

# Reach for Great

GREAT EASTERN HOLDINGS LIMITED  
ANNUAL REPORT 2022



# Reach for Great



**A**t Great Eastern, we believe in everyone's potential to achieve what is meaningful, and we take pride to protect, preserve and grow what matters to our customers.

From the development of holistic solutions to supporting our communities, our customers have always been at the heart of all that we do. We believe that by protecting our customers against life's uncertainties and empowering their financial freedom, they will be able to confidently pursue their goals, thrive without fear, and be the greatest version of themselves.

The theme of our 2022 Annual Report is inspired by our most recent brand refresh in over 10 years that has been informed by an extensive consumer survey carried out across Singapore, Malaysia and Indonesia. Our new brand promise, Reach for Great, is a directional signpost that will elevate our business to deliver value to our customers, partners, financial representatives and employees.

As we journey together, we will all Reach for Great to create strong and happy communities of customers, stakeholders and staff.



## Contents

<b>3</b>	Key Figures
<b>10</b>	Letter to Shareholders
<b>18</b>	Board of Directors
<b>31</b>	Key Executives
<b>34</b>	Financial Highlights
<b>36</b>	Embedded Value
<b>38</b>	Business Review
	» Singapore
	» Malaysia
	» Emerging Markets
<b>48</b>	Human Capital
<b>50</b>	Corporate Social Responsibility
<b>54</b>	Year in Review
<b>58</b>	Awards
<b>60</b>	Corporate Governance Report
<b>86</b>	Financial Statements
<b>212</b>	List of Major Properties
<b>213</b>	Additional Information
<b>214</b>	Shareholding Statistics
<b>216</b>	Management Team
<b>218</b>	Group Network
<b>222</b>	Notice of AGM and Proxy Form
	Corporate Information

## CORE VALUES

---

# Integrity Initiative Involvement

## WHO WE ARE

---

Founded in 1908, Great Eastern is a trusted name at the forefront of Asia's insurance industry. As a well-established market leader in Singapore and Malaysia, we also have operations in Indonesia and Brunei. We provide financial security and peace of mind to generations of policyholders to protect, preserve and grow what matters to them.

## WHAT WE DO

---

Our customers are our priority and we empower them to thrive across all stages of life with our range of Life and General Insurance products and services. From travel to legacy, Group Insurance to Takaful, we help our customers achieve their goals and aspirations by providing protection and financial freedom through a delightful experience.

**We help them to Reach for Great.**

## Vision

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

## Mission

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

## 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 FY2022



<sup>1</sup> This is calculated using Shares Outstanding of 473,319,069 shares and last traded price in FY2022 of S\$18.50 (31 December 2022).

<sup>2</sup> This includes the interim one-tier tax exempt dividend of 10 cents per ordinary share and a final one-tier tax exempt dividend of 55 cents per ordinary share for the financial year ended 31 December 2022.



# Protecting our customers against life's uncertainties



Enhanced COVID-19 protection, making insurance affordable and accessible as the largest and most established Life Insurer across Singapore and Malaysia



Launched the *GREAT Critical Cover* series in Singapore and *GREAT Multi Cancer Care*, *GREAT Multi Cancer Care Special* and *GREAT Critical Care Relief* in Malaysia to provide protection against critical illnesses



Upgraded digital touchpoints to optimise user experience and engagement for over 14.5 million policyholders across the Group

# Growing our people to reach their fullest potential



Embarked on workplace transformation journey to foster greater collaboration and pandemic resilience



Organised a month-long #FutureReady Learning Carnival regionally to upskill our employees



Held over 10 webinars and talks to support our employees' mental wellbeing







# Embedding sustainability into our business



## Environmental pillar

On track for our 2025 Operational Net Zero target. Aiming for 20% reduction in carbon emissions footprint across the listed equity and corporate bond asset classes by 2025



## Social pillar

Contributed over S\$327,000 across the Group for the needy and vulnerable communities



