Ferguson methods.

The main assumption underlying these techniques is that a company's past development experience can be used to project future claims development and hence, ultimate claim costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident quarters or accident years but can also be further analysed by significant business lines and claims type. Large claims are usually separately addressed, either by being reserved using loss adjustor estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example, to reflect one-off occurrences, changes in external or market factors, economic conditions as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all uncertainties involved. The carrying value of non-life insurance contract liabilities – claims liabilities, gross as at 31 December 2021 amounted to \$491.1 million (31 December 2020: \$351.0 million).

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. Certain subsidiaries within the Group have significant open tax positions, which represent the positions that have not been finalised with the tax authorities. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made. The carrying amount of the income tax and deferred tax provisions as at 31 December 2021 amounted to \$2,907.6 million (31 December 2020: \$1,710.1 million).

(c) Impairment of goodwill

The Group conducts impairment tests on the carrying value of goodwill in accordance with the accounting policy stated in Note 2.22. The recoverable amounts of cash-generating units are determined based on the value-in-use method, which adopts a discounted cash flow approach on projections, budgets and forecasts over a 5-year period. Cash flows beyond the fifth year are extrapolated using estimated terminal growth rates not exceeding the long-term average growth of the industry and country in which the cash-generating unit operates. The discount rates applied to the cash flow projections are derived from the Group's weighted average cost of capital at the date of assessment. Changes to the assumptions, particularly the discount rate and terminal growth rate, may significantly affect the results of the impairment test. Further details of the key assumptions applied in the impairment assessment of goodwill are provided in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.30 Critical Accounting Estimates and Judgments (continued)

(d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 33(h).

(e) Insurance contract classification

Contracts are classified as insurance contracts where they transfer significant insurance risk from the policyholder to the Group. The Group exercises judgment about the level of insurance risk transferred. The level of insurance risk is assessed by considering whether upon the insured event the Group is required to pay significant additional benefits. These additional benefits include claims liability and assessment costs, but exclude the loss of the ability to charge the policyholder for future services. The assessment covers the whole of the expected term of the contract where such additional benefits could be payable. Some contracts contain options for the policyholder to purchase insurance risk protection at a later date; these insurance risks are deemed not significant.

(f) Property classification

Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased separately under a finance lease), the Group would account for these portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

NOTES TO THE FINANCIAL STATEMENTS

3 SUBSIDIARIES AND ASSOCIATES

	Country of Incorporation	Principal Activities	Effective interest held by GEH	
			2021 %	2020 %
(i) SIGNIFICANT SUBSIDIARIES				
<u>Held by the Company</u>				
The Great Eastern Life Assurance Company Limited ^(3.1)	Singapore	Life assurance	100.0	100.0
Great Eastern General Insurance Limited ^(3.1)	Singapore	Composite insurance	100.0	100.0
Lion Global Investors Limited ^(3.1)	Singapore	Asset management	70.0	70.0
The Great Eastern Trust Private Limited ^(3.1)	Singapore	Investment holding	100.0	100.0
<u>Held through subsidiaries</u>				
Great Eastern Life Assurance (Malaysia) Berhad ^(3.2)	Malaysia	Life assurance	100.0	100.0
Great Eastern General Insurance (Malaysia) Berhad ^(3.2)	Malaysia	General insurance	100.0	100.0
P.T. Great Eastern Life Indonesia ^(3.2)	Indonesia	Life assurance	99.5	99.5
P.T. Great Eastern General Insurance Indonesia ^(3.2)	Indonesia	General insurance	95.0	95.0
Straits Eastern Square Private Limited ^(3.1)	Singapore	Property investment	100.0	100.0
218 Orchard Private Limited ^(3.1)	Singapore	Property investment	100.0	100.0
Great Eastern Takaful Bhd ^(3.2)	Malaysia	Family Takaful business	70.0	70.0
Aminstitutional Income Bond Fund ^(3.3)	Malaysia	Wholesale fixed income fund	100.0	100.0
Affin Hwang Wholesale Income Fund ^(3.2)	Malaysia	Wholesale fixed income fund	100.0	100.0
Affin Hwang Wholesale Equity Fund ^(3.2)	Malaysia	Wholesale equity fund	99.8	–
(ii) SIGNIFICANT ASSOCIATES				
<u>Held through subsidiaries</u>				
Boost Holdings Sdn Bhd	Malaysia	Digital Financial Services	21.9	21.9

(3.1) Audited by PricewaterhouseCoopers ("PwC") LLP, Singapore.

(3.2) Audited by firms within the worldwide network of PricewaterhouseCoopers firms and entities.

(3.3) Audited by Ernst & Young PLT, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

4 INVESTMENT INCOME, NET

in Singapore Dollars (millions)	Group	
	2021	2020
Dividend income		
– Investments		
Financial assets measured at FVOCI	81.3	71.3
Financial assets mandatorily measured at FVTPL	587.5	508.2
	668.8	579.5
Interest income		
– Investments		
Financial assets measured at FVOCI	192.2	246.7
Financial assets mandatorily measured at FVTPL	211.9	170.4
Financial assets designated as at FVTPL	1,478.3	1,507.7
– Financial assets at amortised cost	283.5	291.8
	2,165.9	2,216.6
	2,834.7	2,796.1
less: Investment related expenses	(135.2)	(201.2)
	2,699.5	2,594.9

During the year ended 31 December 2021, \$19.8 million (31 December 2020: \$5.1 million) of the dividend income relates to equity investments measured at FVOCI which were derecognised during the reporting year.

5 (LOSS)/GAIN ON SALE OF INVESTMENTS AND CHANGES IN FAIR VALUE

in Singapore Dollars (millions)	Note	Group	
		2021	2020
Changes in fair value of investment properties	27	84.3	(19.1)
Net gain on sale of debt securities measured at FVOCI		49.6	337.0
Changes in fair value of investments			
– mandatorily measured at FVTPL		1,202.3	1,709.3
– designated as at FVTPL		(2,416.5)	1,871.4
		(1,214.2)	3,580.7
		(1,080.3)	3,898.6

6 PROVISION FOR AGENTS' RETIREMENT BENEFITS

in Singapore Dollars (millions)	Group	
	2021	2020
Balance at the beginning of the year	295.5	294.0
Currency translation reserve adjustment	(5.2)	0.6
Increase in provision for the year	19.7	25.9
Paid during the year	(18.7)	(25.0)
Balance at the end of the year	291.3	295.5

As at 31 December 2021, \$133.8 million (31 December 2020: \$127.4 million) of the above provision for agents' retirement benefits is payable within one year.

NOTES TO THE FINANCIAL STATEMENTS

7 ADDITIONAL PROFIT OR LOSS DISCLOSURES

in Singapore Dollars (millions)	Note	Group	
		2021	2020
Fees paid to auditors		3.3	2.6
Audit fees paid to Auditor of the Company		2.1	1.9
Audit fees paid to other auditors		0.7	0.5
Non-audit fees paid to Auditor of the Company		0.5	0.2
Staff costs and related expenses ^{(1),(3)}		401.0	372.3
Salaries, wages, bonuses and other costs net of government grant		354.7	328.4
Central Provident Fund / Employee Provident Fund		39.2	37.3
Share-based payments		7.1	6.6
Fee income		37.4	26.7
Fund management fee		32.8	24.5
Financial advisory fee		4.6	2.2
Loss on disposal of property, plant and equipment		-	0.1
Depreciation and amortisation expenses		79.4	78.1
Depreciation	28	44.2	77.6
Amortisation	26	35.2	0.5
Interest expense		201.0	211.0
On policy benefits		198.8	207.4
On lease liability	28	2.2	3.6
Provision for impairment of assets	33	1.5	4.8
Donation to the National B40 Protection Trust Fund ^{(2),(3)}		-	785.3

⁽¹⁾ The Jobs Support Scheme ("JSS") was announced at Singapore Budget 2020, and further enhanced at the Resilience and Solidarity Budgets. The JSS will provide wage support to employers, helping enterprises retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty.

As at 31 December 2021, the Group has received \$2.2 million (2020: \$11.3 million) of JSS from the Government. The grant was recognised in the Profit or Loss Statement, as net of staff cost and related expenses.

⁽²⁾ On 5 March 2020, in line with the objectives of the Malaysian authorities, the Group contributed RM2.37 billion (\$785.3 million) to the National B40 Protection Trust Fund in satisfaction and in lieu of the local shareholder requirement imposed on its subsidiary, Great Eastern Life Assurance (Malaysia) Berhad.

⁽³⁾ Material items within management and other expenses.

8 INCOME TAX

Major components of income tax expense

The major components of income tax expense for the year ended 31 December 2021 and 2020 are:

in Singapore Dollars (millions)	Group	
	2021	2020
(a) Income tax attributable to policyholders' returns:		
Current income tax:		
– Current income taxation	165.0	159.7
– Over provision in respect of previous years	(1.0)	(230.3)
	164.0	(70.6)
Deferred income tax:		
– Origination and reversal of temporary differences	1,130.0	(146.3)
	1,130.0	(146.3)
	1,294.0	(216.9)

NOTES TO THE FINANCIAL STATEMENTS

8 INCOME TAX (CONTINUED)

Major components of income tax expense (continued)

The major components of income tax expense for the year ended 31 December 2021 and 2020 are (continued):

in Singapore Dollars (millions)	Note	Group	
		2021	2020
(b) Income tax attributable to shareholders' profits			
Current income tax:			
– Current income taxation		240.2	108.3
– Over provision in respect of previous years		(24.3)	(188.0)
		215.9	(79.7)
Deferred income tax:			
– Origination and reversal of temporary differences		5.2	46.9
		5.2	46.9
		221.1	(32.8)
Total tax charge/(credit) for the year recognised in the Profit or Loss Statement		1,515.1	(249.7)

Deferred tax liabilities for the year on fair value changes of fair value through other comprehensive income investments charged directly to other comprehensive income:

– equity	36.9	(29.2)
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Relationship between income tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 is as follows:

Profit before tax attributable to shareholders' profits	1,354.5	955.6
Tax at the domestic rates applicable to profits in the countries where the Group operates	291.5	226.8
Adjustments:		
Foreign tax paid not recoverable	8.3	4.9
Permanent differences	67.0	83.2
Tax exempt income	(121.4)	(159.7)
Over provision in respect of previous years	(24.3)	(188.0)
Income tax expense/(credit) recognised in the Profit or Loss Statement	221.1	(32.8)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Deferred Tax

Balance at the beginning of the year	1,484.6	1,543.0
Currency translation reserve adjustment	(3.9)	2.1
Deferred tax charge taken to the Profit or Loss Statement:		
Other temporary differences	15.0	60.2
Fair value changes	(88.8)	(5.8)
Increase in/(reversal of) provision against future policyholders' returns [#]	15	1,209.0
Deferred tax on fair value changes of investments at FVOCI	(36.9)	29.2
Others	–	9.7
Balance at the end of the year	2,579.0	1,484.6

[#] The higher provision for deferred tax is due to a change in estimation basis for future policyholders' distribution.

NOTES TO THE FINANCIAL STATEMENTS

8 INCOME TAX (CONTINUED)

in Singapore Dollars (millions)	Note	Group	
		2021	2020
Deferred taxes at 31 December related to the following:			
Balance Sheets			
<u>Deferred tax liabilities:</u>			
Differences in depreciation for tax purposes		16.9	13.0
Accrued investment income		0.9	1.2
Net unrealised gains on investments		184.9	305.8
Net accretion on fixed income investments		46.6	47.4
Provision against future policyholders' returns		2,244.0	1,036.3
Differences in insurance items		101.7	88.1
Deferred tax liabilities		2,595.0	1,491.8
<u>Deferred tax assets:</u>			
Net unrealised loss on investments		5.2	–
Unutilised tax losses carried forward		1.4	1.3
Net amortisation on fixed income investments		2.1	0.3
Other accruals and provisions		6.9	5.4
Leases		0.4	0.2
Deferred tax assets		16.0	7.2
Net deferred tax liabilities		2,579.0	1,484.6
Profit or Loss Statement			
<u>Deferred tax liabilities:</u>			
Differences in depreciation for tax purposes		3.9	1.5
Accrued investment income		(0.3)	(0.1)
Net unrealised (loss)/gain on investments		(81.4)	3.6
Net accretion on fixed income investments		(0.8)	1.5
Provision against future policyholders' returns	15	1,209.0	(153.8)
Differences in insurance items		13.6	47.2
<u>Deferred tax assets:</u>			
Net unrealised (loss)/gain on investments		(5.2)	0.3
Unutilised tax losses carried forward		(0.1)	(0.4)
Net amortisation on fixed income investments		(1.8)	(0.3)
Other accruals and provisions		(1.5)	1.2
Leases		(0.2)	(0.1)
Deferred tax expense/(credit)		1,135.2	(99.4)

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately \$27.7 million (31 December 2020: \$30.1 million) expiring in 2022 – 2025 (31 December 2020: 2021 – 2024) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

NOTES TO THE FINANCIAL STATEMENTS

9 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted and basic earnings per share are the same as there are no dilutive potential ordinary shares.

The following reflects the profit for the year attributable to ordinary shareholders and the weighted average number of shares outstanding during the year, used in the computation of basic and diluted earnings per share for the years ended 31 December:

		Group	
		2021	2020
Profit attributable to ordinary shareholders for computation of basic and diluted earnings per share	(in millions of Singapore Dollars)	1,113.0	960.6
Weighted average number of ordinary shares on issue applicable to basic and diluted earnings per share	(in millions)	473.3	473.3
Basic and diluted earnings per share	(in Singapore Dollars)	\$2.35	\$2.03

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

10 SHARE CAPITAL

		Group and Company			
		2021		2020	
		Number of shares	Amount \$'mil	Number of shares	Amount \$'mil

Ordinary shares: Issued and fully paid

Balance at the beginning and end of the year	473,319,069	152.7	473,319,069	152.7
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The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

In accordance with the Companies Act 1967, the shares of the Company have no par value.

11 RESERVES

Merger reserve represents the difference between the fair value and nominal value of shares issued for the acquisition of a subsidiary. The merger reserve had been utilised in part in prior years to write-off the goodwill on acquisition of the subsidiary.

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The currency translation reserve is also used to record the effect of hedging of net investment in foreign operations.

The fair value reserve comprises the cumulative net change in the fair value of financial assets measured at FVOCI and the related loss allowance recognised in the Profit or Loss Statement until the assets are derecognised, net of tax.

The other reserve represents the gain or loss on disposal of interest in subsidiary, without loss of control, reclassified to equity.

NOTES TO THE FINANCIAL STATEMENTS

12 INSURANCE PAYABLES

in Singapore Dollars (millions)	Group	
	2021	2020
Claims admitted or intimated	470.3	386.7
Policy benefits	5,487.1	5,067.4
Reinsurance liabilities	663.2	387.6
	6,620.6	5,841.7

The carrying amounts disclosed above approximate fair value at the balance sheet date.

Policy benefits bear interest at 2.5% per annum (2020: 3.0% per annum) for the Group's insurance subsidiaries in Singapore and at 4.5% per annum (2020: 5.0% per annum) for the Group's insurance subsidiaries in Malaysia.

13 OTHER CREDITORS

in Singapore Dollars (millions)	Group		Company	
	2021	2020	2021	2020
Other creditors comprise the following:				
Accrued expenses and other creditors	1,581.6	1,506.4	8.1	7.9
Amount due to Ministry of Health ⁽¹⁾	4.0	40.8	-	-
Investment creditors	223.1	1,007.4	-	-
Interest payable	-	9.1	-	-
Amount due to holding company ⁽²⁾	1.6	2.1	-	-
Third-party interests in consolidated investment funds ⁽³⁾	0.5	0.1	-	-
Lease liabilities	74.4	87.2	-	-
Premiums in suspense	36.3	49.5	-	-
Provision for reinstatement costs	2.8	2.8	-	-
	1,924.3	2,705.4	8.1	7.9

⁽¹⁾ On 28 December 2018, The Great Eastern Life Assurance Company Limited ("GEL") entered into an Agreement To Transfer with Ministry of Health ("MOH") for the Government to take over the administration of the ElderShield scheme. In the year 2020, GEL has obtained approval from MOH to ring-fence the assets backing these liabilities. As at 31 December 2020, the assets backing these liabilities and the corresponding amount due to MOH were derecognised.

The transfer of the ElderShield scheme was completed on 1 November 2021. Upon completion of the transfer, GEL has derecognised the insurance contract liabilities and corresponding insurance contract liabilities ceded to reinsurer.

⁽²⁾ Amount due to holding company is non-trade related, unsecured, interest-free, repayable upon demand and is to be settled in cash.

⁽³⁾ Third-party interests in consolidated investment funds consist of third-party unit holders' interests in consolidated investment funds which are reflected as a liability since they can be put back to the Group for cash.

NOTES TO THE FINANCIAL STATEMENTS

14 DEBT ISSUED

in Singapore Dollars (millions)	Issue Date	Maturity Date	Group	
			2021	2020
Issued by The Great Eastern Life Assurance Company Limited:				
\$400.0 million 4.6% subordinated fixed rate notes	19 Jan 2011	19 Jan 2026	–	400.0

On 19 January 2011, one of the Group's subsidiaries issued \$400.0 million subordinated fixed rate notes ("Notes") due 2026 callable in 2021. The Notes will initially bear interest at the rate of 4.6% per annum, payable semi-annually on 19 January and 19 July each year up to 19 January 2021. If the Notes are not redeemed or purchased and cancelled on 19 January 2021, the interest rate from that date will be reset at a fixed rate per annum equal to the aggregate of the then prevailing 5-year SGD Swap Offer Rate and 1.35%, payable semi-annually in arrears. The subordinated notes qualify as Tier 2 capital for the Group.

The Group's subsidiary has issued a Notice of Redemption on 19 January 2021, to the holders of the Notes. All outstanding Notes have been fully redeemed on 19 January 2021.

15 INSURANCE CONTRACT LIABILITIES

in Singapore Dollars (millions)	Note	Group		
		Gross	Reinsurance	Net
31 December 2021				
Life insurance contracts	15.1	87,718.3	(472.5)	87,245.8
Non-life insurance contracts	15.2	680.2	(414.2)	266.0
		88,398.5	(886.7)	87,511.8
31 December 2020				
Life insurance contracts	15.1	85,687.8	(2,209.0)	83,478.8
Non-life insurance contracts	15.2	539.5	(278.6)	260.9
		86,227.3	(2,487.6)	83,739.7

15.1 Life insurance contracts

31 December 2021				
Life insurance contract liabilities	18	86,958.4	(472.5)	86,485.9
Unallocated surplus		759.9	–	759.9
		87,718.3	(472.5)	87,245.8
31 December 2020				
Life insurance contract liabilities	18	82,906.1	(2,209.0)	80,697.1
Unallocated surplus		2,781.7	–	2,781.7
		85,687.8	(2,209.0)	83,478.8

NOTES TO THE FINANCIAL STATEMENTS

15 INSURANCE CONTRACT LIABILITIES (CONTINUED)

15.1 Life insurance contracts (continued)

in Singapore Dollars (millions)	Note	Group		Net
		Gross	Reinsurance	
Movement in life insurance contract liabilities				
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	8	(1,209.0)	–	(1,209.0)
Unallocated surplus		(1,984.8)	–	(1,984.8)
Others		(12.8)	–	(12.8)
Balance at 31 December 2021		87,718.3	(472.5)	87,245.8
Balance at 1 January 2020		77,301.7	(2,097.3)	75,204.4
Currency translation reserve adjustment		41.5	(0.3)	41.2
Change in life insurance contract liabilities				
– Due to assumptions change		(30.9)	(2.9)	(33.8)
– Due to change in discount rate		3,369.7	2.3	3,372.0
– Due to movement during the year		5,232.1	(110.8)	5,121.3
Provision for deferred tax on future policyholders' returns	8	153.8	–	153.8
Unallocated surplus		(379.9)	–	(379.9)
Others		(0.2)	–	(0.2)
Balance at 31 December 2020		85,687.8	(2,209.0)	83,478.8
31 December 2021				
Contracts with Discretionary Participating Features ("DPF")		63,333.9	10.3	63,344.2
Contracts without Discretionary Participating Features ("DPF")		13,931.3	(466.3)	13,465.0
Investment-linked contracts		9,693.2	(16.5)	9,676.7
		86,958.4	(472.5)	86,485.9
31 December 2020				
Contracts with Discretionary Participating Features ("DPF")		59,829.5	(51.9)	59,777.6
Contracts without Discretionary Participating Features ("DPF")		14,248.6	(2,142.8)	12,105.8
Investment-linked contracts		8,828.0	(14.3)	8,813.7
		82,906.1	(2,209.0)	80,697.1

NOTES TO THE FINANCIAL STATEMENTS

15 INSURANCE CONTRACT LIABILITIES (CONTINUED)

15.2 Non-life insurance contracts

in Singapore Dollars (millions)	Note	Group		Net
		Gross	Reinsurance	
31 December 2021				
Claim liabilities	18	491.1	(340.5)	150.6
Premium liabilities	18	189.1	(73.7)	115.4
Total		680.2	(414.2)	266.0
31 December 2020				
Claim liabilities	18	351.0	(206.5)	144.5
Premium liabilities	18	188.5	(72.1)	116.4
Total		539.5	(278.6)	260.9
Movement in claims liabilities				
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
Balance at 1 January 2020		280.2	(132.0)	148.2
Currency translation reserve adjustment		(0.8)	(0.1)	(0.9)
Movement during the year		71.6	(74.4)	(2.8)
Balance at 31 December 2020		351.0	(206.5)	144.5
Movement in premium liabilities				
Balance at 1 January 2021		188.5	(72.1)	116.4
Currency translation reserve adjustment		(1.2)	0.4	(0.8)
Movement during the year		1.8	(2.0)	(0.2)
Balance at 31 December 2021		189.1	(73.7)	115.4
Balance at 1 January 2020		179.0	(63.7)	115.3
Currency translation reserve adjustment		0.2	(0.4)	(0.2)
Movement during the year		9.3	(8.0)	1.3
Balance at 31 December 2020		188.5	(72.1)	116.4

16 OTHER DEBTORS

in Singapore Dollars (millions)	Note	Group	
		2021	2020
Other debtors comprise the following:			
Financial Assets:			
Accrued interest and dividend receivable		611.0	616.3
Investment debtors		193.4	344.1
Other receivables		37.5	16.0
Deposits collected		4.4	7.3
	20	846.3	983.7
Non-Financial Assets:			
Prepayments and others		58.2	44.7
		904.5	1,028.4

As at 31 December 2021, the Company had prepayments of \$0.4 million (31 December 2020: \$0.3 million).

NOTES TO THE FINANCIAL STATEMENTS

17 INSURANCE RECEIVABLES

in Singapore Dollars (millions)	Note	Group	
		2021	2020
Insurance receivables comprise the following:			
Financial Assets:			
Due from policyholders:			
Outstanding premiums		663.3	563.7
Policy loans		2,355.8	2,386.8
Due from reinsurers:			
Amounts due from reinsurers		316.5	122.4
	20	3,335.6	3,072.9

18 REINSURERS' SHARE OF INSURANCE CONTRACT LIABILITIES

in Singapore Dollars (millions)	Note	Group	
		2021	2020
Reinsurance share of:			
Insurance contract liabilities	15	472.5	2,209.0
Premium liabilities	15	73.7	72.1
Claims liabilities	15	340.5	206.5
		886.7	2,487.6

19 AMOUNT DUE FROM SUBSIDIARIES

in Singapore Dollars (millions)	Note	Company	
		2021	2020
Amount due from subsidiaries		2,672.2	2,690.7
Loans to subsidiaries		9.1	9.1
Provision for impairment of unsecured loan to subsidiary		(7.0)	(7.0)
	20	2,674.3	2,692.8

The amounts due from subsidiaries and loans to subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

20 LOANS AND OTHER FINANCIAL ASSETS AT AMORTISED COST

in Singapore Dollars (millions)	Note	Group		Company	
		2021	2020	2021	2020
Loans comprise the following:					
Secured loans		398.1	687.6	-	-
Unsecured loans		206.8	250.1	-	-
		604.9	937.7	-	-
<i>less: Provision for impairment of secured loans</i>	33	2.9	43.2	-	-
<i>Provision for impairment of unsecured loans</i>	33	9.8	4.0	-	-
		592.2	890.5	-	-

If loans were carried at fair value, the carrying amounts would be as follows:

Loans	604.1	949.3	-	-
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Loans and other financial assets at amortised cost:

Cash and cash equivalents		9,117.7	9,649.8	19.8	19.3
Other debtors	16	846.3	983.7	-	-
Insurance receivables	17	3,335.6	3,072.9	-	-
Loans		592.2	890.5	-	-
Debt securities	22	242.3	172.9	-	-
Amount due from subsidiaries	19	-	-	2,674.3	2,692.8
Total loans and financial assets at amortised cost		14,134.1	14,769.8	2,694.1	2,712.1

20.1 Loans analysed by Interest Rate Sensitivity and Geography

Fixed

Singapore	61.0	219.9	-	-
Malaysia	250.2	281.7	-	-
	311.2	501.6	-	-

Floating

Singapore	281.0	388.9	-	-
Total	592.2	890.5	-	-

The analysis by interest rate sensitivity is based on where the transactions are booked and where the credit risk resides.

NOTES TO THE FINANCIAL STATEMENTS

21 DERIVATIVE FINANCIAL INSTRUMENTS

in Singapore Dollars (millions)	Notional Principal	Derivative Financial Assets	Derivative Financial Liabilities
31 December 2021			
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:			
Swaps	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)
	<u>37,960.9</u>	<u>369.9</u>	<u>(111.4)</u>
31 December 2020			
Foreign exchange:			
Forwards	25,442.2	311.3	(155.9)
Currency swaps	5,127.1	78.7	(102.9)
Options	2,094.3	14.2	(6.3)
Interest rates:			
Swaps	1,740.1	91.6	(0.5)
Exchange traded futures	438.2	1.0	(0.2)
Equity:			
Swaps	1,123.5	233.6	(2.2)
Futures	655.8	6.2	(5.2)
Options	149.0	27.6	-
	<u>36,770.2</u>	<u>764.2</u>	<u>(273.2)</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

22 INVESTMENTS

22.1 Financial assets at FVOCI

in Singapore Dollars (millions)	Group	
	2021	2020
Equity securities designated at FVOCI		
(i) Quoted equity securities	2,175.4	1,993.5
– Singapore Exchange	477.0	389.5
– Hong Kong Stock Exchange	305.1	322.9
– Australian Stock Exchange	222.0	224.8
– Taiwan Stock Exchange	285.2	297.8
– Bursa Malaysia	219.8	276.6
– New York Stock Exchange	215.4	112.3
– Korea Exchange	161.1	200.3
– Others	289.8	169.3
(ii) Unquoted equity securities	27.0	28.8
	2,202.4	2,022.3
Debt securities at FVOCI		
(iii) Quoted debt securities ⁽¹⁾	5,697.5	4,840.5
(iv) Unquoted debt securities	1,795.7	1,710.8
	7,493.2	6,551.3
Total securities measured at FVOCI	9,695.6	8,573.6

During the financial year ended 31 December 2021 and 2020, the Group sold listed equity securities as the underlying investments are no longer aligned with the Group's long-term investment strategy. These investments had a fair value of \$699.8 million (31 December 2020: \$274.5 million) at the date of disposal. The cumulative gain on disposal of \$46.5 million (31 December 2020: loss of \$50.9 million) was reclassified from fair value reserve to retained earnings.

22.2 Financial assets at FVTPL

Mandatorily measured at FVTPL

Equity securities		
(i) Quoted equity securities	13,651.1	13,494.8
(ii) Unquoted equity securities	24.5	145.1
	13,675.6	13,639.9
Debt securities		
(iii) Quoted debt securities	3,409.3	3,458.8
(iv) Unquoted debt securities	2,178.5	2,173.3
	5,587.8	5,632.1
Other investments		
(v) Collective investment schemes ⁽²⁾	16,685.3	13,898.8
Total financial assets mandatorily measured at FVTPL	35,948.7	33,170.8

Designated as at FVTPL

Debt securities		
(i) Quoted debt securities	31,585.7	29,307.5
(ii) Unquoted debt securities	14,990.1	15,182.4
Total financial assets designated at FVTPL ⁽³⁾	46,575.8	44,489.9
Total financial assets at FVTPL	82,524.5	77,660.7

⁽¹⁾ Included in quoted debt securities are quoted government securities amounting to \$26.4 million (2020: \$20.4 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.

⁽³⁾ These securities are designated as fair value through the Profit or Loss Statement on initial recognition. The amount of change, during the year and cumulatively, in the fair value of these assets that are attributable to changes in the credit risk is not material.

NOTES TO THE FINANCIAL STATEMENTS

22 INVESTMENTS (CONTINUED)

22.3 Financial assets at Amortised Cost

in Singapore Dollars (millions)	Note	Group	
		2021	2020
Debt securities			
(i) Quoted debt securities	20	242.3	172.9
Total financial assets at Amortised Cost ⁽¹⁾		242.3	172.9
TOTAL INVESTMENTS		92,462.4	86,407.2

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

in Singapore Dollars (millions)	Group	
	2021	2020
Quoted Debt Securities	266.3	202.1

23 INVESTMENT IN ASSOCIATE

in Singapore Dollars (millions)	Group	
	2021	2020
Investment in shares, at fair value	95.2	96.9
Carrying amount at 31 December	95.2	96.9

The Group's principal associate is as follows:

Name of associate	Principal place of business	Nature of the relationship with the Group	Effective % interest held	
			2021	2020
Boost Holdings Sdn Bhd	Malaysia	Strategic investment in digital payment solutions	21.9	21.9

The Group has elected to measure its investment in associate, Boost Holdings Sdn Bhd, at fair value through profit or loss in accordance with SFRS(I) 9 as it is held through its venture capital organisation.

Aggregate information about the Group's investment in associate that are not individually material are as follows:

in Singapore Dollars (millions)	Group	
	2021	2020
Loss after tax from continuing operations	(53.9)	(99.2)
Total comprehensive income	(53.9)	(99.2)

NOTES TO THE FINANCIAL STATEMENTS

24 INVESTMENT IN SUBSIDIARIES

in Singapore Dollars (millions)	Company	
	2021	2020
Investment in shares, at cost	1,288.9	1,279.8
Distribution from pre-acquisition reserve	(281.8)	(281.8)
	1,007.1	998.0

Significant restrictions:

The ability of insurance subsidiaries to transfer funds to the Group in the form of cash dividends is subject to local insurance laws and regulations and solvency requirements in certain jurisdictions in which the subsidiaries operate. These requirements do not constitute a material limitation on the ability of the subsidiaries to transfer funds to the Group.

24.1 Interest in subsidiary with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that is material to the Group.

Name of Subsidiary in Singapore Dollars (millions)	Principal place of business	Proportion of ownership interest held by NCI	Profit allocated to NCI during the reporting year	Accumulated NCI at the end of the reporting year	Dividends paid to NCI
31 December 2021:					
Lion Global Investors Limited	Singapore	30%	18.6	88.7	26.9
31 December 2020:					
Lion Global Investors Limited	Singapore	30%	26.9	97.2	9.1

Significant restrictions:

There are no significant restrictions on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

24 INVESTMENT IN SUBSIDIARIES (CONTINUED)

24.2 Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

in Singapore Dollars (millions)	Lion Global Investors Ltd	
	2021	2020
Current		
Assets	347.6	373.8
Liabilities	(51.0)	(47.3)
Net current assets	296.6	326.5
Non-current		
Assets	3.5	1.6
Liabilities	(0.1)	–
Net non-current assets	3.4	1.6
Net assets	300.0	328.1

Summarised statement of comprehensive income

Revenue	117.3	104.2
Profit before income tax	72.8	98.8
Income tax expense	(11.5)	(9.2)
Profit after tax – continuing operations	61.3	89.6
Total comprehensive income	61.3	89.6

Other summarised information

Net cash flows from operations	59.0	50.9
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25 INTERESTS IN STRUCTURED ENTITIES

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The Group has interests in unconsolidated structured entities as described below.

The Group holds shares or units in investment vehicles, which consist of:

- Debt securities which comprise: Mortgage-Backed-Securities (MBS), Asset Backed Securities (ABS) and Structured Deposits (SD).
- Collective Investment Schemes which comprise: hedge funds, private equity funds, unit trusts, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETF) and Open Ended Investment Companies (OEIC).

The Group's holdings in investment vehicles are subject to the terms and conditions of the respective investment vehicle's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those investment vehicles.

The investment vehicles in the investment portfolio are managed by portfolio managers who are compensated by the respective investment vehicles for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee, and is reflected in the valuation of the investment vehicles.

NOTES TO THE FINANCIAL STATEMENTS

25 INTERESTS IN STRUCTURED ENTITIES (CONTINUED)

25.1 Interests in unconsolidated structured entities

As part of its investment activities, the Group invests in unconsolidated structured entities. As at 31 December 2021, the Group's total interest in unconsolidated structured entities was \$17,446.3 million (31 December 2020: \$14,658.2 million) on the Group's balance sheet.

The Group does not sponsor any of the unconsolidated structured entities.

A summary of the Group's interest in unconsolidated structured entities is as follows:

in Singapore Dollars (millions)	Group	
	2021	2020
Debt securities		
<i>Analysed as:</i>		
MBS	161.5	214.5
ABS	221.3	178.1
SD	378.2	366.8
Collective investment schemes		
<i>Analysed as:</i>		
Hedge funds	1,604.2	1,429.0
Private equity funds	2,680.5	2,065.1
Unit trusts	4,155.1	4,060.1
REITs	937.7	866.2
ETF	573.9	487.2
OEIC	6,733.9	4,991.2
Total	17,446.3	14,658.2

The Group's maximum exposure to loss on the interests presented above is the carrying amount of the Group's investments.

The Group has not provided any financial or other support to the unconsolidated structured entities as at the reporting date, and there are no intentions to provide support in the foreseeable future.

25.2 Other interests in unconsolidated structured entities

The Group receives management fees in respect of its asset management business. The Group does not sponsor any of the funds or investment vehicles from which it receives fees. Management fees received for investments that the Group manages but does not have a holding in also represent an interest in unconsolidated structured entities. As these investments are not held by the Group, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future management fees. The table below shows the assets under management of entities that the Group manages but does not have a holding in and the fees earned from those entities.

in Singapore Dollars (millions)	Assets under Management		Investment Management Fees	
	2021	2020	2021	2020
Collective investment schemes	4,126.6	3,190.5	33.4	30.9
Total	4,126.6	3,190.5	33.4	30.9

NOTES TO THE FINANCIAL STATEMENTS

26 INTANGIBLE ASSETS

in Singapore Dollars (millions)	Note	Group	
		2021	2020
Goodwill	26.1	27.2	27.3
Other intangible assets	26.3	167.8	3.9
Carrying amount at 31 December		195.0	31.2

26.1 Goodwill

Cost:

At 1 January		34.1	34.1
Currency translation reserve adjustment		(0.1)	–
At 31 December		34.0	34.1

Impairment:

At 1 January and 31 December		(6.8)	(6.8)
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Net carrying amount:

At 31 December	26	27.2	27.3
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26.2 Impairment test for goodwill

Subsidiary – Lion Global Investors Limited

Carrying value of capitalised goodwill as at 31 December 2021	\$18.9 million
Basis on which recoverable values are determined ⁽¹⁾	Value in use
Terminal growth rate ⁽²⁾	2%
Discount rate ⁽³⁾	6%

Business acquired – Tahan Insurance Malaysia Berhad

Carrying value of capitalised goodwill as at 31 December 2021	\$6.0 million
Basis on which recoverable values are determined ⁽¹⁾	Value in use
Terminal growth rate ⁽²⁾	6%
Discount rate ⁽³⁾	11%

Subsidiary – PT Great Eastern General Insurance Indonesia

Carrying value of capitalised goodwill as at 31 December 2021	\$2.3 million
Basis on which recoverable values are determined ⁽¹⁾	Value in use
Terminal growth rate ⁽²⁾	5%
Discount rate ⁽³⁾	11%

⁽¹⁾ The value-in-use calculation applies a discounted cash flow model using cash flow projections based on financial budget and forecast approved by management covering a five-year period. Cash flows beyond the fifth year are extrapolated using the terminal growth rate stated above.

⁽²⁾ The terminal growth rates used do not exceed the long term average past growth rates of the industries and countries in which Lion Global Investors Limited, Great Eastern General Insurance (Malaysia) Berhad and PT Great Eastern General Insurance Indonesia operate.

⁽³⁾ The discount rate applied to the cash flow projections is pre-tax and is derived from the cost of capital plus a reasonable risk premium. This is the benchmark used by management to assess the operating performance.

No impairment loss (2020: nil) was recognised for the financial year ended 31 December 2021 against the amounts of goodwill recorded above to write down the carrying value to recoverable value. A reasonably possible change in key assumptions will not cause the carrying values above to materially exceed the recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

26 INTANGIBLE ASSETS (CONTINUED)

26.3 Other intangible assets

in Singapore Dollars (millions)	Note	Group				Total
		Software	Capital works in progress	Club Membership	Distribution Platform	
Cost						
At 1 January and 31 December 2020		–	–	0.6	4.0	4.6
Transfer from property, plant and equipment	28	350.3	94.5	–	–	444.8
Additions		9.6	53.7	–	–	63.3
Disposals		(0.4)	(0.2)	–	–	(0.6)
Reclassification to software		52.0	(52.0)	–	–	–
Currency translation reserve adjustment		(1.3)	(0.6)	–	–	(1.9)
At 31 December 2021		410.2	95.4	0.6	4.0	510.2
Accumulated amortisation						
At 1 January 2020		–	–	(0.1)	(0.1)	(0.2)
Amortisation charge for the year	7	–	–	–	(0.5)	(0.5)
At 31 December 2020		–	–	(0.1)	(0.6)	(0.7)
Transfer from property, plant and equipment		(308.1)	–	–	–	(308.1)
Amortisation charge for the year	7	(34.5)	–	–	(0.7)	(35.2)
Disposal		0.3	–	–	–	0.3
Currency translation reserve adjustment		1.3	–	–	–	1.3
At 31 December 2021		(341.0)	–	(0.1)	(1.3)	(342.4)
Net book value						
At 31 December 2020	26	–	–	0.5	3.4	3.9
At 31 December 2021	26	69.2	95.4	0.5	2.7	167.8

NOTES TO THE FINANCIAL STATEMENTS

27 INVESTMENT PROPERTIES

in Singapore Dollars (millions)	Note	Group	
		2021	2020
Balance sheet:			
At 1 January		1,767.2	1,785.5
Additions (subsequent expenditure)		0.2	–
Net gain/(loss) from fair value adjustments	5	84.3	(19.1)
Reclassification from property, plant and equipment	28	38.8	0.1
Currency translation reserve adjustment		(6.6)	0.7
At 31 December		<u>1,883.9</u>	<u>1,767.2</u>
Profit or Loss Statement:			
Rental income from investment properties:			
– Minimum lease payments		<u>46.9</u>	46.1
Direct operating expenses (including repairs and maintenance) arising from:			
– Rental generating properties		(16.7)	(16.2)
– Non-rental generating properties		(0.4)	(0.1)
		<u>(17.1)</u>	<u>(16.3)</u>

Investment properties collectively form an asset class which is an integral part of the overall investment strategy for the asset-liability management of the life insurance business.

Investment properties are stated at fair value, which has been determined based on objective valuation undertaken by independent valuers as at the balance sheet date. Valuations are performed by accredited independent valuers with recent experience in the location and category of the properties being valued.

NOTES TO THE FINANCIAL STATEMENTS

28 PROPERTY, PLANT AND EQUIPMENT

in Singapore Dollars (millions)	Note	Group								Total
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
		Leasehold Land ⁽¹⁾	Office space	Other Right-Of-Use Assets	Freehold Land ⁽¹⁾	Capital Works in Progress	Buildings ⁽¹⁾	Computer Equipment and Software Development Costs	Other Assets ⁽²⁾	
Cost										
At 1 January 2020		38.0	108.8	1.1	60.6	20.6	608.9	502.4	103.4	1,443.8
Additions		–	2.5	–	–	19.4	–	76.7	4.3	102.9
Disposals/assets written off		–	(1.1)	–	–	–	–	(2.0)	(0.5)	(3.6)
Reclassification		–	–	–	–	(8.2)	–	–	8.2	–
Remeasurement		–	(7.5)	–	–	–	–	–	–	(7.5)
Reclassification to investment properties	27	–	–	–	–	(0.1)	–	–	–	(0.1)
At 31 December 2020 and 1 January 2021		38.0	102.7	1.1	60.6	31.7	608.9	577.1	115.4	1,535.5
Additions		–	0.4	0.2	–	23.5	–	15.4	1.4	40.9
Disposals/assets written off		–	(0.3)	–	–	(0.5)	–	(0.7)	(7.9)	(9.4)
Reclassification		–	–	–	–	(0.2)	–	–	0.2	–
Reclassification to intangible assets	26	–	–	–	–	–	–	(444.8)	–	(444.8)
Reclassification to investment properties	27	–	–	–	–	(38.8)	–	–	–	(38.8)
Currency translation reserve adjustment		(0.1)	–	–	(0.1)	(0.5)	(2.6)	(2.3)	(0.9)	(6.5)
At 31 December 2021		37.9	102.8	1.3	60.5	15.2	606.3	144.7	108.2	1,076.9
Accumulated Depreciation and Impairment Loss										
At 1 January 2020		(2.1)	(10.1)	(0.3)	(1.4)	–	(279.0)	(375.4)	(66.9)	(735.2)
Depreciation charge for the year	7	–	(11.4)	(0.3)	–	–	(12.2)	(45.7)	(8.0)	(77.6)
Disposals/assets written off		–	0.4	–	–	–	–	1.8	0.3	2.5
Remeasurement		–	6.3	–	–	–	–	–	–	6.3
Currency translation reserve adjustment		–	–	–	–	–	–	0.1	0.2	0.3
At 31 December 2020 and 1 January 2021		(2.1)	(14.8)	(0.6)	(1.4)	–	(291.2)	(419.2)	(74.4)	(803.7)
Depreciation charge for the year	7	–	(12.7)	(0.3)	–	–	(12.2)	(11.3)	(7.7)	(44.2)
Disposals/assets written off		–	0.1	–	–	–	–	0.3	6.0	6.4
Reclassification to intangible assets		–	–	–	–	–	–	308.1	–	308.1
Currency translation reserve adjustment		–	(0.2)	–	–	–	1.0	1.9	0.8	3.5
At 31 December 2021		(2.1)	(27.6)	(0.9)	(1.4)	–	(302.4)	(120.2)	(75.3)	(529.9)
Net Book Value										
At 31 December 2020		35.9	87.9	0.5	59.2	31.7	317.7	157.9	41.0	731.8
At 31 December 2021		35.8	75.2	0.4	59.1	15.2	303.9	24.5	32.9	547.0

As at year end, the Company held other assets with a net book value of \$0.1 million (31 December 2020: other assets with a net book value of \$0.1 million). Depreciation for the year on computer equipment was nil (31 December 2020: \$0.1 million).