## Governance pillar

Established a Sustainability Taskforce to ensure good governance and successful implementation of the corporate sustainability strategy

# Letter to Shareholders

GREAT EASTERN HOLDINGS LIMITED



**Koh Beng Seng**  
Chairman

**Khor Hock Seng**  
Group Chief Executive Officer

“  
Our strong foundation enabled the Group to remain resilient and navigate through this volatile and challenging environment, and our operational agility allowed us to adapt and respond positively.  
”

## Dear Shareholders,

In 2022, the repercussions of the excessive monetary policy accommodation in recent years brought about heightened inflation. This was exacerbated by the persistent global supply chain disruptions related to the long-tail pandemic effect, as well as increased wage levels due to shortages in domestic manpower. The Russian invasion of Ukraine further raised inflationary pressures due to the disruption to oil and gas supplies as the West imposed restrictions and sanctions on Russia. Agricultural and mineral exports from Ukraine to other parts of the world were also affected, leading to price increases across many commodities.

Globally, most central banks tightened monetary policies to moderate the pace of inflation and avert a 1970s-style inflationary spiral. This action caused a rise in short-term interest rates and the yield curves to invert. Despite rising inflation and the uptrend in interest rates, the global

economy continued to expand, albeit at a much slower rate compared to 2021, reflecting real underlying demand for goods and services.

Against this backdrop of faster-than-expected monetary policy tightening and slower growth, the market value of the fixed income investment portfolio was adversely impacted, while equity markets also lost ground. The US dollar, however, experienced a broad-based rally, as the US Federal Reserve tightened monetary policy at a faster pace than most other central banks.

Our strong foundation enabled the Group to remain resilient and navigate through this volatile and challenging environment, and our operational agility allowed us to adapt and respond positively. Our business decisions, based on research insights powered by data and technology, allowed

us to deliver service excellence and targeted propositions to our customers. As a leading regional insurer, we remained focused in our mission to help our customers protect themselves and their loved ones against life's uncertainties during these turbulent times.

In conjunction with our 114th anniversary, we launched our refreshed brand identity and promise – “Reach for Great”, where we affirmed our commitment to help all our customers achieve their aspirations by removing life's uncertainties and empowering their financial freedom through a delightful experience. Our brand refresh was unveiled through a regional brand campaign across Singapore, Malaysia, Brunei and Indonesia and underscores our commitment to provide the highest standards of financial advisory and customer service excellence to all our policyholders.

As a strong testament to our efforts to grow our brand, businesses and people, we were conferred many awards in our markets, including Singapore's Best Employers by The Straits Times, Advisers Initiative of the Year and the Education Insurance Initiative of the Year at the Insurance Asia Awards 2022 in Singapore, the Brand Laureate Brand of the Year Award and Excellence in Retention Strategy Gold Award at the HR Excellence Awards 2022 in Malaysia, as well as Top Corporate Finance Award 2022 in Indonesia.

Across the Group, we responded to the challenges and stayed on course in executing our strategic priorities. We maintained our market leadership positions in Singapore and Malaysia with total assets of more than S\$100 billion and grew our customer base across the Group to 14.5 million. We also maintained our credit rating of AA- by S&P Global Ratings for 13 years running, one of the highest among Asian life insurance companies.

## FINANCIAL PERFORMANCE

While the Group's profit was impacted by volatility in global financial markets during the year, our investment portfolio remained sound and our capital position also remained strong.

The Group's New Business Embedded Value (“NBEV”), a measure of long-term economic profitability, grew by 7% to S\$860.4 million compared to the same period last year, reflecting the shift in our product mix. Our Total Weighted New Sales declined 4% to S\$1,887.3 million, reflecting lower sales from single premium plans, offset partially by better performance in regular premium sales. On a full-year basis, while Profit Attributable to Shareholders fell 30% to S\$784.2 million largely reflecting the lower valuation of investments given the challenging global investment climate, Operating Profit from Insurance Business registered a healthy growth of 4% for the year.

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 8 May 2023. Including the interim one-tier tax-exempt dividend of 10 cents per ordinary share paid in August 2022, total dividends for the financial year 2022 would amount to 65 cents per ordinary share.

## STRENGTHENING OUR CORE TECHNOLOGICAL CAPABILITIES TO ENHANCE CUSTOMER CENTRICITY

Our commitment to customer centricity was manifested in our significant investments in technology to enable us to fully meet the needs of our customers and to deliver a seamless experience for customers by expanding our range of digital services. We have been steadily uplifting our foundational infrastructure and building up our digital capabilities across the Group. These investments include embracing cloud adoption and IT modernisation to enable a scalable and safe operating environment to support our host of systems and applications – such as our API gateway, which enables automated interactions between applications, and our customer relationship management system.

We view our digitalisation initiatives as a powerful enabler to help our agents, bancassurance channels and other distribution channels to better understand, reach and serve their wider customer bases. Improved technological capabilities also enhance our operational processes and capacity by reducing the time needed to, amongst other matters, process policy applications, respond to customer enquiries and address claims.

We are also re-designing our enterprise-level big data architecture to enhance our data landscape and analytics capabilities. This will also facilitate more efficient operationalisation and adoption of business intelligence, analytics and artificial intelligence at scale.

During the year, we also enhanced our physical infrastructure with our data centre facilities management uplifted to align with industry-level standards and support higher service availability. We also embraced a new operating model that allows us to respond swiftly to rapid changes in the environment.

To deliver on our brand purpose, we will continue to invest in technologies to enable higher standards of customer service through greater speed and efficiency. In tandem, we also continued to develop greater capabilities in managing cyber security risks by importing technologies and solutions to manage threats.

# Letter to Shareholders

These investments have allowed us to launch a new version of our Great Eastern app in Singapore with a new interface and functionality that allows policyholders to integrate all of their financial information across the Singapore Exchange (SGX), government agencies, participating banks and insurers via the Singapore Financial Data Exchange (SGFinDex) platform alongside their Great Eastern policy information. This service provides them with a full perspective of their financial holdings, including insurance from all insurers in one view to better understand any coverage gaps they may have and enhance their financial planning experience with their financial representatives.

We also upgraded our Great Eastern Rewards app with enhancements to optimise user experience and engagement and simplified the redemption process for premium vouchers and gift credits. This allowed customers to offset premium payments for selected insurance policy purchases through the app.

Our corporate website was revamped in the second half of 2022 to improve the navigation experience for our customers, making it easier to browse and purchase products online.

Our continuous investments in digital technology enabled us to deliver higher operational efficiencies and more personalised customer service. In the past year, we saw growth in customer transactions and engagements across our digital channels. In Singapore, over 70% of insurance payouts to policyholders are now done digitally via PayNow.

Over the course of the year, our Centre for Design, Insights and Innovation (CDII) engaged with consumers to better understand their needs, attitudes and perspectives. A key study included understanding the needs of our next generation of consumers in partnership with the Singapore University of Social Sciences, involving 2,500 respondents. Titled “Youth in the Digital Space”, the study uncovered insights across topics such as financial goals, education and employment, and the impact of digital communications on youths’ behaviours. These collective insights are incorporated into the design of our products and services and have helped us deliver more targeted product propositions and customer experiences.

In Malaysia, our digitalisation effort for policy change requests on the i-Great Partner portal saw encouraging results in 2022 after a year of implementation. Around 80% of our Takaful customers’ requests for policy changes were submitted online, up from 40% a year ago. This year, we also enabled the i-GET In Touch portal to allow customers to submit both claims documents and policy change requests online, which resulted in faster claims processing.

In Indonesia, over 92% of fund switches were carried out digitally via our GoGreat! Services platform.