⁽¹⁾ If the freehold land, leasehold land and buildings were measured using market value, the carrying amount would be as follows:

in Singapore Dollars (millions)	Group	
	2021	2020
Freehold land, Leasehold land and Buildings	844.6	835.3

⁽²⁾ Other assets include motor vehicles, office furniture, fittings and equipment.

NOTES TO THE FINANCIAL STATEMENTS

28 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

28.1 Leases

This note provides information for leases where the group is a lessee.

The Group has entered into operating lease agreements for computer equipment and office rental. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 4 years. There are several lease contracts that include extension and termination options.

The Group also has certain leases of office rental with lease terms of 12 months or less and leases of computer equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following are the amounts recognised in the Profit or Loss Statement:

in Singapore Dollars (millions)	Note	Group	
		2021	2020
Depreciation expense of right-of-use assets		13.0	11.7
Interest expense on lease liabilities	7	2.2	3.6
Expense relating to short-term leases		2.4	3.0
Expense relating to leases of low-value assets		0.3	0.3
Total amount recognised in the Profit or Loss Statement		17.9	18.6

The total cash outflow for leases in 2021 was \$13.9 million (2020: \$13.1 million).

29 EXECUTIVES' SHARE OPTION SCHEME

29.1 OCBC Share Option Scheme

In April 2005, the GEH Optionholders were nominated to participate in the OCBC Bank Share Option Scheme (2001) ("OCBC Option Scheme"). The acquisition price of the options granted is equal to the average of the last dealt price of the ordinary shares of OCBC Bank over five consecutive trading days immediately prior to the date of the grant. The options vest in one-third increments over a period of three years, and are exercisable after the first anniversary of the date of grant up to the date of expiration of the options. The share options have a validity period of 10 years from date of grant.

The OCBC Option Scheme ended on 2 August 2021. No further options may be granted by OCBC Bank following its expiry. However, the expiration of the OCBC Option Scheme shall not affect the options which have been granted and accepted before the expiry of the OCBC Option Scheme, whether such options have been exercised.

For the financial year ended 31 December 2021, there were no options granted under the OCBC Share Option Scheme (2020: nil) to GEH Optionholders to acquire ordinary shares in OCBC Bank ("OCBC shares") pursuant to 2001 scheme, and no options were granted to a director of the Company (2020:nil).

NOTES TO THE FINANCIAL STATEMENTS

29 EXECUTIVES' SHARE OPTION SCHEME (CONTINUED)

29.1 OCBC Share Option Scheme (continued)

Information with respect to the number of options granted under the OCBC Option Scheme to GEH Optionholders is as follows:

	2021		2020	
	Number of Options	Average Price	Number of Options	Average Price
Number of shares comprised in options:				
At beginning of year	3,377,411	\$10.031	3,611,247	\$10.014
Lapsed during the year	(52,405)	\$13.340	(51,729)	\$12.443
Exercised during the year	(790,573)	\$9.315	(182,107)	\$8.996
Outstanding at end of year	2,534,433	\$10.186	3,377,411	\$10.031
Exercisable at end of year	2,534,433	\$10.186	3,213,314	\$9.862

Average share price underlying the options exercised during the financial year

\$11.841 \$9.936

Details of the options outstanding as at 31 December 2021 are as follows:

Grant Year	Grant Date	Exercise Period	Acquisition Price	2021	
				Outstanding	Exercisable
2012	14.03.2012	15.03.2013 – 13.03.2022	\$8.556	181,862	181,862
2013	14.03.2013	15.03.2014 – 13.03.2023	\$10.018	641,153	641,153
2014	14.03.2014	15.03.2015 – 13.03.2024	\$9.169	483,853	483,853
2015	16.03.2015	16.03.2016 – 15.03.2025	\$10.378	151,294	151,294
2016	16.03.2016	16.03.2017 – 15.03.2026	\$8.814	138,423	138,423
2017	23.03.2017	23.03.2018 – 22.03.2027	\$9.598	507,720	507,720
2018	22.03.2018	22.03.2019 – 21.03.2028	\$13.340	430,128	430,128
				2,534,433	2,534,433

The carrying amount of the liability recognised on the Group's balance sheet related to the above options at 31 December 2021 is \$1.6 million (31 December 2020: \$2.3 million).

As at 31 December 2021, the weighted average remaining contractual life of outstanding options was 3.3 years (2020: 4.2 years). There were no outstanding options held by directors of the Company as at 31 December 2021 (2020: nil).

29.2 OCBC Deferred Share Plan ("DSP")

The DSP is a share-based plan implemented in 2003 and administered by the OCBC Remuneration Committee. The DSP is a discretionary share-based incentive and retention award program extended to executives of OCBC's subsidiaries at the discretion of the Remuneration Committee. The awards are granted at no cost to the grantees, on a deferred basis as part of their performance bonus. Such awards shall lapse by reason of cessation of service but may be preserved at the discretion of the Remuneration Committee. The DSP does not involve the issue of new shares. Instead, existing shares will be purchased from the market for release to the grantees at the end of the respective vesting periods.

During the financial year, 490,261 (2020: 631,571) OCBC ordinary shares were granted to eligible executives of GEH Group under the DSP, of which none (2020: nil) were granted to a director of the Company. The fair value of the shares at grant date was \$5.9 million (2020: \$6.0 million). In addition, 49,860 OCBC shares (of which none were granted to directors of the Company) were awarded to grantees pursuant to declarations of final dividend for financial year ended 31 December 2021 (2020: 46,388 OCBC shares (of which none were granted to directors of the Company) awarded to grantees pursuant to declarations of final dividend for financial year ended 31 December 2020).

NOTES TO THE FINANCIAL STATEMENTS

29 EXECUTIVES' SHARE OPTION SCHEME (CONTINUED)

29.3 OCBC Employee Share Purchase Plan ("ESP")

All employees of OCBC Bank and their subsidiaries who have attained the age of 21 years and have been employees for a period of not less than six months are eligible to participate in the ESP Plan unless they are also controlling shareholders of the Bank or their associates. The purpose of the ESP Plan is to provide employees with an opportunity to increase their personal equity interest in the Bank. The Bank will either issue new shares or transfer treasury shares to employees upon the exercise or conversion of acquisition rights. The ESP Plan is administered by the OCBC Bank Remuneration Committee.

The acquisition price is equal to the average of the last traded price of the ordinary shares of OCBC Bank on the Singapore Exchange Securities Trading Limited over the five consecutive trading days immediately preceding the price fixing date for the acquisition price of the ordinary shares (as determined by the OCBC Bank Remuneration Committee).

A participant may participate in the ESP Plan for an offering period by making contributions in cash by means of monthly deductions from his monthly base salary and/or his designated account; and/or by monthly debits from his CPF Ordinary Account to his ESP Plan account.

In July 2021, the sixteenth offering of the ESP Plan was launched for employees to acquire the shares of OCBC Bank at \$11.58 per share. The plan commenced on 1 September 2021 and will expire on 31 August 2023. Under the offering, OCBC Bank granted 1,170,840 (2020: 1,466,659) rights to acquire ordinary shares in the Bank. The fair value of the rights, determined using the binomial valuation model was \$1.5 million (2020: \$1.6 million). Significant inputs to the valuation model are set out below.

	2021	2020
Acquisition price (\$)	11.58	8.98
Share price (\$)	12.42	9.24
Expected volatility based on last 250 days historical price volatility as of acceptance date (%)	17.11	24.62
Risk-free rate based on 2-year swap rate (%)	0.35	0.31
Expected dividend yield (%)	4.00	5.19

A summary of the movement in the number of acquisition rights of the ESP Plan issued to GEH Group's employees is as follows:

	2021		2020	
	Number of Subscription Rights	Weighted Average Subscription Price	Number of Subscription Rights	Weighted Average Subscription Price
At 1 January	2,058,404	\$9.772	1,615,867	\$11.441
Subscriptions on commencement of plan	1,170,840	\$11.580	1,466,659	\$8.980
Exercised	(699,887)	\$11.049	(1,500)	\$11.600
Lapsed / Forfeited	(288,121)	\$10.276	(1,022,622)	\$11.270
At 31 December	2,241,236	\$10.253	2,058,404	\$9.772

Average share price underlying acquisition rights exercised during the financial year	\$12.041	\$9.571
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As at 31 December 2021, the weighted average remaining contractual life of outstanding acquisition rights was 1.1 years (2020: 1.2 years). No director of GEH Group has acquisition rights under the ESP Plan (2020: nil).

NOTES TO THE FINANCIAL STATEMENTS

30 OTHER MATTERS

30.1 Capital commitments

in Singapore Dollars (millions)	Group	
	2021	2020
Commitments for capital expenditure not provided for in the financial statements:		
– investment properties	2.0	14.8
– property, plant and equipment	83.9	94.2
	85.9	109.0

30.2 Minimum Lease Receivable

Future minimum lease payments receivable under non-cancellable operating leases are as follows as of 31 December:

Within one year	43.9	39.5
After one year but not more than five years	30.8	17.8
	74.7	57.3

31 RELATED PARTY TRANSACTIONS

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

31.1 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		Company	
	2021	2020	2021	2020
Fees and commission and other income received from:				
– holding company	4.8	8.2	–	–
– related parties of the holding company	23.5	21.2	–	–
Premiums received from key management personnel	0.4	9.4	–	–
Fees and commission expense paid to:				
– holding company	253.0	181.6	–	–
– related parties of the holding company	61.5	65.1	–	–
Interest income received from:				
– holding company	0.2	0.6	–	–
– related parties of the holding company	9.0	25.5	–	–
Rental income received from:				
– related parties of the holding company	0.3	0.3	–	–
Other expenses paid to:				
– holding company	17.8	6.1	–	–
– related parties of the holding company	18.3	15.3	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 RELATED PARTY TRANSACTIONS (CONTINUED)

31.2 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	
	2021	2020	2021	2020
Cash and cash equivalents held with:				
– holding company	742.8	633.8	19.8	19.3
– related parties of the holding company	608.4	302.0	–	–
Amount due to holding company	11.1	200.4	–	–
Investments in debt securities of:				
– related parties of the holding company	97.3	78.1	–	–
Derivative financial assets held with:				
– holding company	151.8	315.7	–	–
– related parties of the holding company	–	2.9	–	–
Derivative financial liabilities held with:				
– holding company	34.2	83.3	–	–

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 (2020: nil).

31.3 Compensation of key management personnel

in Singapore Dollars (millions)	Group		Company	
	2021	2020	2021	2020
Short-term employee benefits	29.0	31.4	2.1	1.8
Other long-term benefits	1.0	1.1	–	–
Central Provident Fund/Employee Provident Fund	1.4	1.8	–	–
Share-based payments	3.8	3.6	–	–
	35.2	37.9	2.1	1.8
Comprises amounts paid to:				
Directors of the Company	3.2	2.8	2.1	1.8
Other key management personnel	32.0	35.1	–	–
	35.2	37.9	2.1	1.8

NOTES TO THE FINANCIAL STATEMENTS

32 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

The accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 2.

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.

NOTES TO THE FINANCIAL STATEMENTS

32 SEGMENTAL INFORMATION (CONTINUED)

(1) By Business Segments

in Singapore Dollars (millions)	Group									
	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations ⁽¹⁾		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net premiums	-	-	204.4	208.3	17,986.5	14,592.4	(1.3)	(1.2)	18,189.6	14,799.5
Commissions received from reinsurers	-	-	34.8	31.2	16.6	105.7	-	-	51.4	136.9
Investment income, net	129.3	153.8	12.6	16.0	2,479.6	2,352.8	78.0	72.3	2,699.5	2,594.9
Rental income, net	-	-	-	-	55.8	52.0	(28.0)	(28.1)	27.8	23.9
Fees and other income	493.6	100.4	-	-	-	-	(453.9)	(72.5)	39.7	27.9
(Loss)/gain on sale of investments and changes in fair value	(14.0)	97.3	(0.1)	3.2	(1,066.2)	3,798.1	-	-	(1,080.3)	3,898.6
Change in third-party interests in consolidated investment funds	-	(14.3)	-	-	-	-	-	-	-	(14.3)
Gain on disposal of interest in associate	-	-	-	-	-	1.4	-	-	-	1.4
Gain on disposal of subsidiary	-	8.4	-	-	-	-	-	-	-	8.4
(Loss)/gain on exchange differences	(1.2)	9.9	0.5	(0.5)	37.4	(8.9)	-	-	36.7	0.5
Total income	607.7	355.5	252.2	258.2	19,509.7	20,893.5	(405.2)	(29.5)	19,964.4	21,477.7
Gross claims, maturities, surrenders and annuities	-	(1.7)	173.7	203.9	11,214.5	10,169.7	-	-	11,388.2	10,371.9
Gross claims, maturities, surrenders and annuities recovered from reinsurers	-	-	(87.9)	(100.3)	(442.8)	(595.9)	-	-	(530.7)	(696.2)
Commissions and distribution expenses	411.9	37.5	63.9	60.0	1,401.1	1,209.9	(387.2)	(5.6)	1,489.7	1,301.8
(Decrease)/increase in provision for impairment of assets	(1.2)	1.4	0.3	0.1	2.4	3.3	-	-	1.5	4.8
Management and other expenses	92.9	847.2	57.0	58.7	531.8	521.8	(16.7)	(23.9)	665.0	1,403.8
Interest expense	0.2	18.3	-	-	-	-	-	-	0.2	18.3
Increase in provision for agents' retirement benefits	-	-	-	-	19.7	25.9	-	-	19.7	25.9
Depreciation and amortisation expenses	4.8	4.8	3.8	3.3	70.8	70.0	-	-	79.4	78.1
Gross change in insurance contract liabilities	-	(785.3)	143.8	71.6	2,461.4	9,130.1	-	-	2,605.2	8,416.4
Change in insurance contract liabilities ceded to reinsurers	-	-	(136.6)	(74.4)	1,734.3	(111.4)	-	-	1,597.7	(185.8)
Total expenses	508.6	122.2	218.0	222.9	16,993.2	20,423.4	(403.9)	(29.5)	17,315.9	20,739.0
Profit before income tax	99.1	233.3	34.2	35.3	2,516.5	470.1	(1.3)	-	2,648.5	738.7
Tax (expense)/credit attributable to policyholders' returns	-	-	-	-	(1,294.0)	216.9	-	-	(1,294.0)	216.9
Profit before tax attributable to shareholders' profits	99.1	233.3	34.2	35.3	1,222.5	687.0	(1.3)	-	1,354.5	955.6
Income tax(expense)/ credit	(21.1)	74.9	(8.0)	(3.4)	(1,486.0)	178.2	-	-	(1,515.1)	249.7
less: Income tax expense/ (credit) attributable to policyholders' returns	-	-	-	-	1,294.0	(216.9)	-	-	1,294.0	(216.9)
Income tax (expense)/ credit attributable to shareholders' profits	(21.1)	74.9	(8.0)	(3.4)	(192.0)	(38.7)	-	-	(221.1)	32.8
Profit after income tax	78.0	308.2	26.2	31.9	1,030.5	648.3	(1.3)	-	1,133.4	988.4

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

NOTES TO THE FINANCIAL STATEMENTS

32 SEGMENTAL INFORMATION (CONTINUED)

(1) By Business Segments (continued)

in Singapore Dollars (millions)	Group									
	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations ⁽¹⁾		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Other material items:										
Interest income	85.1	109.2	13.4	16.8	2,067.4	2,090.6	-	-	2,165.9	2,216.6
Staff costs and related expenses (including executive directors and key management personnel compensation)	43.8	28.5	36.5	37.6	320.1	305.0	0.6	1.2	401.0	372.3
Rental expense	2.4	2.2	1.1	2.1	24.4	23.7	(24.0)	(23.2)	3.9	4.8
Interest expense	0.2	18.3	-	-	-	-	-	-	0.2	18.3
Interest expense on policy benefits	-	-	-	-	198.8	207.4	-	-	198.8	207.4
Non-cash items:										
Depreciation and amortisation expenses (Decrease)/increase in provision for impairment of assets	4.8	4.8	3.8	3.3	70.8	70.0	-	-	79.4	78.1
Changes in fair value of investments:										
- through the Profit or Loss Statement	(22.6)	62.0	(1.2)	0.5	(1,190.4)	3,518.2	-	-	(1,214.2)	3,580.7
- through equity	(20.6)	118.7	(13.6)	10.5	(79.8)	297.0	-	-	(114.0)	426.2
Assets and liabilities:										
Segment assets	10,537.9	10,279.1	1,080.5	896.9	103,003.9	99,289.3	(4,327.4)	(3,634.5)	110,294.9	106,830.8
Investments in associate	95.2	96.9	-	-	-	-	-	-	95.2	96.9
Total assets	10,633.1	10,376.0	1,080.5	896.9	103,003.9	99,289.3	(4,327.4)	(3,634.5)	110,390.1	106,927.7
Segment liabilities	76.6	495.2	1,094.1	903.8	100,501.4	97,978.6	(4,326.0)	(3,634.5)	97,346.1	95,743.1
Income tax and deferred tax liabilities	255.9	274.4	(3.3)	(0.8)	2,655.0	1,436.5	-	-	2,907.6	1,710.1
Total liabilities	332.5	769.6	1,090.8	903.0	103,156.4	99,415.1	(4,326.0)	(3,634.5)	100,253.7	97,453.2
Other segment information:										
Additions to non-current assets										
- property, plant and equipment	2.3	6.5	1.1	7.8	37.5	88.6	-	-	40.9	102.9
- investment properties	-	-	-	-	0.2	-	-	-	0.2	-
- goodwill and intangible assets	1.2	-	5.7	-	56.4	-	-	-	63.3	-

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

NOTES TO THE FINANCIAL STATEMENTS

32 SEGMENTAL INFORMATION (CONTINUED)

(2) By Geographical Segments

in Singapore Dollars (millions)	Group									
	Singapore		Malaysia		Other Asia		Adjustments and Eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total revenue from external customers	16,688.5	16,401.6	3,389.7	4,823.1	286.2	275.2	(400.0)	(22.2)	19,964.4	21,477.7
Dividend from subsidiaries	163.4	60.2	–	–	–	–	(163.4)	(60.2)	–	–
Total revenue	16,851.9	16,461.8	3,389.7	4,823.1	286.2	275.2	(563.4)	(82.4)	19,964.4	21,477.7
Profit after income tax	877.0	607.2	411.9	423.1	5.9	5.4	(161.4)	(47.3)	1,133.4	988.4
Non-current assets	2,046.1	1,943.0	574.9	579.4	4.9	7.8	–	–	2,625.9	2,530.2

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

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES

Governance framework

Managing risk is an integral part of the Group's core business. As stated in the Enterprise Risk Management ("ERM") Framework, the Group shall:

- Operate within parameters and limits that are calibrated to the risk appetite approved by the Board; and
- Pursue appropriate risk-adjusted returns.

Group Risk Management department spearheads the development and implementation of the ERM Framework for the Group.

The Board is responsible for overseeing the Group's risk management initiatives. The Board may delegate this responsibility to the Risk Management Committee ("RMC") and Senior Management for the execution of these initiatives. At the Group level, detailed risk management and oversight activities are undertaken by the following Group Management committees, all of which are chaired by the Group Chief Executive Officer and comprise key Senior Management Executives:

- Group Management Committee ("GMC")
- Group Asset-Liability Committee ("Group ALC")
- Group Investment Committee ("Group IC")
- Group Product Management and Approval Committee ("Group PMAC")
- Group Technology Strategy Committee ("Group TSC")

GMC is responsible for providing leadership, direction and functional oversight on all matters including sustainability performance of the Group. In addition to complying with regulatory requirements, the GMC is also responsible for ensuring compliance and alignment with Group Governance and Oversight Framework, i.e. Group standards and guidelines. The GMC is supported by the Group IC, Group ALC, Group PMAC, Group TSC, Local Senior Management Team ("SMT"), Local ALC, Local Product Development Committee ("PDC") and Local TSC.