## **BOOSTING CAPABILITIES FOR OUR FINANCIAL REPRESENTATIVES**

Our financial representatives remain a core pillar of our distribution network, and are key in delivering on our brand promise to our customers. We have stepped up our investments in their professional development through structured training and competency roadmaps. In Singapore, we were recognised for our training excellence, receiving the Education Insurance Initiative of the Year title at the 7th Insurance Asia Awards.

We adopted a multi-faceted hybrid training approach, comprising both virtual classrooms and physical training, covering compulsory modules on Ethics, Rules and Regulations for all financial representatives and leaders. Across the Group, we continued to tap our enhanced digital tools as enablers for learning and development. In Malaysia, we launched GreatKnowledge, a new cloud-based system as a one-stop e-learning platform, which enabled our financial representatives to interact and exchange key takeaways anytime, anywhere through the platform.

During the year, we enhanced and launched new digital capabilities to further empower our financial representatives to more efficiently serve and connect with their existing and potential customers. In Singapore, our GreatAdvice point-of-sales platform was enhanced to integrate with the national digital infrastructure platform, SGFinDex. This enabled our financial representatives to perform more holistic financial planning with visibility of their customers’ insurance holdings across all insurers, subject to customers’ consent.

In late 2021, we launched our Adviser Digital Portal (ADP), an award-winning web portal that enabled our financial representatives to recommend personalised insurance offerings for their customers’ self-purchase. This innovation was recognised with the award of the Advisers Initiative of the Year prize at the 7th Insurance Asia Awards.

In Malaysia, we continued to upgrade our digital tools, GreatPlanner and MPOS (Mobile-Point-of-Sales), to uplift our financial representatives’ productivity and enable them to more effectively serve their customers. Beyond investments in digital tools, we have also accelerated our digitalisation initiatives to improve claims experience.

Overall, our financial representative footprint across Singapore and Malaysia remained stable with over 5,000 in Singapore and over 30,000 in Malaysia and we stay committed to continuously upskill and future-proof them to ensure their professional growth.

## STRENGTHENING OUR BANCASSURANCE CHANNEL

As a member of the OCBC Group, our strong partnership with OCBC Bank is pivotal to our business growth across the region. We are also working in close collaboration to embed our insurance offerings into OCBC's digital touchpoints to expand our reach to more customers.

In Singapore, we have been working closely with OCBC to enhance the range of insurance solutions beyond wealth accumulation to also include simple protection plans through more segment-aligned propositions. We leveraged on the Bank's data insights to launch *GREAT Term Guard*, with guaranteed and simplified issuance offerings to selected customers.

In Malaysia, with the expansion of Insurance Sales Coach (ISC) to support the Relationship Managers of OCBC Premier Banking, we planned a structured training programme focusing on upskilling them on advanced legacy planning knowledge. To equip OCBC's sales personnel in providing more holistic financial planning, we launched *Century*, an affordable high coverage protection plan designed to complement customers' endowment holdings.

With Bank OCBC NISP in Indonesia, our protection and legacy propositions were well-received by the Bank's customers. To improve customer experience, we enabled our customers to digitally submit their claims via GoGreat! Services, a digital portal for all customers to personalise their portfolio, perform fund switches, and view their insurance benefits conveniently at their fingertips. In addition, we also launched our first Shariah product, *i-Great Heritage Assurance* with Bank OCBC NISP.

## EXTENDING OUR AFFINITY PARTNERSHIPS

We continue leveraging our partnerships to engage and reach new customer segments, and enhance our partners' propositions with relevant insurance offerings.

In Singapore, we deepened our collaboration with Singtel with the launch of mobile phone protection offerings to complement existing home, motor and travel solutions. Noting the rise in the ownership of mobile phones, we launched *Singtel Mobile Protect* to provide protection against accidental damage to mobile phone screens and handsets. Complimentary personal accident coverage was also offered exclusively to Singtel's pre-paid plan and remittance service subscribers. The demand for *Singtel Home Protect* and *Singtel Car Protect* remained strong while the sales momentum for *Singtel Travel Protect* picked up as international travel progressively resumed in the second half of 2022.