Group IC is responsible for overseeing all investment management activities of the Group and ensuring that the interests and rights of policyholders are not compromised.

Group ALC is responsible for balance sheet management. Specifically, Group ALC reviews and formulates frameworks, policies, processes and methodologies relating to balance sheet management. Group ALC is also responsible for ensuring compliance and alignment with Group Governance and Oversight Framework, i.e. Group standards and guidelines. Group ALC is supported by the Local ALC.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Governance framework *(continued)*

Group TSC is responsible for assisting GMC in providing the overall strategic direction and approval of all IT related issues and initiatives, including the digitalisation and transformation programs to support the Group's strategic growth into the future. Group TSC is supported by local TSC.

Group PMAC is responsible for reviewing, approving and managing new and existing products, ensuring the business operates within the risk appetite in delivering the annual business targets. Local PDC is responsible for reviewing and endorsing new products at the local operating subsidiaries.

Regulatory framework

Insurers are required to comply with the Insurance Act and Regulations, as applicable, including guidelines on investment limits. The responsibility for the formulation, establishment and approval of the policy for the investment of the funds rests with the respective Board of Directors ("Board"). The Board exercises oversight on investments to safeguard the interests of policyholders and shareholders.

Capital management

The objectives of GEH's capital management policy are to create shareholder value, deliver sustainable returns to shareholders, maintain a strong capital position with sufficient buffer to meet policyholders' obligations and regulatory requirements and make strategic investments for business growth.

The Group had no significant changes in the policies and processes relating to its capital structure during the year.

Regulatory Capital

The Group and its insurance subsidiaries are required to comply with the capital requirements prescribed by the Insurance Regulations of the jurisdictions in which they operate. The Capital Adequacy Ratios of the Group and its subsidiaries in Singapore, Malaysia and Indonesia remained well above the regulatory minimum ratios under the Risk-based Capital Frameworks established by the Monetary Authority of Singapore, Bank Negara Malaysia and Otoritas Jasa Keuangan, Indonesia respectively.

The Group's approach to capital management aims to maintain an adequate level of capital to meet regulatory requirements, including any additional amounts required by the regulators of the Group and its insurance subsidiaries. This involves managing asset, liability decisions and the associated risks in a coordinated way by assessing and monitoring the available and required capital (by each regulated entity) on a regular basis and, where appropriate, taking appropriate actions to adjust the asset liability position of the Group and/or its subsidiaries in light of changes in economic conditions and risk characteristics.

The primary sources of capital of the Group are shareholders' equity. The Group defines available capital as the amount of assets in excess of liabilities measured in accordance with the Insurance Regulations of the respective jurisdictions in which the insurance subsidiaries operate.

Dividend

GEH's dividend policy aims to provide shareholders with a predictable and sustainable dividend return, payable on a half-yearly basis.

The following sections provide details of the Group's and Company's exposure to insurance and key financial risks, as well as the objectives, policies and processes for managing these risks.

There has been no change to the Group's exposure to these insurance and key financial risks or the manner in which it manages and measures the risks.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Insurance Risk

The principal activity of the Group is the provision of insurance products and related financial advisory services. The products cover risks such as mortality, morbidity (health, disability, critical illness, personal accident), property and casualty, investment saving protection and wealth accumulation guarantees.

The Group's underwriting strategy is designed to ensure that risks are well diversified across the types of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes into account current health conditions and family medical history, regular review of actual claims experience, as well as detailed claims handling procedures. Underwriting limits are also established to enforce appropriate risk selection criteria. For example, the Group has the right to reject renewal of insurance policy, impose deductibles and reject payment of fraudulent claims.

Risks inherent in the Group's activities include but are not limited to the following:

Insurance Risks of Life Insurance Contracts

Insurance risks arise when the Group underwrites insurance contracts. While insurance risks may not vary significantly across the geographical locations in which the Group currently operates, the types of risks insured, assumptions used in pricing the insurance products and subsequent setting aside of the technical provisions may give rise to potential shortfalls in provision for future claims and expenses when actual claims experience are worse than projections. Assumptions that may cause insurance risks to be underestimated include assumptions on policy lapses, mortality, morbidity and expenses.

The Group utilises reinsurance to manage the mortality and morbidity risks. The Group's reinsurance management strategy and policy are reviewed annually by RMC and Group ALC. Reinsurance is structured according to the type of risk insured. Catastrophe reinsurance is procured to limit catastrophic losses. The Group's exposure to group insurance business is not significant and there is no material concentration risk.

In general, reinsurers must have a minimum credit rating of S&P A- or equivalent to be considered for reinsurance business. The Group limits its risk to any one reinsurer by ceding different products to different reinsurers or to a panel of reinsurers.

Group ALC reviews the actual experience of mortality, morbidity, lapses and surrenders, and expenses and ensures that the policies, guidelines and limits established for managing the risks remain adequate and appropriate.

A substantial portion of the Group's life insurance funds is participating in nature. In the event of volatile investment climate and/or unusual claims experience, the insurer has the option of revising the bonus payable to policyholders.

For non-participating funds, the risk is that the guaranteed policy benefits must be met even when investment portfolios perform below expectations, or claims experience is higher than expected.

For investment-linked funds, the risk exposure for the Group is limited only to the underwriting aspect as all investment risks are borne by the policyholders.

Stress Testing is performed at least once a year to assess the solvency of the life insurance fund under various stress scenarios. The stress scenarios include regulatory prescribed scenarios, as well as scenarios depicting drastic changes in key parameters such as new business volume, market volatilities, expense patterns, mortality/morbidity patterns and lapse rates.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Insurance Risk (continued)

Insurance Risks of Life Insurance Contracts (continued)

TABLE 33(A): The table below sets out the distribution of the various life insurance risks as at the balance sheet date: (i) by Class of business:

in Singapore Dollar (millions)	Gross			Reinsurance			Net total
	With DPF ⁽¹⁾	Without DPF	Total	With DPF	Without DPF	Total	
2021							
Whole life	41,214.5	11,083.9	52,298.4	11.0	(26.8)	(15.8)	52,282.6
Endowment	21,963.2	9,548.8	31,512.0	0.5	(125.8)	(125.3)	31,386.7
Term	0.4	732.3	732.7	(0.1)	(164.6)	(164.7)	568.0
Accident and health	1.9	547.5	549.4	–	(132.8)	(132.8)	416.6
Annuity	26.1	443.5	469.6	–	–	–	469.6
Others	127.8	1,268.5	1,396.3	(1.1)	(32.8)	(33.9)	1,362.4
Total	63,333.9	23,624.5	86,958.4	10.3	(482.8)	(472.5)	86,485.9
2020							
Whole life	37,089.0	10,287.0	47,376.0	14.0	(32.5)	(18.5)	47,357.5
Endowment	22,579.8	7,768.3	30,348.1	(64.7)	(120.3)	(185.0)	30,163.1
Term	0.5	806.2	806.7	(0.1)	(124.5)	(124.6)	682.1
Accident and health	1.9	2,357.0	2,358.9	–	(1,859.8)	(1,859.8)	499.1
Annuity	27.2	497.0	524.2	–	–	–	524.2
Others	131.1	1,361.1	1,492.2	(1.1)	(20.0)	(21.1)	1,471.1
Total	59,829.5	23,076.6	82,906.1	(51.9)	(2,157.1)	(2,209.0)	80,697.1

⁽¹⁾ DPF is defined as Contracts with Discretionary Participating Features.

(ii) by Country:

in Singapore Dollar (millions)	Gross			Reinsurance			Net total
	With DPF ⁽¹⁾	Without DPF	Total	With DPF	Without DPF	Total	
2021							
Singapore	47,299.7	16,581.1	63,880.8	17.1	(310.8)	(293.7)	63,587.1
Malaysia	15,676.2	6,365.4	22,041.6	(6.7)	(168.5)	(175.2)	21,866.4
Others	358.0	678.0	1,036.0	(0.1)	(3.5)	(3.6)	1,032.4
Total	63,333.9	23,624.5	86,958.4	10.3	(482.8)	(472.5)	86,485.9
2020							
Singapore	43,512.5	16,744.4	60,256.9	(46.0)	(1,901.3)	(1,947.3)	58,309.6
Malaysia	15,966.5	5,772.9	21,739.4	(7.0)	(253.1)	(260.1)	21,479.3
Others	350.5	559.3	909.8	1.1	(2.7)	(1.6)	908.2
Total	59,829.5	23,076.6	82,906.1	(51.9)	(2,157.1)	(2,209.0)	80,697.1

⁽¹⁾ DPF is defined as Contracts with Discretionary Participating Features.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Insurance Risk (continued)

Insurance Risks of Life Insurance Contracts (continued)

The sensitivity analysis below shows the impact of changes in key parameters on the value of policy liabilities, and hence on the Profit or Loss Statement and Shareholders' Equity.

Sensitivity analysis produced are based on parameters set out as follows:

	Change in assumptions
(a) Scenario 1 – Mortality and Major Illness	+ 25% for all future years
(b) Scenario 2 – Mortality and Major Illness	– 25% for all future years
(c) Scenario 3 – Health and Disability	+ 25% for all future years
(d) Scenario 4 – Health and Disability	– 25% for all future years
(e) Scenario 5 – Lapse and Surrender rates	+ 25% for all future years
(f) Scenario 6 – Lapse and Surrender rates	– 25% for all future years
(g) Scenario 7 – Expenses	+ 30% for all future years

TABLE 33(B1): Profit/(Loss) After Tax and Shareholders' Equity sensitivity for the Singapore segment:

Impact on 1-year's Profit/(Loss) After Tax and Shareholders' Equity

in Singapore Dollars (millions)	Life Insurance Contracts					
	31 December 2021			31 December 2020		
	Gross impact	Reinsurance ceded	Net impact	Gross impact	Reinsurance ceded	Net impact
Scenario 1 – Mortality and Major Illness	(754.0)	362.1	(391.9)	(621.7)	282.1	(339.6)
Scenario 2 – Mortality and Major Illness	525.9	(245.6)	280.3	433.8	(195.6)	238.2
Scenario 3 – Health and Disability	(257.6)	141.3	(116.3)	(328.5)	201.2	(127.3)
Scenario 4 – Health and Disability	149.8	(45.0)	104.8	204.0	(89.3)	114.7
Scenario 5 – Lapse and Surrender rates	91.8	(17.3)	74.5	107.4	(16.7)	90.7
Scenario 6 – Lapse and Surrender rates	(130.3)	30.3	(100.0)	(147.3)	26.1	(121.2)
Scenario 7 – Expenses	(47.7)	3.2	(44.5)	(44.8)	6.4	(38.4)

TABLE 33(B2): Profit/(Loss) After Tax and Shareholders' Equity sensitivity for the Malaysia segment:

in Singapore Dollars (millions)	Life Insurance Contracts					
	31 December 2021			31 December 2020		
	Gross impact	Reinsurance ceded	Net impact	Gross impact	Reinsurance ceded	Net impact
Scenario 1 – Mortality and Major Illness	(133.3)	–	(133.3)	(131.3)	7.5	(123.8)
Scenario 2 – Mortality and Major Illness	120.2	–	120.2	117.1	(7.3)	109.8
Scenario 3 – Health and Disability	(23.0)	–	(23.0)	(18.8)	0.8	(18.0)
Scenario 4 – Health and Disability	20.0	–	20.0	16.9	(0.8)	16.1
Scenario 5 – Lapse and Surrender rates	(23.6)	–	(23.6)	(0.6)	(0.2)	(0.8)
Scenario 6 – Lapse and Surrender rates	57.9	–	57.9	4.5	0.2	4.7
Scenario 7 – Expenses	(35.4)	–	(35.4)	(32.4)	–	(32.4)

The tables above demonstrate the sensitivity of the Group's Profit or Loss After Tax to possible changes in individual actuarial valuation assumptions on an individual basis with all other variables held constant.

The method used, including the significant assumptions made, for performing the above sensitivity analysis did not change from the previous year.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Insurance Risk (continued)

Insurance Risk of Non-Life Insurance Contracts

Risks under non-life insurance policies usually cover a twelve-month duration. The risk inherent in non-life insurance contracts is reflected in the insurance contract liabilities which include the premium and claims liabilities, as set out under Note 15 of the financial statements. The premium liabilities comprise a reserve for unexpired risks, while the claims liabilities comprise the loss reserves which include both provision for outstanding claims notified and outstanding claims incurred but not reported.

TABLE 33(C1): The table below sets out the distribution of the various categories of the non-life insurance risk as at the balance sheet date:

(i) by Class of business:

in Singapore Dollars (millions)	Non-life Insurance Contracts					
	As at 31 December 2021			As at 31 December 2020		
	Gross premium liabilities	Reinsured premium liabilities	Net premium liabilities	Gross premium liabilities	Reinsured premium liabilities	Net premium liabilities
Fire	39.0	(16.3)	22.7	32.3	(14.1)	18.2
Motor	36.5	(2.5)	34.0	37.5	(3.6)	33.9
Marine & aviation	8.0	(3.9)	4.1	11.5	(6.7)	4.8
Workmen's compensation	17.6	(5.5)	12.1	22.0	(6.9)	15.1
Personal accident & health	23.3	(1.7)	21.6	23.5	(2.3)	21.2
Miscellaneous	64.7	(43.8)	20.9	61.7	(38.5)	23.2
Total	189.1	(73.7)	115.4	188.5	(72.1)	116.4

in Singapore Dollars (millions)	Gross claims liabilities	Reinsured claims liabilities	Net claims liabilities	Gross claims liabilities	Reinsured claims liabilities	Net claims liabilities
	Fire	127.8	(105.4)	22.4	54.9	(37.4)
Motor	54.5	(6.5)	48.0	52.3	(7.1)	45.2
Marine & aviation	28.3	(21.0)	7.3	33.8	(25.0)	8.8
Workmen's compensation	33.9	(12.6)	21.3	27.3	(10.2)	17.1
Personal accident & health	24.8	(4.7)	20.1	22.9	(2.6)	20.3
Miscellaneous	221.8	(190.3)	31.5	159.8	(124.2)	35.6
Total	491.1	(340.5)	150.6	351.0	(206.5)	144.5

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Insurance Risk (continued)

Insurance Risk of Non-Life Insurance Contracts (continued)

TABLE 33(C1): The table below sets out the distribution of the various categories of the non-life insurance risk as at the balance sheet date (continued):

(ii) by Country:

in Singapore Dollars (millions)	Non-life Insurance Contracts					
	As at 31 December 2021			As at 31 December 2020		
	Gross premium liabilities	Reinsured premium liabilities	Net premium liabilities	Gross premium liabilities	Reinsured premium liabilities	Net premium liabilities
Singapore	99.2	(47.6)	51.6	98.0	(44.1)	53.9
Malaysia	70.6	(18.3)	52.3	74.0	(22.3)	51.7
Indonesia	19.3	(7.8)	11.5	16.5	(5.7)	10.8
Total	189.1	(73.7)	115.4	188.5	(72.1)	116.4

in Singapore Dollars (millions)	Gross claims liabilities	Reinsured claims liabilities	Net claims liabilities	Gross claims liabilities	Reinsured claims liabilities	Net claims liabilities
	Singapore	175.1	(113.7)	61.4	190.5	(137.1)
Malaysia	289.2	(216.2)	73.0	128.3	(55.6)	72.7
Indonesia	26.8	(10.6)	16.2	32.2	(13.8)	18.4
Total	491.1	(340.5)	150.6	351.0	(206.5)	144.5

Key Assumptions

Non-life insurance contract liabilities are determined based on claims experience, knowledge of existing events, the terms and conditions of the relevant policies and interpretation of circumstances. Of particular relevance is past experience with similar cases, trends in historical claims, legislative changes, judicial decisions, economic conditions and claims handling procedures. The estimates of the non-life insurance contract liabilities are therefore sensitive to various factors and uncertainties. The actual future premium and claims liabilities will not develop exactly as projected and may vary from initial estimates.

Insurance risk of non-life insurance contracts is mitigated by achieving a large and well-diversified portfolio of insurance contracts across various industries and geographical areas. The risks are further mitigated by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. Comprehensive assessment of new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to further reduce the risk exposure of the Group. In addition, the Group further enforces a policy of active management and prompt pursuit of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events such as hurricanes, earthquakes and flood damages.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk

Market risk arises when market values of assets and liabilities are adversely affected by changes in financial markets. Changes in interest rates, foreign exchange rates, equity prices and prices of alternative investment assets can impact present and future earnings of the insurance operations, as well as shareholders' equity.

The Group is exposed to market risk through its investment portfolios, as well as in the mismatches between assets and liabilities of the Insurance Funds. In the case of the third-party funds managed by Lion Global Investors, investment risks are borne by investors and the Group does not assume any liability in the event of occurrence of loss or write-down in market valuations.

Group ALC, Group IC and Local ALCs actively manage market risks through the setting of investment policies and asset allocations, approving portfolio construction, risk measurement methodologies, as well as hedging and alternative risk transfer strategies. Investment limits are monitored at various levels to ensure that all investment activities are conducted within the Group's risk appetite and in line with the Group's management principles and philosophies. Compliance with established limits forms an integral part of the risk governance and financial reporting framework. The approach adopted by the Group in managing the various types of risk, including interest rate risk, foreign exchange risk, equity price risk, credit risk, alternative investment risk and liquidity risk, is briefly described below:

- (a) **Interest rate risk (including asset liability mismatch).** The Group is exposed to interest rate risk through (i) investments in fixed income instruments and (ii) policy liabilities in the Insurance Funds. Since the Shareholders' Fund has exposure to investments in fixed income instruments but no exposure to insurance policy liabilities, it will incur economic losses when interest rates rise. Given the long duration of policy liabilities and the uncertainties in the cash flows of Insurance Funds, it is not possible to hold assets with duration that perfectly matches the duration of the policy liabilities. This results in interest rate risk and asset liability mismatch risk, and these risks are managed and monitored by Group ALC and Local ALCs. The Insurance Funds will incur economic losses when interest rates drop as the duration of policy liabilities is generally longer than the duration of fixed income assets.

Under Singapore regulations governed by the Monetary Authority of Singapore (MAS), the discount rate used for discounting liability cash flows may include a positive adjustment in the form of Matching Adjustment, or Illiquidity Premium, subject to certain conditions being met. As a result, the Singapore non-participating funds could have losses when the magnitude of the adjustment decreases leading to higher discounted liabilities.

Under Malaysia regulations governed by Bank Negara Malaysia (BNM), liability cash flows with durations less than 15 years are discounted using the spot yield of Malaysia Government Securities (MGS) with matching durations, while liability cash flows with durations of 15 years or more are discounted using the 15 year MGS spot yield. As a result, the Malaysia non-participating fund could have losses when the MGS spot yield decreases.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(a) **Interest rate risk (including asset liability mismatch) (continued)**

Managing interest rate benchmark reform

i) *Overview*

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBOR) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has moderate exposure to IBORs on its financial instruments that will be reformed as part of this market-wide initiative. It was initially expected that most reforms affecting the Group will be completed by the end of 2021. However, the transition deadline for USD LIBOR has been extended to end June 2023, hence some instruments referencing this rate may not be transitioned until this date.

The Group anticipates that IBOR reform will have moderate operational, risk management and accounting impacts across all of its business lines. The main risks to which the Group is exposed as a result of IBOR reform are operational. For example, the bilateral renegotiation with private debt issuers, updating of contractual terms, updating of systems that use IBOR curves and revision of operational controls related to the reform. Financial risk is predominantly limited to interest rate risk.

The Group established a cross-functional IBOR Working Group to manage its transition to alternative rates. The objectives of the IBOR Working Group include evaluating the extent to which fixed income holdings, derivatives and liabilities reference IBOR cash flows, whether such contracts need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

ii) *Non-derivative financial assets*

The Group's IBOR exposures on bonds/FRNs holdings include SGD Swap Offer Rate ("SOR"), USD LIBOR, EUR LIBOR and GBP LIBOR primarily at Great Eastern Life Singapore ("GELS"). The Group also has corporate loans holdings indexed to SOR.

The alternative reference rate for SOR is the Singapore Overnight Rate Average ("SORA"); for USD LIBOR is the Secured Overnight Financing Rate ("SOFR"); for EUR LIBOR is the Euro Short-Term Rate ("ESTR"). Changes to the contractual terms of financial assets indexed to SOR, EUR LIBOR and GBP LIBOR to incorporate new benchmark rates are not yet complete as at 31 December 2021. The transition deadline for USD LIBOR has been extended to end June 2023, hence some instruments referencing this rate may not be transitioned until this date.

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(a) Interest rate risk (including asset liability mismatch) (continued)

Managing interest rate benchmark reform (continued)

ii) Non-derivative financial assets (continued)

The following table shows the total amounts of unreformed non-derivative financial assets as at 31 December 2021. The amounts of trading assets and investment securities are shown at their carrying amounts.

in Singapore Dollars (millions)	Group			Grand total
	Gross carrying amount			
	SOR	USD LIBOR	Others	
Debt securities	995.2	1,380.0	275.6	2,650.8
Corporate loan	188.9	–	–	188.9
	1,184.1	1,380.0	275.6	2,839.7

iii) Non-derivative financial liabilities

The Group does not have any floating-rate liabilities which would be impacted by the IBOR reform.

iv) Derivatives and hedge accounting

The Group holds derivatives for risk management and efficient portfolio management purposes, and are not designated in hedging relationships. The instruments used principally include interest rate, cross-currency, and total return swaps, which have floating legs that are indexed to various IBORs. Typically, derivative transactions that reference interest rate benchmarks incorporate standard terms such as the 2006 ISDA Definitions published by ISDA. ISDA has reviewed such definitions in light of IBOR reform and issued an IBOR fallback protocol on 23 October 2020 and a supplement to amend the 2006 ISDA Definitions effective 25 January 2021. This sets out how the amendments to new alternative benchmark rates (e.g. SORA, SOFR) in the 2006 ISDA Definitions will be accomplished. The effect of the supplement is to create fallback provisions in derivatives that describe what floating rates will apply on the permanent discontinuation of certain key IBORs or on ISDA declaring a non-representative determination of an IBOR. The Group has adhered to the protocol to implement the fallbacks to derivative contracts that were entered into before the effective date of the supplement, where the existing derivative counterparties have also adhered to the protocol. All new derivative contracts entered into on or after the effective date of the supplement that reference the 2006 ISDA Definitions will also include the fallback.

The following table shows the total amounts of unreformed derivative instruments as at 31 December 2021. For cross-currency swaps, the Group used the notional amount of the receive leg of the swap. The Group expects both legs of cross-currency swaps to be reformed simultaneously.

in Singapore Dollars (millions)	Group		Grand total
	Notional amount		
	SOR	USD LIBOR	
Derivatives	330.0	21.0	351.0

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(b) **Foreign exchange risk.** The foreign exchange risk inherent in foreign currency fixed income portfolio is typically hedged using currency forwards and swaps wherever practical and cost-effective. Foreign exchange instruments are also used for efficient portfolio management.

The SGD and RM positions predominately arose from the entities within the Group with the same respective functional currencies. The Group has no significant concentration of foreign exchange risk.

Limits are set on the total amount of foreign currency (net of liabilities) to cap the Group's foreign exchange risk.

TABLE 33(D): The tables below show the foreign exchange position of the Group's financial and insurance-related assets and liabilities by major currencies:

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
As at 31 December 2021					
FINANCIAL AND INSURANCE-RELATED					
ASSETS					
Financial assets at FVOCI					
Equity securities	479.6	250.8	259.3	1,212.7	2,202.4
Debt securities	2,020.1	1,077.0	3,644.5	751.6	7,493.2
Financial assets at FVTPL					
Equity securities	1,117.9	7,122.9	1,014.7	4,420.1	13,675.6
Debt securities	18,219.9	15,033.7	13,894.4	5,015.6	52,163.6
Other investments	7,501.8	236.7	6,849.7	2,097.1	16,685.3
Financial assets at amortised cost					
Debt securities	–	–	242.3	–	242.3
Derivative financial assets	332.6	1.7	16.9	18.7	369.9
Loans	322.6	250.2	–	19.4	592.2
Reinsurers' share of insurance contract liabilities	343.2	409.7	120.5	13.3	886.7
Insurance receivables	1,029.8	2,266.9	3.3	35.6	3,335.6
Other debtors	364.0	230.8	207.8	43.7	846.3
Cash and cash equivalents	6,429.1	1,629.5	667.8	391.3	9,117.7
	38,160.6	28,509.9	26,921.2	14,019.1	107,610.8
FINANCIAL AND INSURANCE-RELATED					
LIABILITIES					
Other creditors	1,328.2	396.9	56.8	28.9	1,810.8
Insurance payables	2,171.5	4,433.6	2.1	13.4	6,620.6
Derivative financial liabilities	11.7	1.4	51.2	47.1	111.4
Provision for agents' retirement benefits	0.2	291.1	–	–	291.3
Insurance contract liabilities	61,295.6	22,401.5	3,267.1	674.4	87,638.6
	64,807.2	27,524.5	3,377.2	763.8	96,472.7

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(b) Foreign exchange risk. (continued)

TABLE 33(D): The tables below show the foreign exchange position of the Group's financial and insurance-related assets and liabilities by major currencies (continued):

in Singapore Dollars (millions)	SGD	RM	USD	Others	Total
<u>As at 31 December 2020</u>					
<u>FINANCIAL AND INSURANCE-RELATED</u>					
<u>ASSETS</u>					
Financial assets at FVOCI					
Equity securities	392.4	307.8	142.5	1,179.6	2,022.3
Debt securities	2,707.3	1,006.1	2,449.2	388.7	6,551.3
Financial assets at FVTPL					
Equity securities	1,291.0	7,768.4	1,402.2	3,178.3	13,639.9
Debt securities	17,951.8	14,873.1	11,504.0	5,793.1	50,122.0
Other investments	5,943.0	150.8	5,728.1	2,076.9	13,898.8
Financial assets at Amortised Cost					
Debt securities	–	–	159.1	13.8	172.9
Derivative financial assets	467.8	2.9	249.5	44.0	764.2
Loans	587.4	281.7	1.6	19.8	890.5
Reinsurers' share of					
insurance contract liabilities	1,946.1	338.1	190.2	13.2	2,487.6
Insurance receivables	1,045.3	2,004.7	7.6	15.3	3,072.9
Other debtors	424.1	282.5	201.2	75.9	983.7
Cash and cash equivalents	7,408.1	1,387.4	515.8	338.5	9,649.8
	<u>40,164.3</u>	<u>28,403.5</u>	<u>22,551.0</u>	<u>13,137.1</u>	<u>104,255.9</u>
<u>FINANCIAL AND INSURANCE-RELATED</u>					
<u>LIABILITIES</u>					
Other creditors	1,898.8	460.4	181.0	25.7	2,565.9
Insurance payables	1,819.2	4,010.1	2.9	9.5	5,841.7
Derivative financial liabilities	30.2	–	29.3	213.7	273.2
Provision for agents' retirement benefits	–	295.5	–	–	295.5
Debt issued	400.0	–	–	–	400.0
Insurance contract liabilities	58,145.1	21,941.6	2,689.9	669.0	83,445.6
	<u>62,293.3</u>	<u>26,707.6</u>	<u>2,903.1</u>	<u>917.9</u>	<u>92,821.9</u>

The financial assets and financial liabilities of the Company are not material.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

- (c) **Equity price risk.** Exposure to equity price risk exists in investment assets through direct equity, equity derivatives and fund investments, where the Group, through investments, bears all or most of the equity volatility and investment risks. Equity price risk also exists in investment-linked products where the revenues of the insurance operations are linked to the performances of underlying equity funds since this has an impact on the level of fees earned. Limits are set for single security holdings as a percentage of total equity holdings.
- (d) **Credit spread risk.** Exposure to credit spread risk exists in the Group's bond investments. Credit spread is the difference between the quoted yields of a credit and a government bond of the same maturity. Credit spreads widen when the default risk of credit bonds increases. Hence, widening credit spreads will result in mark-to-market losses in the Group's bond portfolio.
- (e) **Alternative investment risk.** The Group is exposed to alternative investment risk through investments in real estate that it owns in Singapore and Malaysia, and through real estate funds, private equities, infrastructure and hedge funds. A monitoring process is established to manage foreign exchange, country and manager concentration risks. This process and the acquisition or divestment of alternative investments are reviewed and approved by RMC and Group IC.
- (f) **Commodity risk.** The Group does not have any exposure to commodity risk.
- (g) **Liquidity risk.** Liquidity risk arises when the Group is unable to meet its cash flow demands, or if the assets backing the liabilities cannot be sold quickly enough without incurring significant losses. For an insurance company, the greatest liquidity needs typically arise from its insurance liabilities. Demands for funds can usually be met through ongoing normal operations via premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by surrender of insurance policies due to negative publicity, deterioration of the economy, adverse news on other companies in the same or similar lines of business, unanticipated policy claims, or other unexpected cash demands from policyholders.

Expected liquidity demands are managed through a combination of treasury, investment and asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are regularly monitored, and a reasonable amount of liquid assets are maintained at all times. The projected cash flows from the in-force insurance policy contract liabilities consist of renewal premiums, commissions, claims, maturities and surrenders. Renewal premiums, commissions, claims and maturities are generally stable and predictable. Surrenders can be more uncertain although these have been quite stable over the past several years.

Unexpected liquidity demands are mitigated through product design, risk diversification, investment strategies and systematic monitoring. Surrender penalty in insurance contracts also protects the Group from losses due to unexpected surrender trends and reduces the sensitivity of surrenders to changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) *Liquidity risk. (continued)*

Maturity Profile

TABLE 33(E1): The following tables show the expected recovery or settlement of financial and insurance-related assets and maturity profile of the Group's financial and insurance-related liabilities which are presented based on contractual undiscounted cash flows, except for insurance contract liabilities which are presented based on discounted cash outflows resulting from recognised liabilities.

in Singapore Dollars (millions)	Carrying Amount	< 1 Year	1 – 5 Years	> 5 Years	No maturity date	Total
As at 31 December 2021						
FINANCIAL AND INSURANCE-RELATED ASSETS						
Financial assets at FVOCI						
Equity securities	2,202.4	–	–	–	2,202.4	2,202.4
Debt securities	7,493.2	496.9	2,667.5	6,889.3	–	10,053.7
Financial assets at FVTPL						
Equity securities	13,675.6	–	–	–	13,675.6	13,675.6
Debt securities	52,163.6	3,937.3	17,427.3	44,443.0	2,881.9	68,689.5
Other investments	16,685.3	–	–	–	16,685.3	16,685.3
Financial assets at Amortised Cost						
Debt securities	242.3	11.7	46.8	441.5	–	500.0
Derivative financial assets	369.9	220.6	149.3	–	–	369.9
Loans	592.2	211.9	333.2	125.2	–	670.3
Reinsurers' share of insurance contract liabilities						
Insurance receivables	886.7	547.3	257.8	81.6	–	886.7
Other debtors	3,335.6	611.2	348.4	0.6	2,375.4	3,335.6
Cash and cash equivalents	846.3	845.3	0.8	–	0.2	846.3
	9,117.7	9,117.7	–	–	–	9,117.7
	107,610.8	15,999.9	21,231.1	51,981.2	37,820.8	127,033.0
FINANCIAL AND INSURANCE-RELATED LIABILITIES						
Other creditors	1,810.8	1,808.7	1.9	0.2	–	1,810.8
Insurance payables	6,620.6	6,613.4	7.2	–	–	6,620.6
Derivative financial liabilities	111.4	74.5	36.9	–	–	111.4
Provision for agents' retirement benefits	291.3	133.8	58.7	98.8	–	291.3
Insurance contract liabilities	87,638.6	16,023.7	20,017.3	51,590.2	7.4	87,638.6
	96,472.7	24,654.1	20,122.0	51,689.2	7.4	96,472.7

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) *Liquidity risk. (continued)*

Maturity Profile (continued)

TABLE 33(E1): The following tables show the expected recovery or settlement of financial and insurance-related assets and maturity profile of the Group's financial and insurance-related liabilities which are presented based on contractual undiscounted cash flows, except for insurance contract liabilities which are presented based on discounted cash outflows resulting from recognised liabilities (continued).

in Singapore Dollars (millions)	Carrying Amount	< 1 Year	1 – 5 Years	> 5 Years	No maturity date	Total
<i>As at 31 December 2020</i>						
FINANCIAL AND INSURANCE-RELATED ASSETS						
Financial assets at FVOCI						
Equity securities	2,022.3	–	–	–	2,022.3	2,022.3
Debt securities	6,551.3	280.2	2,346.0	5,950.1	–	8,576.3
Financial assets at FVTPL						
Equity securities	13,639.9	–	–	–	13,639.9	13,639.9
Debt securities	50,122.0	3,460.3	14,737.6	44,211.4	1,851.8	64,261.1
Other investments	13,898.8	–	–	–	13,898.8	13,898.8
Financial assets at Amortised Cost						
Debt securities	172.9	8.9	35.6	297.5	–	342.0
Derivative financial assets	764.2	584.0	80.5	99.7	–	764.2
Loans	890.5	201.6	622.8	180.8	–	1,005.2
Reinsurers' share of insurance contract liabilities	2,487.6	1,933.2	389.0	165.4	–	2,487.6
Insurance receivables	3,072.9	640.7	1.7	19.9	2,410.6	3,072.9
Other debtors	983.7	982.7	0.8	–	0.2	983.7
Cash and cash equivalents	9,649.8	9,649.8	–	–	–	9,649.8
	104,255.9	17,741.4	18,214.0	50,924.8	33,823.6	120,703.8
FINANCIAL AND INSURANCE-RELATED LIABILITIES						
Other creditors	2,565.9	2,550.0	6.6	–	0.1	2,556.7
Insurance payables	5,841.7	5,815.8	6.5	–	19.4	5,841.7
Derivative financial liabilities	273.2	190.4	82.7	0.1	–	273.2
Provision for agents' retirement benefits	295.5	127.4	60.5	107.6	–	295.5
Debt issued	400.0	409.2	–	–	–	409.2
Insurance contract liabilities	83,445.6	16,832.4	17,227.5	49,376.3	9.4	83,445.6
	92,821.9	25,925.2	17,383.8	49,484.0	28.9	92,821.9

The Company's financial assets and financial liabilities are not material.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) *Liquidity risk. (continued)*

TABLE 33(E2): The following tables show the current/non-current classification of assets and liabilities:

in Singapore Dollars (millions)	Current*	Non-Current	Unit-linked	Total
As at 31 December 2021				
ASSETS				
Cash and cash equivalents	8,606.2	–	511.5	9,117.7
Other debtors	814.7	39.9	49.9	904.5
Insurance receivables	1,822.5	1,497.5	15.6	3,335.6
Reinsurers' share of insurance contract liabilities	537.4	332.8	16.5	886.7
Loans	194.4	397.8	–	592.2
Derivative financial assets	211.6	149.3	9.0	369.9
Investments	11,616.0	71,825.4	9,021.0	92,462.4
Investment in associate	–	95.2	–	95.2
Intangible assets	35.1	159.9	–	195.0
Property, plant and equipment	67.3	479.7	–	547.0
Investment properties	–	1,883.9	–	1,883.9
	23,905.2	76,861.4	9,623.5	110,390.1
LIABILITIES				
Insurance payables	6,593.1	7.2	20.3	6,620.6
Other creditors	1,779.3	76.3	68.7	1,924.3
Derivative financial liabilities	70.6	35.7	5.1	111.4
Income tax payable	328.6	–	–	328.6
Provision for agents' retirement benefits	22.6	264.0	4.7	291.3
Deferred tax	59.1	2,513.2	6.7	2,579.0
Insurance contract liabilities	6,512.5	72,193.1	9,692.9	88,398.5
	15,365.8	75,089.5	9,798.4	100,253.7

* expected recovery or settlement within 12 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) Liquidity risk. (continued)

TABLE 33(E2): The following tables show the current/non-current classification of assets and liabilities (continued):

in Singapore Dollars (millions)	Current*	Non-Current	Unit-linked	Total
<u>As at 31 December 2020</u>				
<u>ASSETS</u>				
Cash and cash equivalents	9,262.0	–	387.8	9,649.8
Other debtors	861.8	28.7	137.9	1,028.4
Insurance receivables	1,608.8	1,464.1	–	3,072.9
Reinsurers' share of insurance contract liabilities	1,925.9	547.4	14.3	2,487.6
Loans	141.4	749.1	–	890.5
Derivative financial assets	577.2	179.2	7.8	764.2
Investments	12,929.4	65,529.7	7,948.1	86,407.2
Investment in associate	–	96.9	–	96.9
Intangible assets	–	31.2	–	31.2
Property, plant and equipment	67.6	664.2	–	731.8
Investment properties	–	1,767.2	–	1,767.2
	<u>27,374.1</u>	<u>71,057.7</u>	<u>8,495.9</u>	<u>106,927.7</u>
<u>LIABILITIES</u>				
Insurance payables	5,835.3	6.4	–	5,841.7
Other creditors	2,228.4	90.2	386.8	2,705.4
Derivative financial liabilities	183.6	81.5	8.1	273.2
Income tax payable	225.5	–	–	225.5
Provision for agents' retirement benefits	25.1	270.4	–	295.5
Deferred tax	26.8	1,443.8	14.0	1,484.6
Debt issued	400.0	–	–	400.0
Insurance contract liabilities	8,167.9	69,231.6	8,827.8	86,227.3
	<u>17,092.6</u>	<u>71,123.9</u>	<u>9,236.7</u>	<u>97,453.2</u>

* expected recovery or settlement within 12 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(h) **Credit risk.** Credit risk is the risk of loss arising from an obligor failing to discharge an obligation. The Group is mainly exposed to credit risk through (i) investments in cash and bonds, (ii) corporate lending activities and (iii) exposure to counterparty's credit risk in derivative transactions and reinsurance contracts. For all three types of exposures, financial loss may materialise as a result of a downgrading of credit rating or credit default by the borrower or counterparty.

The task of evaluating and monitoring credit risk is undertaken by Local ALCs. Group-wide credit risk is managed by Group ALC. The Group establishes internal limits by issuer and counterparty according to their investment credit rating which are actively monitored to manage the credit and concentration risk, and are reviewed on a regular basis. The creditworthiness of reinsurers is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available information.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is mitigated through counterparty limits that are reviewed and approved on an annual basis.

Credit risk arising from customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated.

The Group issues unit-linked investment policies in which the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Group has no material credit risk or market risk on unit-linked financial assets.

The loans in the Group's portfolio are generally secured by collateral, with a maximum loan-to-value ratio of 70%. The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines on the collateral eligibility have been established, and all collaterals are revalued on a regular basis. Management monitors the market values of collaterals, requests additional collaterals when needed and performs an impairment valuation when applicable. The fair values of collaterals, held by the Group as lender, for which it is entitled to sell or pledge in the event of default is as tabulated below:

in Singapore Dollars (millions)	Type of Collateral	Carrying Amount	Fair Value
As at 31 December 2021			
Secured loans	Properties	394.7	812.2
	Others	0.5	0.5
Policy loans	Cash value of policies	2,355.8	5,115.2
Derivatives	Cash	97.8	97.8
		2,848.8	6,025.7
As at 31 December 2020			
Secured loans	Properties	643.4	1,216.9
	Others	1.0	0.8
Policy loans	Cash value of policies	2,386.8	5,024.1
		3,031.2	6,241.8

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(h) Credit risk. (continued)

There were no securities lending arrangements as at 31 December 2021 (31 December 2020: nil).

As at the balance sheet date, no investments (2020: nil) were placed as collateral for currency hedging purposes.

The following table sets out information about the credit quality of loans and debt securities measured at amortised cost and debt securities measured at FVOCI. The maximum exposure is shown on a gross basis, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives.