With Boost as our partner in Malaysia, we gained sales momentum for motor insurance through targeted marketing campaigns. We will continue to work closely with our partner to deepen engagement with the wider Axiata customer base, offering a holistic suite of insurance offerings, including home, mobile phone, travel and personal accident. In addition to providing lifestyle coverage, we also launched an exclusive MikroSayang campaign on their platform, providing Takaful protection offerings to eligible customers utilising government-issued vouchers for payment.

Through a tele-sales-assisted approach via our digital direct channel, we secured our first digital aggregator partner, Intelligent Money (iMoney), providing access to approximately 1.5 million active members to offer *the Group Multiple Benefits Insurance Scheme (GMBIS)* to complement the offerings of our partners. We also signed a Memorandum of Understanding (MoU) with Persatuan Usahawan Maju Malaysia (PUMM) to extend Great Eastern's financial services to the underinsured SMEs under PUMM, strengthening their employee benefits programme.

During the year, we forged new affinity partnerships with Bobobox, a large capsule hotel provider, and insurtech companies such as Qoala, Fuse and Cermati to offer bundled insurance solutions on their platforms. As travel activities picked up, we observed an increased demand in travel coverage via our partners, Traveloka and Tiket.com.

## DELIVERING LIFE INSURANCE PROPOSITIONS ACROSS THE GROUP

With short-term interest rates rising rapidly in 2022, we capitalised on our capability to develop a series of short-term endowment plans to meet market demands. In Singapore, we launched six tranches of the *GREAT SP* series, with a total number of 95,000 policies inceptioned during the year, while in Malaysia, we launched the *GREAT Saver 3.2*.

Critical Illness (CI) protection remains an important and pertinent pillar of our customers' protection portfolios. Across the Group, we launched innovative solutions to help our customers close their protection gaps. In Singapore, we launched two new CI products under the *GREAT Critical Cover* series which provides coverage for up to three critical illness episodes. In Malaysia, we introduced *GREAT Multi Cancer Care* and *GREAT Multi Cancer Care Special*. We also launched *GREAT Critical Care Relief* that provides coverage against the five prevalent critical illnesses of cancer, heart attack, stroke, kidney failure and other serious coronary artery diseases, as well as coverage against both hospital and Intensive Care Unit ("ICU") admission events.

# Letter to Shareholders

We recognised the importance of keeping insurance affordable and accessible for our customers during these difficult times. In Malaysia, we launched affordable hospitalisation and medical plans to enhance customers' protection against COVID-19 complications, accidents, dengue and the Zika virus. These included the *SmartMedic Shield* that offers complimentary virtual health consultations and pharmacy services. In Singapore, we also developed two affordable solutions exclusively for our existing customers to upsize their hospitalisation coverage and critical illness protection in the form of *GREAT Care Benefit* and *GREAT Critical Protector*.

We continued to leverage on our data and insights capabilities to offer data-driven targeted propositions to better meet the needs of our customers. These initiatives across the region helped our customers take up additional policies to complement their existing coverage with us. Key propositions that were offered included *i-Great Ilham* and *SmartProtect Wealth Max* in Malaysia, *GREAT Prestige Protector* in Indonesia and *GREAT Critical Protector* in Singapore.

## EXPANDING OUR GENERAL AND GROUP INSURANCE BUSINESS

In 2022, our General Insurance business grew across the region especially in the area of travel insurance, with the easing of travel restrictions and the re-opening of borders. We also enhanced our travel offerings to include comprehensive COVID-19 benefits as we continued to grow through affinity partnerships in the region.

Partnering Singtel, Axiata, Malindo, Traveloka and Tiket.com, we expanded our reach to new retail segments. These channels yielded success with demand from these customer bases for our travel, home, fire and motor products.