For explanation of the terms: '12-month ECL', 'lifetime ECL' and 'credit-impaired', refer to Note 2.11.7.

in Singapore Dollars (millions)	Note	31 December 2021			Total
		12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Loans at amortised cost					
Investment Grade* (BBB to AAA)		479.2	122.0	–	601.2
Not Rated		1.4	–	2.3	3.7
		480.6	122.0	2.3	604.9
Loss allowance	20	(0.9)	(9.5)	(2.3)	(12.7)
Carrying amount		479.7	112.5	–	592.2
Debt securities at amortised cost					
Investment Grade* (BBB to AAA)		244.0	–	–	244.0
		244.0	–	–	244.0
Loss allowance		(1.7)	–	–	(1.7)
Carrying amount		242.3	–	–	242.3
Debt securities at FVOCI					
Investment Grade* (BBB to AAA)		6,066.6	55.9	–	6,122.5
Non Investment Grade* (C to BB)		–	10.7	2.7	13.4
Not Rated		1,357.3	–	–	1,357.3
		7,423.9	66.6	2.7	7,493.2

* Based on internal ratings grades which are equivalent to grades of external rating agencies.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(h) **Credit risk.** (continued)

in Singapore Dollars (millions)	Note	31 December 2020			Total
		12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
<u>Loans at amortised cost</u>					
Investment Grade* (BBB to AAA)		661.7	125.4	–	787.1
Non Investment Grade* (C to BB)		–	–	147.1	147.1
Not Rated		1.3	–	2.2	3.5
		<u>663.0</u>	<u>125.4</u>	<u>149.3</u>	<u>937.7</u>
Loss allowance	20	(1.4)	(3.5)	(42.3)	(47.2)
Carrying amount		<u>661.6</u>	<u>121.9</u>	<u>107.0</u>	<u>890.5</u>
<u>Debt securities at amortised cost</u>					
Investment Grade* (BBB to AAA)		169.1	–	–	169.1
Non Investment Grade* (C to BB)		5.1	–	–	5.1
		<u>174.2</u>	<u>–</u>	<u>–</u>	<u>174.2</u>
Loss allowance		(1.3)	–	–	(1.3)
Carrying amount		<u>172.9</u>	<u>–</u>	<u>–</u>	<u>172.9</u>
<u>Debt securities at FVOCI</u>					
Investment Grade* (BBB to AAA)		6,238.0	33.8	–	6,271.8
Non Investment Grade* (C to BB)		204.2	6.1	1.8	212.1
Not Rated		67.4	–	–	67.4
		<u>6,509.6</u>	<u>39.9</u>	<u>1.8</u>	<u>6,551.3</u>

* Based on internal ratings grades which are equivalent to grades of external rating agencies.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(h) *Credit risk. (continued)*

The following table sets out the credit analysis for financial assets that are not subjected to ECL:

in Singapore Dollars (millions)	Investment Grade* (BBB to AAA)	Non Investment Grade* (C to BB)	Not Rated	Unit-linked	Not subject to credit risk	Total carrying amount
As at 31 December 2021						
Financial assets at FVOCI						
Equity securities	-	-	-	-	2,202.4	2,202.4
Financial assets at FVTPL						
Equity securities	-	-	-	3,663.7	10,011.9	13,675.6
Debt securities	43,170.7	2,275.8	5,141.4	1,575.7	-	52,163.6
Other investments	-	-	-	3,781.6	12,903.7	16,685.3
Derivative financial assets	349.7	-	11.2	9.0	-	369.9
Reinsurers' share of insurance contract liabilities						
liabilities	-	-	870.2	16.5	-	886.7
Insurance receivables	620.0	-	2,700.0	15.6	-	3,335.6
Other debtors	6.0	0.6	792.2	47.5	-	846.3
Cash and cash equivalents	8,490.7	-	115.5	511.5	-	9,117.7
	52,637.1	2,276.4	9,630.5	9,621.1	25,118.0	99,283.1
As at 31 December 2020						
Financial assets at FVOCI						
Equity securities	-	-	-	-	2,022.3	2,022.3
Financial assets at FVTPL						
Equity securities	-	-	-	3,304.7	10,335.2	13,639.9
Debt securities	40,845.5	2,024.1	5,645.1	1,607.3	-	50,122.0
Other investments	-	-	-	3,403.8	10,495.0	13,898.8
Derivative financial assets	747.0	-	9.6	7.6	-	764.2
Reinsurers' share of insurance contract liabilities						
contract liabilities	-	-	2,487.6	-	-	2,487.6
Insurance receivables	6.6	-	3,058.5	7.8	-	3,072.9
Other debtors	5.1	0.5	721.4	256.7	-	983.7
Cash and cash equivalents	9,129.3	-	96.4	424.1	-	9,649.8
	50,733.5	2,024.6	12,018.6	9,012.0	22,852.5	96,641.2

The Company's financial assets are not material.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(h) **Credit risk.** *(continued)*

Amounts arising from Expected Credit Losses ("ECL")

ECL provisioning is the setting of allowance for credit-impaired and non-credit impaired exposure in accordance to SFRS (I) 9 through forward-looking ECL models.

Measurement of ECL – Explanation of inputs, assumptions and estimation techniques

The key inputs into the measurement of ECL are the following variables:

- probability of default ('PD');
- loss given default ('LGD'); and
- exposure at default ('EAD').

These parameters are derived from statistical models internally developed by the Group.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ('12M PD'), or over the remaining lifetime ('Lifetime PD') of the obligation. PD estimates are derived from PD models that incorporate both quantitative and qualitative inputs, which are in turn derived from internal and external compiled data.

LGD is the magnitude of the likely loss incurred during a default. LGD is expressed as a percentage of loss per unit of exposure at the time of default and represents an estimate of the economic loss in the event of the default of the counterparty. Factors in determining LGDs include claim seniority, availability and quality of collateral, legal enforceability processes in the jurisdiction and industry of borrower and prevailing market conditions. They are estimates at a certain date and are derived using statistical models. These statistical models are developed using internally compiled data and incorporate both quantitative and qualitative factors. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

EAD represents the expected exposure in the event of a default. The Group derives the EAD based on the current exposure to the counterparty and potential future exposure.

The ECL is determined by PD, LGD and EAD for each individual exposure. The ECLs are first determined from the product of these three components, which are then adjusted for forward-looking information. The ECLs are finally discounted to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Significant increase in credit risk

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information, which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

A movement of an obligor's credit rating along the rating scale represents a change in the credit risk as measured by the change in PD.

The criteria for assessing whether credit risk has increased significantly will be determined by both quantitative changes in 12M PDs and qualitative factors. The credit risk of an obligor is deemed to have increased significantly since initial recognition if, based on the Group's quantitative model, the 12M PD is determined to have more than doubled since origination, except when the obligor remains within the investment grade ratings.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(h) *Credit risk. (continued)*

Significant increase in credit risk (continued)

Using expert credit judgment and, where possible, relevant historical experience, the Group may determine that an obligor has undergone a significant increase in credit risk based on qualitative factors that are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The Group uses the watch-list as an additional trigger for the identification of significant increase in credit risk.

The Group considers an obligor to have relatively lower credit risk if it is of investment grade quality, taking into account both internal and external credit ratings.

Credit risk grades

The Group assigns each obligor to a credit risk grade that reflects the PD of the obligor. Credit risk grades are established based on qualitative and quantitative factors that are indicative of default risk. These factors vary depending on the nature of the exposure and the type of counterparty.

Credit risk grades are defined and calibrated such that the default risk increases as credit risk deteriorates. Each exposure is assigned with a credit risk grade at initial recognition, based on available information on the borrower. Obligors are subject to ongoing monitoring and review, and may be assigned with new credit risk grades that better reflects their creditworthiness. The monitoring typically involves the use of information obtained during periodic review, including published financial statements, external rating (where available), as well as qualitative information on an obligor's industry, competitive positioning, management, financial policy and financial flexibility.

Definition of default

The Group considers a financial asset to be in default by assessing the following criteria:

Quantitative criteria

For insurance receivables, the obligor is said to be in default if it fails to make contractual payments within 6 months after it falls due (i.e. after expiration of the maximum granted credit terms). For bonds and loans, the obligor is said to be in default if it fails to meet its contractual obligation and there are non-payments on another debt obligation of the same issuer to the Group.

Qualitative criteria

The counterparty is in bankruptcy or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty; distressed exchange, merger or amalgamation without assumption or breach of material loan covenants not rectified within a given timeframe, restructuring with expected principal haircut or a breach in material loan covenant that is not rectified within given timeframe.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected loss calculations.

Incorporating of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and in its ECL measurement. The Group has performed historical analysis and identified key economic variables impacting credit risk and ECLs for each portfolio.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(h) *Credit risk. (continued)*

Incorporating of forward-looking information (continued)

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are obtained from publicly available economic databases published on a quarterly basis and provide the best estimate view of the economy over the next four to five years, and based on such information to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach is used. The impact of these economic variables on PDs, EADs and LGDs has been determined via regression analyses.

In addition to the base economic scenario, the Group uses multiple scenarios to ensure non-linear risks are captured. The number of scenarios and their attributes are reviewed at each reporting date. At 31 December 2021, for all portfolios, the Group concluded that two particular scenarios are capable of capturing non-linear risks inherent in all portfolios. The scenario weightings are determined by expert credit judgement, taking into account the range of possible outcomes the chosen scenario is representative of. The assessment of significant increase in credit risk is performed using the 12M PD under each of the scenarios multiplied by the associated scenario weights. This determines whether the whole financial instrument is in Stage 1, 2 or 3, and hence whether 12M or lifetime ECL should be applied. Following this assessment, the Group measures ECL as either a probability-weighted 12M ECL (Stage 1), or a probability-weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of uncertainty and the actual outcomes may be significantly different from projected outcomes. The Group considers these forecasts being representative of the best estimates of the possible outcomes and has analysed the non-linear risks and asymmetries within the various portfolios of the Group to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Group for the year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(h) Credit risk. (continued)

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

in Singapore Dollars (millions)	Note	31 December 2021			Total
		12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
Loans at amortised cost					
Balance at the beginning of the year		1.4	3.5	42.3	47.2
Net remeasurement of loss allowance		0.3	0.8	(4.0)	(2.9)
New financial assets purchased		0.1	–	–	0.1
Financial assets that have been derecognised		(0.3)	–	–	(0.3)
Write-offs		–	–	(36.0)	(36.0)
Changes in models/risk parameters		(0.6)	5.2	–	4.6
Balance at the end of the year	20	0.9	9.5	2.3	12.7
Debt securities at Amortised Cost					
Balance at the beginning of the year		1.3	–	–	1.3
Net remeasurement of loss allowance		(0.4)	–	–	(0.4)
New financial assets purchased		0.3	–	–	0.3
Changes in models/risk parameters		0.5	–	–	0.5
Balance at the end of the year		1.7	–	–	1.7
Debt securities at FVOCI					
Balance at the beginning of the year		10.8	1.2	2.8	14.8
Transfer to 12-month ECL		(0.2)	0.2	–	–
Additional losses due to transfer		–	1.0	–	1.0
Net remeasurement of loss allowance		(0.4)	–	–	(0.4)
New financial assets purchased		2.7	–	–	2.7
Financial assets that have been derecognised		(2.5)	(0.1)	–	(2.6)
Changes in models/risk parameters		(3.2)	2.1	–	(1.1)
Balance at the end of the year		7.2	4.4	2.8	14.4
Increase/(decrease) in provision for impairment of financial assets for the year	7	(3.7)	9.2	(4.0)	1.5

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(h) Credit risk. (continued)

Loss allowance (continued)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. (continued)

in Singapore Dollars (millions)	Note	31 December 2020			Total
		12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Loans at amortised cost					
Balance at the beginning of the year		0.7	4.6	42.3	47.6
Transfer to 12-month ECL		0.5	(0.5)	–	–
(Decrease)/increase in losses due to transfer		(0.3)	–	–	(0.3)
Net remeasurement of loss allowance		(0.1)	(0.6)	–	(0.7)
New financial assets purchased		0.1	1.1	–	1.2
Financial assets that have been derecognised		(0.2)	(0.3)	–	(0.5)
Changes in models/risk parameters		0.7	(0.8)	–	(0.1)
Balance at the end of the year	20	1.4	3.5	42.3	47.2
Debt securities at Amortised Cost					
Balance at the beginning of the year		0.7	–	–	0.7
New financial assets purchased		0.2	–	–	0.2
Changes in models/risk parameters		0.4	–	–	0.4
Balance at the end of the year		1.3	–	–	1.3
Debt securities at FVOCI					
Balance at the beginning of the year		5.8	1.6	2.8	10.2
Transfer to 12-month ECL		0.1	(0.1)	–	–
Additional loss due to transfer		(0.2)	0.2	–	–
Net remeasurement of loss allowance		0.2	(0.2)	–	–
New financial assets purchased		5.7	–	–	5.7
Financial assets that have been derecognised		(6.7)	(0.2)	–	(6.9)
Changes in models/risk parameters		5.9	(0.1)	–	5.8
Balance at the end of the year		10.8	1.2	2.8	14.8
Increase/(decrease) in provision for impairment of financial assets for the year	7	6.3	(1.5)	–	4.8

The carrying amount of outstanding premiums as at 31 December 2021 is \$663.3 million (31 December 2020: \$563.7 million). The ECL relating to outstanding premiums as at 31 December 2021 was \$8.0 million (2020: \$8.5 million) for the Group. The changes in credit loss recognised in the Profit or Loss Statement during the period was \$0.5 million (31 December 2020: \$4.2 million).

The changes in risk parameters may consist of management overlays, including but not limited to, the application of judgement to :

- i) key economic variables including GDP growth projections,
- ii) scenario weightings,
- iii) obligor's credit rating to reflect a deterioration to credit risk,
- iv) take into consideration government relief programmes, or
- v) events arisen after post-model-run that require adjustment.

Loss allowances are reviewed quarterly, taking into consideration the adequacy of key variables.

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

- (i) **Concentration risk.** An important element of managing both market and credit risks is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place to manage concentration risk. These limits are reviewed on a regular basis by the respective management committees. The Group's exposures are within the concentration limits set by the respective local regulators.

The Group actively manages its investment mix to ensure that there is no significant concentration in market and credit risk.

- (j) **Sensitivity analysis on financial risks.** The sensitivity analysis below shows the impact on the Group's net profit after tax by applying possible shocks to each key variables, with all other variables constant. Co-movement of key variables can significantly affect the fair values and/or amortised cost of financial assets. To demonstrate the impact due to changes in each key variable, the variables are changed individually.

The impact on net profit after tax represents the effect caused by changes in fair value of financial assets whose fair values are recorded in the Profit or Loss Statement, and changes in valuation of insurance contract liabilities. The equity sensitivity represents the impact on net profit after tax and the effect on changes in fair value of financial assets measured at FVOCI.

Market risk sensitivity analysis:

in Singapore Dollars (millions)	Impact on Profit After Tax		Impact on Equity	
	2021	2020	2021	2020
Change in variables:				
(a) Interest rate				
+ 50 basis points	50.8	105.7	(192.6)	(120.1)
- 50 basis points	(117.5)	(179.8)	144.7	63.8
(b) Foreign Currency				
5% increase in market value of RM denominated assets	0.1	0.1	0.1	0.1
5% decrease in market value of RM denominated assets	(0.1)	(0.1)	(0.1)	(0.1)
5% increase in market value of USD denominated assets	0.7	(0.1)	0.7	(0.1)
5% decrease in market value of USD denominated assets	(0.7)	0.1	(0.7)	0.1
(c) Equity				
20% increase in market indices:				
- STI	51.3	49.4	129.9	113.6
- KLCI	-	0.1	34.6	40.9
20% decrease in market indices:				
- STI	(51.3)	(49.4)	(129.9)	(113.6)
- KLCI	-	(0.1)	(34.6)	(40.9)

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(j) Sensitivity analysis on financial risks. (continued)

Market risk sensitivity analysis (continued):

in Singapore Dollars (millions)	Impact on Profit After Tax		Impact on Equity	
	2021	2020	2021	2020
Change in variables (continued):				
(d) Credit				
Spread + 100 basis points	(165.2)	(112.0)	(487.3)	(436.8)
Spread – 100 basis points	208.4	140.4	583.6	520.0
(e) Alternative Investments⁽¹⁾				
10% increase in market value of all alternative investments	72.1	74.2	73.9	76.0
10% decrease in market value of all alternative investments	(72.1)	(74.2)	(73.9)	(76.0)

⁽¹⁾ Alternative Investments comprise investments in real estate, private equity, infrastructure and hedge funds.

The method for deriving sensitivity information and significant variables did not change from the previous year.

Operational and Compliance Risk

Operational risk is an event or action that may potentially impact partly or completely the achievement of the organisation's objectives resulting from inadequate or failed internal processes and systems, human factors, or external events.

Compliance risk is any event or action that may potentially impact partly or completely the achievement of the organisation's objectives, as a result of its failure to comply with the following applicable laws, regulations and standards:

- local laws, regulations and rules governing licensed activities undertaken by Great Eastern;
- foreign laws, regulations and rules that have extraterritorial jurisdiction over Great Eastern's licensed activities;
- codes of practice promoted by industry associations of which Great Eastern are members of; and
- any other applicable regulations which do not specifically govern the licensed activities undertaken by Great Eastern but can expose the organisation to legal, regulatory or reputational loss.

The day-to-day management of operational and compliance risk is through the maintenance of comprehensive internal control frameworks, supported by an infrastructure of systems and procedures to monitor processes and transactions. GMC reviews operational and compliance issues on a group basis at its monthly meetings while local level issues are managed and monitored by the local SMTs. The Internal Audit team reviews the systems of internal controls to assess their ongoing relevance and effectiveness, and reports at least quarterly to the Audit Committee.

Technology, Information and Cyber Risks

Technology risk is defined as risk related to any potential adverse outcome, damage, loss, disruption, violation, system/hardware failure, capacity deficiency arising from the use of technologies such as electronic hardware/ devices, software, online networks and telecommunications systems.

Information Risk is defined as risk related to confidentiality, integrity and availability of information (in physical or digital form).

NOTES TO THE FINANCIAL STATEMENTS

33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Technology, Information and Cyber Risks (continued)

Cyber Risk is defined as risk related to acts perpetrated by malicious threat actors including internal sabotage, espionage, malicious attacks, hacking incidents, fraudulent conduct using information and communication technologies.

Great Eastern adopts a risk based approach in managing technology, information and cyber risks relating to cyber-attacks, data loss/leakage, deficiency in change management, emerging technology, inadequate vendor management, inferior system acquisition and development, network security vulnerability, privilege access misuse, system security vulnerability, system unavailability and technology obsolescence. Key risk indicators related to technology, information and cyber risks are reported to the Board on a regular basis. Independent assessment is performed by Internal Audit for its adequacy and effectiveness.

34 FAIR VALUE OF ASSETS AND LIABILITIES

34.1 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. Investment in associate is transferred out of Level 2 to Level 3 during financial year ended 31 December 2021 as the valuation inputs were not based on market observable inputs.

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

34.2 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 year:

in Singapore Dollars (millions)	Group 2021			Total
	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)	
As at 31 December 2021				
Recurring Fair Value Measurements				
FINANCIAL ASSETS				
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
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
	56,453.4	23,366.1	2,705.0	82,524.5
Financial assets as at 31 December 2021	64,563.5	25,294.5	2,732.0	92,590.0

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

34.2 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 year (continued):

in Singapore Dollars (millions)	Group 2021			Total
	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)	
As at 31 December 2021				
Recurring Fair Value Measurements				
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,883.9	1,883.9
Investment in associate	-	-	95.2	95.2
Non-financial assets as at 31 December 2021	-	-	1,979.1	1,979.1
FINANCIAL LIABILITIES				
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	2.8	108.6	-	111.4

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

34.2 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 year (continued):

in Singapore Dollars (millions)	Group 2020			Total
	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)	
<u>As at 31 December 2020</u>				
<u>Recurring Fair Value Measurements</u>				
<u>FINANCIAL ASSETS</u>				
Derivative financial assets				
Foreign exchange				
Forwards	–	311.3	–	311.3
Currency swaps	–	78.7	–	78.7
Options	–	14.2	–	14.2
Interest rates				
Swaps	–	91.6	–	91.6
Exchange traded futures	1.0	–	–	1.0
Equity				
Swaps	–	233.6	–	233.6
Futures	6.2	–	–	6.2
Options	–	27.6	–	27.6
	7.2	757.0	–	764.2
Financial assets at FVOCI				
Equity securities	1,993.5	–	28.8	2,022.3
Debt securities	4,256.3	2,295.0	–	6,551.3
	6,249.8	2,295.0	28.8	8,573.6
Financial assets at FVTPL				
Equity securities	13,494.8	4.2	140.9	13,639.9
Debt securities	27,883.7	22,238.3	–	50,122.0
Other investments	7,926.1	3,907.6	2,065.1	13,898.8
	49,304.6	26,150.1	2,206.0	77,660.7
Financial assets as at 31 December 2020	55,561.6	29,202.1	2,234.8	86,998.5

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

34.2 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 year (continued):

	Group 2020			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)	
<u>As at 31 December 2020</u>				
<u>Recurring Fair Value Measurements</u>				
<u>NON-FINANCIAL ASSETS</u>				
Investment properties	–	–	1,767.2	1,767.2
Investment in associate	–	96.9	–	96.9
Non-financial assets as at 31 December 2020	–	96.9	1,767.2	1,864.1
<u>FINANCIAL LIABILITIES</u>				
<u>Foreign exchange</u>				
Forwards	–	155.9	–	155.9
Currency swaps	–	102.9	–	102.9
Options	–	6.3	–	6.3
<u>Interest rates</u>				
Swaps	–	0.5	–	0.5
Exchange traded futures	0.2	–	–	0.2
<u>Equity</u>				
Swaps	–	2.2	–	2.2
Futures	5.2	–	–	5.2
Financial liabilities as at 31 December 2020	5.4	267.8	–	273.2

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

34.3 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 2021	Valuation techniques	Unobservable inputs	Range (weighted average)
Investment properties	1,883.9	Income approach	Rental per square foot ("psf") per month	\$0.81 to \$1.75
			Rental growth rate	0.00%
			Long-term vacancy rate	12.5%
			Discount rate	5.75% to 6.00%
			Comparison approach	Estimated psf
Investment in associate	95.2	Income approach	Discount rate	30% to 40%
Investments				
Unquoted equities	51.5	Net asset value ⁽¹⁾	not applicable	not applicable
Collective Investment Schemes	2,680.5	Net asset value ⁽¹⁾	not applicable	not applicable
Description	Fair value as at 31 December 2020	Valuation techniques	Unobservable inputs	Range (weighted average)
Investment properties	1,767.2	Income approach	Rental psf per month	\$0.77 to \$1.91
			Rental growth rate	12.50%
			Long-term vacancy rate	7.5%
			Discount rate	6.00% to 6.25%
			Comparison approach	Estimated psf
Investments				
Unquoted equities	169.7	Net asset value ⁽¹⁾	not applicable	not applicable
Collective Investment Schemes	2,065.1	Net asset value ⁽¹⁾	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.

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

34.3 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 method, the income method and the residual method. The major inputs of the valuation of investment properties are reviewed by management. GE Property 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):

in Singapore Dollars (millions)	Group				
	Fair value measurements using significant unobservable inputs (Level 3)				
	31 December 2021				
	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 the Profit or Loss Statement					
– Gain/(loss) on sale of investments and changes in fair value	(116.4)	80.8	(1.7)	84.3	47.0
Included in other comprehensive income					
– 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

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

34.3 Level 3 Fair Value Measurements (continued)

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

in Singapore Dollars (millions)	Group			
	Fair value measurements using significant unobservable inputs (Level 3)			
	31 December 2020			
	Investments			Total
Unquoted equities	Collective Investment Schemes	Investment Properties		
Opening balance	143.0	1,844.3	1,785.5	3,772.8
Total gain/(loss) for the year:				
Included in the Profit or Loss Statement				
– Gain/(loss) on sale of investments and changes in fair value	32.5	45.7	(19.1)	59.1
Included in other comprehensive income				
– Changes in fair value	(5.7)	–	–	(5.7)
Purchases and sales for the year:				
Purchases	–	292.2	–	292.2
Sales	(0.1)	(117.1)	–	(117.2)
Reclassification from property, plant and equipment	–	–	0.1	0.1
Currency translation reserve adjustment	–	–	0.7	0.7
Closing balance	169.7	2,065.1	1,767.2	4,002.0

NOTES TO THE FINANCIAL STATEMENTS

34 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

34.4 Assets and Liabilities Not Carried at Fair Value but for which Fair Value is Disclosed

The following table shows an analysis of the Group's assets and liabilities not measured at fair value but for which fair value is disclosed:

in Singapore Dollars (millions)	Group			Total	Carrying Amount
	31 December 2021				
	Fair value measurements at the end of the reporting year using				
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)		
Assets					
Loans	–	604.1	–	604.1	592.2
Freehold land, leasehold land and buildings	–	–	844.6	844.6	398.8
Liabilities					
Debt issued	400.5	–	–	400.5	400.0

in Singapore Dollars (millions)	Group			Total	Carrying Amount
	31 December 2020				
	Fair value measurements at the end of the reporting year using				
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)		
Assets					
Loans	–	949.3	–	949.3	890.5
Freehold land, leasehold land and buildings	–	–	835.3	835.3	412.8
Liabilities					
Debt issued	400.5	–	–	400.5	400.0

NOTES TO THE FINANCIAL STATEMENTS

35 DIVIDENDS

in Singapore Dollars (millions)	Group and Company	
	2021	2020
Final one-tier tax exempt dividend for the previous year of 50 cents per ordinary share (2020: 50 cents per ordinary share)	236.7	236.7
Interim one-tier tax exempt dividend of 10 cents per ordinary share (2020: 10 cents per ordinary share)	47.3	47.3
	284.0	284.0

The Directors proposed a final one-tier tax exempt dividend of 55 cents per ordinary share amounting to \$260.3 million (2020: \$236.7 million) be paid in respect of the financial year ended 31 December 2021. 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.

36 EVENTS AFTER THE REPORTING PERIOD

Underlying headwinds from the COVID-19 pandemic are expected to persist as the timing of its eradication remains uncertain. Major central banks' anticipated tightening of monetary policy, growing inflation concerns and geopolitical tensions are key factors which may impact the performance of the Group. We expect continued volatility in the financial markets, resulting in fluctuations in the mark-to-market valuation of our assets and liabilities, which will impact our profit. 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.

37 AUTHORISATION OF FINANCIAL STATEMENTS

At the Board of Directors' Meeting held on 21 February 2022, the Board authorised these financial statements for issue and that two Directors of the Board, Mr Koh Beng Seng and Mr Kyle Lee, sign the Directors' Report on behalf of the Board.

LIST OF MAJOR PROPERTIES

Location	Tenure	Site Area (sq m)	Gross Floor Area (sq m)	Purpose
SINGAPORE PROPERTIES – 100% HELD BY THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED:				
Great Eastern Centre 1 Pickering Street	99 years leasehold (Expiry date: 31 August 2096)	6,600	21,515 (strata area excluding voids)	Commercial – Offices
Great Eastern @ Changi 200 Changi Road	Freehold	2,997	10,891	Commercial – Offices
Holland GEMS 1, 3 & 5 Taman Nakhoda	Freehold	8,685	13,895	Residential – 64-unit condominium
Gallop Court 6, 6A, 6B Gallop Road	Freehold	8,225	5,565	Residential – 25-unit condominium
Gallop Gardens 1, 1A, 1B, 1C, 3, 3A, 3B, 3C Tyersall Road	Freehold	12,636	4,805	Residential – 8-unit-Good Class Bungalows
Newton GEMS 50, 52 & 54 Newton Road Lot 660 TS 28, Newton Road and Lot 56 TS 28, Lincoln Road	Freehold 999 years leasehold (Expiry date: 12 February 2884)	2,809 6,945	28,819	Residential – 190-unit condominium
3 Pickering Street	99 years leasehold (Expiry date: 31 August 2096)	7,086		
Orchard Gateway @ Emerald 216 & 218 Orchard Road	Freehold	1,444	9,733	Commercial – Retail & Offices (including adjoining conservation shophouse)
MALAYSIA PROPERTIES – 100% HELD BY GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD:				
Menara Great Eastern/ Great Eastern Mall 303, Jalan Ampang, Kuala Lumpur	Freehold	25,600	149,464	Commercial – Retail & Offices
Menara Great Eastern 2 50, Jalan Ampang, Kuala Lumpur	Freehold	2,179	23,948	Commercial – Offices
68, Jalan Ampang, Kuala Lumpur	Freehold	700	2,128	Commercial – Offices
Seri Hening Residence 28, Jalan Ampang Hilir, Kuala Lumpur	Freehold	21,484	53,111	Residential – Condominiums
Shell Garden, Port Dickson, Negeri Sembilan	Freehold	16,349	–	Residential land
65, Jalan Gaya, Kota Kinabalu, Sabah	99 years leasehold (Expiry date: 31 December 2093)	718	10,050	Commercial – Offices
25, Light Street, Penang	Freehold	4,841	13,225	Commercial – Offices
No. 103, 105, 107 & 109, Jalan Yam Tuan, Seremban, Negeri Sembilan	Freehold	980	5,821	Commercial – 5-storey Retail & Offices
Lot Q169-Q173, Plz Mahkota, Melaka	99 years leasehold (Expiry date: 18 July 2101)	531	2,127	Commercial – 4-storey Retail & Offices

LIST OF MAJOR PROPERTIES

Location	Tenure	Site Area (sq m)	Gross Floor Area (sq m)	Purpose
MALAYSIA PROPERTIES – 100% HELD BY GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD:				
25, Jalan Dato Lim Hoe Lek, Kuantan, Pahang	99 years leasehold (Expiry date: 2 September 2093)	507	1,487	Commercial – 3-storey shopoffice
Menara Weld/The Weld 76, Jalan Raja Chulan, Kuala Lumpur	Freehold	6,404	75,126	Commercial – 30-storey building with a 4-level basement, 5 levels of shopping & 26 floors of office
113, Jalan Tun Haji Openg, Kuching, Sarawak	837 years leasehold (Expiry date: 31 December 2774)	3,359	196	Residential – 1-storey detached house
Nos. 10a to 10i, Jalan Brooks Drive, Sibul, Sarawak	Leasehold (Expiry date: 31 December 2923)	1,015	3,850	9 units of 4-storey shophouses
Lot 48, 49, 50 & 51 Greentown Avenue, Ipoh, Perak	99 years leasehold (Title pending)	strata title	3,095	4 units of 4-storey shopoffices
Lot 72342 Mutiar Damansara	Freehold	4,490	–	Vacant commercial land
52 & 54, Jalan Ampang, Kuala Lumpur	Freehold	1,209	3,268	Commercial – Offices
Blok A, Komersil Southkey Mozek, Persiaran Southkey 1, Kota Southkey, Johor Bahru, Johor	99 years leasehold	strata title	5,565	Commercial – 4-storey shopoffice
Equatorial Plaza Jalan Sultan Ismail, Kuala Lumpur	Freehold	strata title	51,873	Commercial – Offices
INDONESIA PROPERTIES – 100% HELD BY P.T. GREAT EASTERN LIFE INDONESIA:				
Menara Karya Building Jl. HR. Rasuna Said Blok X-5, Kav. 1-2, Setiabudi Kuningan, Jakarta Selatan 12950	Freehold	6,109	1,318	Commercial – Offices

ADDITIONAL INFORMATION

Required under the Listing Manual of the Singapore Exchange Securities Trading Limited

1. INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year under review:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) \$ million	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$ million
OCBC Group of Companies			
– E2 Power Pte. Ltd.: • Data centre facilities and data analytic services	Each interested person is an associate of the Company's controlling shareholder, Oversea-Chinese Banking Corporation Limited ("OCBC")	6.743	NA
– E2 Power Sdn. Bhd.: • Data centre facilities, network facilities and shared services	Overseas-Chinese Banking Corporation Limited ("OCBC")	0.597	NA
– Lion Global Investors Limited: • Internal audit services		0.115	NA
– OCBC Property Services Private Limited: • Lease of premises at OCBC Centre		1.271	NA
– OCBC: • Subsidy fee payment to OCBC for agency premium financing applications	Controlling shareholder of the Company	6.661	NA
• Cyber security operation centre		0.183	NA
• Share of financial protection specialists, and bancassurance specialists costs		1.215	NA

2. MATERIAL CONTRACTS

Since the end of the previous financial year, no material contract involving the interest of any Director, the Chief Executive Officer or any controlling shareholder of the Company has been entered into by the Company or any of its subsidiary companies, and no such contract subsisted as at 31 December 2021, save as disclosed above, in the Directors' Statement and in the financial statements for the financial year ended 31 December 2021.

SHAREHOLDING STATISTICS

As at 1 March 2022

CLASS OF SHARES

Ordinary shares

VOTING RIGHTS

1 vote per share (other than treasury shares and subsidiary holdings, which are treated as having no voting rights)

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
1 – 99	42	1.46	739	0.00
100 – 1,000	1,628	56.45	1,008,868	0.21
1,001 – 10,000	949	32.91	3,279,264	0.69
10,001 – 1,000,000	255	8.84	19,913,620	4.21
1,000,001 and above	10	0.35	449,116,578	94.89
Total	2,884	100.00	473,319,069	100.00

Number of issued shares	:	473,319,069
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares	:	Nil

Note:

"Subsidiary holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	% ⁽¹⁾
1	Citibank Nominees Singapore Pte Ltd	420,827,331	88.91
2	HSBC (Singapore) Nominees Pte Ltd	11,839,046	2.50
3	Wong Hong Sun	3,201,000	0.68
4	DBS Nominees (Private) Limited	3,135,393	0.66
5	Kuchai Development Berhad	3,032,000	0.64
6	Wong Hong Yen	2,009,868	0.42
7	Sungei Bagan Rubber Company (Malaya) Berhad	1,733,120	0.37
8	Shaw Vee Meng	1,204,000	0.25
9	Raffles Nominees (Pte.) Limited	1,098,020	0.23
10	Shaw Vee Foong	1,036,800	0.22
11	Maybank Securities Pte. Ltd.	804,400	0.17
12	OCBC Securities Private Limited	801,802	0.17
13	Yeo Kok Seng	795,100	0.17
14	Lee Hak Heng	728,150	0.15
15	United Overseas Bank Nominees (Private) Limited	618,324	0.13
16	BPSS Nominees Singapore (Pte.) Ltd.	523,429	0.11
17	Thia Cheng Song	520,000	0.11
18	Yeap Holdings (Pte.) Limited	487,238	0.10
19	Yeo Wei Yan	478,300	0.10
20	Svasti Daniel Yoke Kwong Patanadej	469,540	0.10
Total		455,342,861	96.19

Note:

(1) Based on 473,319,069 issued shares as at 1 March 2022.

SHAREHOLDING STATISTICS

As at 1 March 2022

Substantial Shareholder	Direct Interest No. of Shares	Deemed Interest No. of Shares	Total Interest No. of Shares	% of Issued Shares ⁽¹⁾
Oversea-Chinese Banking Corporation Limited	416,010,959 ⁽²⁾	74,000 ⁽³⁾	416,084,959	87.91

Notes:

(1) Based on 473,319,069 issued shares as at 1 March 2022.

(2) Shares registered in the name of Citibank Nominees Singapore Pte Ltd.

(3) Oversea-Chinese Banking Corporation Limited is deemed to have an interest in 7,000 shares held by its subsidiary, BOS Trustee Limited, as trustee of Kudzu Trust, and 67,000 shares held by its subsidiary, BOS Trustee Limited as trustee of The SOME Trust.

Based on information available to the Company as at 1 March 2022, approximately 12% of the issued ordinary shares of the Company are held by the public, and therefore Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

MANAGEMENT TEAM

GROUP AND SINGAPORE

Great Eastern Holdings Limited The Great Eastern Life Assurance Company Limited Great Eastern General Insurance Limited

Khor Hock Seng
Group Chief Executive Officer

Ronnie Tan
Group Chief Financial Officer

Dato Koh Yaw Hui
Chief Executive Officer (Malaysia)

Jimmy Tong
Managing Director, General and Group
Insurance

Patrick Peck
Managing Director, Regional Agency/
FA and Bancassurance

Clement Lien
Chief Executive Officer (Indonesia)

Ryan Cheong
Managing Director, Digital for Business

Leslie Teo
Managing Director, Data and Strategic
Transformation

Colin Chan
Managing Director, Group Marketing

Kate Chiew
Group Chief Risk Officer

Jennifer Wong Pakshong
Group Company Secretary and
General Counsel

Gary Teh
Managing Director,
Group Information Technology

James Lee
Managing Director, Group Human
Capital

Patrick Kok
Managing Director, Group Operations

Jeffrey Lowe
Group Chief Internal Auditor

Jesslyn Tan
Chief Executive Officer, Great Eastern
Financial Advisers

Tan Eng Yau
Appointed Actuary, Great Eastern Life
and Great Eastern General

Toh Yun Ying
Certifying Actuary, Great Eastern
General

MALAYSIA

Great Eastern Life Assurance (Malaysia) Berhad

Dato Koh Yaw Hui
Chief Executive Officer

Loke Chang Yueh
Chief Financial Officer

Jeffrey Yem
Chief Operations Officer

Nicholas Kua
Chief Marketing Officer

Alexis Jong
Chief Investment Officer

Audra Chung
Chief Internal Auditor

Chan Chee Wei
Head, Bancassurance

Chan Chia Khaw
Appointed Actuary

Vincent Chin
Head, Information Technology

Liza Hanim Binti Zainal Abidin
Head, Company Secretary and Legal

Dennis Tan
Head, Human Capital

Teo Chun Seng
Head, Risk Management

Helen Quat
Head, Compliance

MANAGEMENT TEAM

Great Eastern General Insurance (Malaysia) Berhad

Ng Kok Kheng
Chief Executive Officer

Khoo Sook Hooi
Chief Financial Officer

Chong Kah Lay
Head, Corporate Distribution

Goh Ching On
Head, Claims Management

Chong Wan Leng
Appointed Actuary

William Tan Wee Leng
Head, Agency Distribution

Great Eastern Takaful Berhad

Shahrul Azlan Shahrman
Chief Executive Officer

Jasveen Kaur Marne
Chief Financial Officer

Allen Tan Chee Keong
Head, Operations

Borhanudin Samsudin
Head, Agency Distribution

Mohd Khalid Khairullah
Appointed Actuary

Norazlin Mohd Dahari
Head, Corporate Takaful Business

Raja Mazlena Raja Aziz
Head, Legal, Secretarial and Shariah

Razali Kipli
Head, Human Capital

Jennifer Ng Abdullah
Head, Partnership Distribution

Nurul Sheila Khalib
Head, Marketing

INDONESIA

PT Great Eastern Life Indonesia

Clement Lien
President Director & CEO

Fauzi Arfan
Finance Director

Yungki Aldrin
Compliance Director

Nina Ong
Bancassurance Director

Lim Choon Hui
IT Director

R. Daniel Herjun Putranto
Head, Group Insurance and Affinity
Division

Suryati
Head, Operations

Roy Hendrata Gozalie
Head, Marketing

PT Great Eastern General Insurance Indonesia

Aziz Adam Sattar
President Director

Andy Soen
Finance Director

Linggawati Tok
Marketing Director

Lee Pooi Hor
Operations Director

BRUNEI

The Great Eastern Life Assurance Company Limited

Patrick Ng
Head, Brunei Office

CHINA

The Great Eastern Life Assurance Company Limited Beijing Representative Office

Ryan Cheong
Authorised Representative

Ada Zhou
Chief Representative

MYANMAR

The Great Eastern Life Assurance Co., Ltd. Great Eastern General Insurance Limited Myanmar Representative Office

Jimmy Tong
Chief Representative

GROUP NETWORK

SINGAPORE

Great Eastern Holdings Limited
The Great Eastern Life Assurance
Company Limited
Great Eastern General Insurance Limited

1 Pickering Street #01-01
 Great Eastern Centre
 Singapore 048659
 Tel: +65 6248 2888
 Website: www.greateasternlife.com
 E-mail: wecare-sg@greateasternlife.com
 Website: www.greateasterngeneral.com
 E-mail: gicare-sg@greateasterngeneral.com

Customer Service Centres

1 Pickering Street, Level 1
 Great Eastern Centre
 Singapore 048659
 Tel: +65 6248 2888
 E-mail: wecare-sg@greateasternlife.com

Great Eastern @ Paya Lebar Quarter
 2 Tanjong Katong Road #13-01
 Paya Lebar Quarter 3
 Singapore 437161

Great Eastern @ Westgate
 1 Gateway Drive
 Westgate Tower #18-00
 Singapore 608531

Service Centres for Financial Representatives

VOLTAGE @ Great Eastern Centre
 1 Pickering Street #01-03
 Great Eastern Centre
 Singapore 048659

Great Eastern House
 49 Beach Road #01-01
 Singapore 189685

Great Eastern @ Paya Lebar Quarter
 2 Tanjong Katong Road #13-01
 Paya Lebar Quarter 3
 Singapore 437161

Great Eastern @ Westgate
 1 Gateway Drive
 Westgate Tower #18-00
 Singapore 608531

Great Eastern Financial Advisers Private Limited

1 Pickering Street #01-01
 Great Eastern Centre
 Singapore 048659
 Tel: +65 6248 2121
 Fax: +65 6327 3073
 Website: www.greateasternfa.com.sg
 E-mail: contact_us@greateasternfa.com.sg

Lion Global Investors Limited

65 Chulia Street #18-01
 OCBC Centre
 Singapore 049513
 Tel: +65 6417 6800
 Fax: +65 6417 6801
 Website: www.lionglobalinvestors.com
 E-mail: contactus@lionglobalinvestors.com

MALAYSIA

Great Eastern Life Assurance (Malaysia) Berhad

Menara Great Eastern
 303 Jalan Ampang
 50450 Kuala Lumpur
 Malaysia
 Tel: +603 4259 8888
 Fax: +603 4259 8000
 Website: www.greateasternlife.com/my
 E-mail: wecare-my@greateasternlife.com

Branch Offices

Alor Setar
 66 & 68 Jalan Teluk Wanjah
 05200 Alor Setar, Kedah
 Malaysia

Batu Pahat

No 109, Jalan Rahmat,
 83000 Batu Pahat, Johor
 Malaysia

Bintulu

No 313, Lot 3956, Phase 4
 Bintulu Parkcity Commerce Square
 Jalan Tun Ahmad Zaidi /
 Jalan Tanjung Batu
 97000 Bintulu, Sarawak
 Malaysia

Ipoh

Wisma Great Eastern
 No 16, Persiaran Tugu
 Greentown Avenue
 30450 Ipoh, Perak
 Malaysia

Johor Bahru

Wisma Great Eastern
 02-01, Blok A, Komersial Southkey Mozek
 Persiaran Southkey 1, Kota Southkey
 80150 Johor Bahru
 Malaysia

Klang

No 8 & 10, Jalan Tiara 2A
 Bandar Baru Klang
 41150 Klang, Selangor
 Malaysia

Kluang

No 22 & 24
 Jalan Md Lazim Saim
 86000 Kluang, Johor
 Malaysia

Kota Bharu

No S25 /5252-T & U
 Jalan Sultan Yahya Petra
 15200 Kota Bharu, Kelantan
 Malaysia

Kota Kinabalu

Wisma Great Eastern
 Level 4 & 5
 No 65 Jalan Gaya
 88000 Kota Kinabalu, Sabah
 Malaysia

Kuala Terengganu

2nd Floor, No 6F
 Bangunan Persatuan Hin Ann
 Jalan Air Jernih
 20300 Kuala Terengganu
 Terengganu
 Malaysia

Kuantan

No A25 Jalan Dato Lim Hoe Lek
 25200 Kuantan, Pahang
 Malaysia

GROUP NETWORK

Kuching

No 51, Lot 435
Section 54, KTL D
Travilion Commercial Centre
Jalan Padungan
93100 Kuching, Sarawak
Malaysia

Lahad Datu

Ground & 1st Floor
MDLD 3804, Lot 66
Fajar Centre, Jalan Segama
91100 Lahad Datu, Sabah
Malaysia

Melaka

No 23 Jalan PM 15
Plaza Mahkota
75000 Melaka
Malaysia

Miri

Lots 1260 & 1261, Block 10, M.C.L.D
Jalan Melayu
98000 Miri, Sarawak
Malaysia

Penang

No 25, Light Street
10200 Penang
Malaysia

Sandakan

Lot 5 & 6, Block 40, Lorong Indah 15
Bandar Indah, Phase 7
Mile 4, North Road
90000 Sandakan, Sabah
Malaysia

Seremban

No 101 & 103
Jalan Yam Tuan
70000 Seremban
Negeri Sembilan
Malaysia

Sibu

Wisma Great Eastern
No 10 A-F, Persiaran Brooke
96000 Sibu, Sarawak
Malaysia

Taiping

No 133A, Jalan Barrack
34000 Taiping
Perak
Malaysia

Tawau

Wisma Great Eastern
Ground Floor, Jalan Billian
91000 Tawau, Sabah
Malaysia

Great Eastern General Insurance (Malaysia) Berhad

Menara Great Eastern
Level 18, 303 Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel: +603 4259 8888
Fax: +603 4813 0055
Website: www.greateasterngeneral.com/my
E-mail: gicare-my@greateasterngeneral.com

Branch Offices

Kuala Lumpur
Menara Great Eastern
Level 18, 303 Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel: +603 4259 8888
Fax: +603 4813 0088

Alor Setar

No. 69 & 70, 1st Floor, Jalan Teluk Wanjah
05200 Alor Setar, Kedah
Malaysia
Tel: +604 734 6515
Fax: +604 734 6516

Ipoh

Wisma Great Eastern, 2nd Floor
No.16, Persiaran Tugu
Greentown Avenue
30450 Ipoh, Perak
Malaysia
Tel: +605 253 6649
Fax: +605 255 3066

Johor Bahru

Wisma Great Eastern
03-01, Block A,
Komersil Southkey Mozek
Persiaran Southkey 1
Kota Southkey
80150 Johor Bahru, Johor
Malaysia
Tel: +607 336 9899
Fax: +607 336 9869

Klang

3rd Floor, No. 10, Jalan Tiara 2A
Bandar Baru Klang
41150 Klang, Selangor
Malaysia
Tel: +603 3345 1027
Fax: +603 3345 1029

Kota Bharu

No. S25/5252-S, Tingkat 1
Jalan Sultan Yahya Petra
15200 Kota Bharu, Kelantan
Malaysia
Tel: +609 748 2698
Fax: +609 744 8533

Kota Kinabalu

Wisma Great Eastern,
Suite 6.3, Level 6,
No. 65, Jalan Gaya
88000 Kota Kinabalu, Sabah
Malaysia
Tel: +6088 235 636
Fax: +6088 248 879

Kuantan

1st Floor, No. A25
Jalan Dato' Lim Hoe Lek
25200 Kuantan, Pahang
Malaysia
Tel: +609 516 2849
Fax: +609 516 2848

Kuching

No. 51, Level 3
Level 435, Section 54, KTL D
Travilion Commercial Centre
Jalan Padungan
93100 Kuching, Sarawak
Malaysia
Tel: +6082 420 197
Fax: +6082 248 072

GROUP NETWORK

Melaka

No. 2-23, Jalan PM15
Plaza Mahkota
75000 Melaka
Malaysia
Tel: +606 284 3297
Fax: +606 283 5478

Penang

Suite 2-3, Level 2
No. 25, Lebu Light, 10200 Pulau Pinang
Malaysia
Tel: +604 261 9361
Fax: +604 261 9058

Seremban

No. 103-2, Jalan Yam Tuan
70000 Seremban, Negeri Sembilan
Malaysia
Tel: +606 764 9082
Fax: +606 761 6178

Sibu

Wisma Great Eastern
2nd Floor, No. 10 A-F
Persiaran Brooke
96000 Sibu, Sarawak
Malaysia
Tel: +6084 328 392
Fax: +6084 326 392

Great Eastern Takaful Berhad 201001032332 (916257-H)

Level 3, Menara Great Eastern
303 Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel: +603 4259 8338
Fax: +603 4259 8808
Website: www.greateasterntakaful.com
E-mail: i-greatcare@greateasterntakaful.com

Agency Synergy Stations

Alor Setar

No. 18D-1 & 18D-2,
Lebuhraya Darul Aman,
05100 Alor Setar, Kedah

Kota Bharu

Lot 360 Tingkat 1 & 2,
Jalan Seri Cemerlang,
Seksyen 27,
15300 Kota Bharu, Kelantan

INDONESIA

PT Great Eastern Life Indonesia

Menara Karya, 5th Floor
Jl. H.R. Rasuna Said, Blok X-5 Kav. 1-2
Jakarta Selatan 12950
Indonesia
Tel: +6221 2554 3888
Website: www.greateasternlife.com/id
E-mail: wecare-ID@greateasternlife.com

PT Great Eastern General Insurance Indonesia

MidPlaza 2, 23rd Floor,
Jalan Jenderal Sudirman Kav. 10-11
Jakarta 10220, Indonesia
Tel: +62 21 5723737
Website: www.greateasterngeneral.com/id
E-mail: wecare-id@greateasterngeneral.com

Branch, Marketing and Sales Offices

Jakarta

Maspion Plaza 8th Floor
Jalan Gunung Sahari Raya Kav. 18
Jakarta 14420
Tel: +62 21 64701278
Fax: +62 21 64701267/8

Surabaya

Gedung Medan Pemuda 7th Floor
Jalan Pemuda No. 27 – 31
Surabaya 60271
Tel: +62 31 5477300
Fax: +62 31 5477370

Medan

Kompleks Ruko Jati Junction
Jalan Timor No. 3 – T
Medan 20234
Tel: +62 61 88817009
Fax: +62 61 88817010

Makassar

Jalan Jenderal Ahmad Yani
Komplek Ruko A. Yani No. 23/25
Blok C 46, Makassar 90174
Tel: +62 411 3617978
Fax: +62 411 3610434

Bali

Pusat Pertokoan
Sudirman Agung
Blok B12
Jalan Jenderal Sudirman
Denpasar 80225
Tel: +62 361 229894, 255149
Fax: +62 361 255150

Batam

Ruko Orchard Park Blok B No. 9
Jalan Orchard Boulevard, Belian
Batam 29444
Tel: +62 778 4167700, 4166700
Fax: +62 778 4165700

Samarinda

Jalan Jenderal Ahmad Yani No. 12
Samarinda 75117
Tel: +62 541 200833
Fax: +62 541 748878

Semarang

Ruko Metro Plaza Blok B-12
Jalan MT Haryono 970
Semarang 50242
Tel: +62 24 8457058/9
Fax: +62 24 8417867

Serpong

Sutera Niaga 3 Blok C No. 11
Jalan Raya Serpong
Tangerang 15325
Tel: +62 21 53122468
Fax: +62 21 53122431

Cirebon

Komplek Ruko Pulasaren
Jalan Pulasaren Raya No. C-5
Cirebon 45116
Tel: +62 231 207784, 234054
Fax: +62 231 207784

Pekanbaru

Jalan KH. Hasyim Ashari 16
Pekanbaru 28113
Tel: +62 761 32708
Fax: +62 761 31427

GROUP NETWORK

BRUNEI

The Great Eastern Life Assurance Company Limited

Unit 17/18, Block B
Bangunan Habza
Spq 150, Kpg. Kiarong
Bandar Seri Begawan BE1318
Negara Brunei Darussalam
Tel: +673 223 3118
Fax: +673 223 8118
Website: www.greateasternlife.com/bn
E-mail: wecare-bn@greateasternlife.com

Lion Global Investors Limited

Unit 3A, Level 5
Retail Arcade
The Empire Hotel & Country Club
Jerudong BG3122
Negara Brunei Darussalam
Tel: +673 261 0925/6
Fax: +673 261 1823

CHINA

The Great Eastern Life Assurance Company Limited

(Beijing Representative Office)
Room 901
China Garments Mansion
No. 99 Jianguo Rd
Beijing 100020
People's Republic of China
Tel: +8610 6581 5501
Fax: +8610 6583 8727

MYANMAR

The Great Eastern Life Assurance Company Limited Great Eastern General Insurance Limited

(Myanmar Representative Office)
Level 3, Unit No. 03-09
Union Business Centre
Nat Mauk Road, Bo Cho Quarter
Bahan Township, Yangon
Myanmar
Tel/Fax: +951 860 3384

NOTICE OF ANNUAL GENERAL MEETING

GREAT EASTERN HOLDINGS LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
(COMPANY REGISTRATION NO. 199903008M)

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting (“AGM”) of Great Eastern Holdings Limited (the “Company”) will be held by way of electronic means on Tuesday, 19 April 2022 at 3.00 p.m. (Singapore time) to transact the following business:

AS ORDINARY BUSINESS

- 1 To receive and adopt the Directors’ Statement and the audited Financial Statements for the financial year ended 31 December 2021 and the Auditor’s Report thereon.
- 2 To approve a final one-tier tax exempt dividend of 55 cents per ordinary share in respect of the financial year ended 31 December 2021.
- 3(a) To re-elect the following Directors, who are retiring by rotation under Article 97 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
 - (i) Mr Koh Beng Seng
 - (ii) Mr Law Song Keng
 - (iii) Mr Kyle Lee
 - (iv) Mr Wee Joo Yeow
- 3(b) To re-elect Ms Helen Wong, a Director who is retiring under Article 103 of the Company’s Constitution and who, being eligible, offers herself for re-election.
- 4 To approve Directors’ fees of S\$2,517,000 for the financial year ended 31 December 2021 (2020: S\$2,359,000).
- 5 To re-appoint PricewaterhouseCoopers LLP as the Auditor of the Company and to authorise the Directors to fix its remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions, which will be proposed as Ordinary Resolutions:

- 6 That authority be and is hereby given to the Directors of the Company to:
 - (a)
 - (i) issue shares of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit; and
 - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of ordinary shares to be issued other than on a *pro rata* basis to shareholders of the Company (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the Singapore Exchange Securities Trading Limited (the "SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
 - (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.
- 7 That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares as may be required to be allotted and issued pursuant to the Great Eastern Holdings Limited Scrip Dividend Scheme.

By Order of the Board

JENNIFER WONG PAKSHONG
Company Secretary

Singapore
28 March 2022

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES

Resolutions 3(a)(i), (ii), (iii) and (iv)

Resolutions 3(a)(i), (ii), (iii) and (iv) are to re-elect Directors who are retiring by rotation under Article 97 of the Company's Constitution.

Mr Koh Beng Seng will, upon re-election, continue to serve as Chairman of the Board, the Executive Committee and the Risk Management Committee, and a Member of the Nominating Committee, the Remuneration Committee and the Sustainability Committee.

Mr Law Song Keng will, upon re-election, continue to serve as a Member of the Audit Committee, the Risk Management Committee and the Sustainability Committee.

Mr Kyle Lee will, upon re-election, continue to serve as Chairman of the Audit Committee, and a Member of the Executive Committee and the Nominating Committee.

Mr Wee Joo Yeow will, upon re-election, continue to serve as a Member of the Nominating Committee and the Remuneration Committee.

Please refer to the "Board of Directors" section and the "Board Composition and Independence" section in the Corporate Governance Report in the Company's Annual Report for the financial year ended 31 December 2021 ("FY2021 Annual Report") for information on these Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST).

Resolution 3(b)

Resolution 3(b) is to re-elect Ms Helen Wong, a Director who is retiring under Article 103 of the Company's Constitution.

Ms Helen Wong will, upon re-election, continue to serve as a Member of the Executive Committee, the Nominating Committee and the Risk Management Committee.

Please refer to the "Board of Directors" section and the "Board Composition and Independence" section in the Corporate Governance Report in the FY2021 Annual Report for information on Ms Helen Wong (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST).

Resolution 4

Resolution 4 is to approve the payment of Directors' fees for the financial year ended 31 December 2021 ("FY2021"). The non-executive directors' fee structure for FY2021 remains unchanged from the previous year. The increase in Directors' fees for FY2021 was mainly attributable to an increase in the number of Directors to 11 in 2021 (2020: 10), the Directors' fees payable for the full year in 2021 to the Chairman and members of the Sustainability Committee which was established on 1 March 2020 (2020: 9 months), and the Directors' fees payable to Directors of the Company who are members of the Digital Initiatives Working Group which was established in March 2021 to assist the Board in reviewing Great Eastern Group's digital strategy.

Resolution 6

Resolution 6 is to authorise the Directors of the Company from the date of the AGM until the next annual general meeting to issue shares of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings), with a sub-limit of 10% for issues other than on a *pro rata* basis to shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING

For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) at the time this proposed Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this proposed Ordinary Resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares. For the avoidance of doubt, any consolidation or subdivision of shares of the Company will require shareholders' approval. The Directors will only issue shares and instruments under this Resolution if they consider it necessary and in the interests of the Company. As at 1 March 2022, the Company had no treasury shares and no subsidiary holdings.

Resolution 7

Resolution 7 is to authorise the Directors of the Company to issue shares pursuant to the Great Eastern Holdings Limited Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

Notes:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will accordingly be sent to members by electronic means via publication on the Company's website at the URL <https://www.greateasternlife.com/sg/en/about-us/investor-relations/agm-and-egm.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this Notice will also be sent by post to members.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at or before the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 28 March 2022. This announcement may be accessed at the Company's website at the URL <https://www.greateasternlife.com/sg/en/about-us/investor-relations/agm-and-egm.html> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** The accompanying proxy form for the AGM may be downloaded from the Company's website at the URL <https://www.greateasternlife.com/sg/en/about-us/investor-relations/agm-and-egm.html> and from the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the proxy form will also be sent by post to members.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 6 April 2022 (Singapore time).

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited with the Company, c/o The Great Eastern Life Assurance Company Limited, 1 Pickering Street, #01-01 Great Eastern Centre, Singapore 048659; or
 - (b) if submitted electronically, be submitted via email to the Company at GEH_AGM@greateasternlife.com,

in either case, by **3.00 p.m. on 16 April 2022 (Singapore time)**, being 72 hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Due to the current COVID-19 situation in Singapore, **members are strongly encouraged to submit completed proxy forms electronically via email.**

6. The FY2021 Annual Report may be accessed at the Company's website at the URL <https://www.greateasternlife.com/sg/en/about-us/investor-relations/annual-reports.html> by clicking on the "Download PDF" hyperlink under "FY2021 Annual Report". The FY2021 Annual Report will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copies of the FY2021 Annual Report by completing and submitting the Request Form accompanying the printed copies of this Notice and the proxy form sent by post to members.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

RECORD DATE AND PAYMENT DATE FOR FINAL DIVIDEND

Subject to the approval of members to the final one-tier tax exempt dividend at the AGM, the Share Transfer Books and Register of Members of the Company will be closed on 27 April 2022 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 the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 p.m. on 26 April 2022 will be registered to determine members' entitlements to the proposed dividend. Subject to the aforesaid, members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 26 April 2022 will be entitled to the proposed dividend.

The final one-tier tax exempt dividend, if approved by members, will be paid on 5 May 2022.

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IMPORTANT:*Alternative Arrangements for Twenty-Third Annual General Meeting ("AGM")*

- The AGM of Great Eastern Holdings Limited (the "Company") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of AGM dated 28 March 2022 will accordingly be sent to members by electronic means via publication on the Company's website at the URL <https://www.greasternlife.com/sg/en/about-us/investor-relations/agm-and-egm.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the Notice of AGM will also be sent by post to members.
- Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at or before the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 28 March 2022. This announcement may be accessed at the Company's website at the URL <https://www.greasternlife.com/sg/en/about-us/investor-relations/agm-and-egm.html>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") Investors

- CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 6 April 2022 (Singapore time).

Personal Data

- By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 28 March 2022.

PROXY FORM

ANNUAL GENERAL MEETING

GREAT EASTERN HOLDINGS LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
(COMPANY REGISTRATION NO. 199903008M)

I/We, _____

NRIC/Passport/Company Registration No. _____

of _____

being a member/members of Great Eastern Holdings Limited (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Twenty-Third Annual General Meeting of the Company ("AGM") to be convened and held by way of electronic means on Tuesday, 19 April 2022 at 3.00 p.m. (Singapore time) and at any adjournment thereof.

I/We have indicated with an "X" or with the number of shares in the appropriate box against each item below how I/we wish the Chairman of the Meeting as my/our proxy to vote, or to abstain from voting.

No.	Ordinary Resolutions:	For	Against	Abstain
ORDINARY BUSINESS				
1	Adoption of Directors' Statement, 2021 audited Financial Statements and Auditor's Report			
2	Approval of a final one-tier tax exempt dividend of 55 cents per ordinary share			
3(a)(i)	Re-election of Mr Koh Beng Seng			
3(a)(ii)	Re-election of Mr Law Song Keng			
3(a)(iii)	Re-election of Mr Kyle Lee			
3(a)(iv)	Re-election of Mr Wee Joo Yeow			
3(b)	Re-election of Ms Helen Wong			
4	Approval of Directors' fees of S\$2,517,000			
5	Re-appointment of PricewaterhouseCoopers LLP as Auditor and authorisation for Directors to fix its remuneration			
SPECIAL BUSINESS				
6	Authority for Directors to allot and issue shares and make or grant instruments convertible into shares			
7	Authority for Directors to allot and issue shares pursuant to the Great Eastern Holdings Limited Scrip Dividend Scheme			

Note: Voting will be conducted by poll. If you wish to appoint the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish to appoint the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2022

Total Number of Shares held

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF.

NOTES TO PROXY FORM:

1. **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** This proxy form may be accessed at the Company's website at the URL <https://www.greatasteasternlife.com/sg/en/about-us/investor-relations/agm-and-egm.html> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this proxy form will also be sent by post to members. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
2. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited with the Company, c/o The Great Eastern Life Assurance Company Limited, 1 Pickering Street, #01-01 Great Eastern Centre, Singapore 048659; or
 - (b) if submitted electronically, be submitted via email to the Company at GEH_AGM@greatasteasternlife.com,in either case, by **3.00 p.m. on 16 April 2022 (Singapore time)**, being 72 hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or by scanning and sending it by email to the email address provided above.

Due to the current COVID-19 situation in Singapore, **members are strongly encouraged to submit completed proxy forms electronically via email.**
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

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4. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument of proxy shall be deemed to relate to all the shares held by you.
5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of a director or an officer or attorney duly authorised.
6. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register as at 3.00 p.m. on 16 April 2022 (Singapore time), being 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

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**Proxy Form
Annual Report 2021**

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CORPORATE INFORMATION

AS AT 1 MARCH 2022

BOARD OF DIRECTORS

Koh Beng Seng, Chairman
Law Song Keng
Lee Fook Sun
Kyle Lee
Ng Chee Peng
Soon Tit Koon
Teoh Lian Ee
Thean Nam Yew
Wee Joo Yeow
Helen Wong

AUDIT COMMITTEE

Kyle Lee, Chairman
Law Song Keng
Ng Chee Peng
Teoh Lian Ee
Thean Nam Yew

EXECUTIVE COMMITTEE

Koh Beng Seng, Chairman
Lee Fook Sun
Kyle Lee
Thean Nam Yew
Helen Wong

NOMINATING COMMITTEE

Lee Fook Sun, Chairman
Koh Beng Seng
Kyle Lee
Wee Joo Yeow
Helen Wong

REMUNERATION COMMITTEE

Lee Fook Sun, Chairman
Koh Beng Seng
Wee Joo Yeow

RISK MANAGEMENT COMMITTEE

Koh Beng Seng, Chairman
Law Song Keng
Soon Tit Koon
Helen Wong

SUSTAINABILITY COMMITTEE

Soon Tit Koon, Chairman
Koh Beng Seng
Law Song Keng
Teoh Lian Ee

GROUP CHIEF EXECUTIVE OFFICER

Khor Hock Seng

GROUP COMPANY SECRETARY

Jennifer Wong Pakshong

REGISTERED OFFICE

1 Pickering Street
#16-01 Great Eastern Centre
Singapore 048659
Telephone: (65) 6248 2000
Facsimile: (65) 6438 3889
Website: www.greasternlife.com
Email: wecare-sg@greasternlife.com

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902
Telephone: (65) 6228 0505

AUDITOR

PricewaterhouseCoopers LLP
7 Straits View
Marina One East Tower, Level 12
Singapore 018936
Partner In Charge: Koopmans Hans Bernardus
(since financial year 2020)



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GREAT EASTERN HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Reg. No. 199903008M)

1 Pickering Street #01-01
Great Eastern Centre
Singapore 048659
Tel : +65 6248 2888
Website: www.greateasternlife.com
E-mail: wecare-sg@greateasternlife.com