To support our growth in these areas, we introduced a new General Insurance core system across the group with API and micro-services capability to strengthen our digital affinity business by enabling data analytics to support data-driven marketing and real-time sales campaigns and operational reporting. Our investments in a new online point-of-sales system also yielded good responses from both direct-to-customer and intermediaries, with the majority of our personal lines business now transacting through our digital platform for both new and renewal businesses.

Tapping on the rise of e-commerce and the high usage of mobile devices in Indonesia, we launched a *Gadget Protection* plan via our insurtech partners' platforms, namely Qoala, JD ID and Gojek. We expanded our gadget insurance portfolio to provide lifestyle insurance solutions for people with multiple devices for work, life and play.

Our Group Insurance continued to achieve steady growth in 2022, with us serving more than 3,500 corporate clients and 800,000 insured members. Working closely with our clients and business partners, we introduced product enhancements and more flexible medical coverage options to meet the ever-changing healthcare landscape in Singapore.

Great Eastern has been part of the Generali pooling network in Singapore and Malaysia since 2007. In 2022, we signed up a new pooling partner, Swiss Life, for the Singapore market. These partnerships have contributed to our steady business growth.

With the hybrid work arrangement, we are working with businesses to explore new ways to engage their employees by incorporating preventive health management, such as educating employees on health and wellness, as well as enhancing customers' virtual experience.

## EMPOWERING OUR PEOPLE

As an employer of choice, we are committed to providing a conducive, healthy, and inclusive work environment to better support our staff and financial representatives and develop their potential to the fullest.

With the lifting of most COVID-19 restrictions, we resumed our employee engagement activities through physical and hybrid townhalls, various workshops and virtual consultations to support the mental health of our people, as well as sustainability campaigns to encourage our people to adopt sustainability-driven practices at work and in their daily life. In Singapore, our ninth edition of Kids@Work day returned after a two-year hiatus due to the pandemic.

We continued to put together "on-the-go" and "bite-sized" e-learning modules for employees in Singapore and Malaysia. In Indonesia, the DIGI Fun Day was launched to create greater digital awareness among employees to better serve our customers. Our month-long #FutureReady Learning Carnival in September was rolled out across all offices with an exciting line-up of 11 webinars and workshops, covering our seven #FutureReady pillars such as Customer Centricity, Risk and Governance, and Tech and Data, to upskill our employees for greater productivity and work efficiency.

We embarked on our workplace transformation journey with Great Eastern Changi as the first office, followed by our head office at Great Eastern Centre, with the aim to strengthen cross-departmental collaboration and pandemic resilience. We also instituted a hot-desking policy to complement our hybrid working arrangements and provided employees with a more conducive workspace, energy-saving lighting systems and digital presentation facilities. We plan to deploy these



redesign principles to our other local and regional offices progressively.

### EMBRACING A SUSTAINABLE BUSINESS

As the largest and most established Life Insurer across Singapore and Malaysia, we have a commitment to ensure the well-being of our employees, customers and our communities by addressing Environmental, Social and Governance (ESG) issues. We continue to embed these considerations strongly into our business practices and operations.

We have made progress in responsible investments – from reducing our portfolio's carbon footprint to scaling up green investments and enhancing our role as an active owner. We are on track to reduce our Equity portfolio's carbon footprint by 20% by 2025. In addition, a decarbonisation roadmap limits new investment in coal companies and coal-fired utilities without a credible energy transition plan. Close to 90% of Singapore's investible assets are managed by United Nations Principles for Responsible Investment (UN-PRI) signatories. To-date, we have added more than S\$3 billion to ESG mandates and investments.

In the past year, we embarked on a review of our insurance portfolio in support of the transition to a low-carbon economy. We also started assessing the environmental risks of our corporate clients across our General Insurance portfolio. In 2023, we will focus on baselining the carbon footprint for our General Insurance portfolio and set relevant reduction targets.

To protect our environment and communities, we engaged our customers, employees and financial representatives through environmental initiatives, such as tree-planting and upcycling activities. We continued to drive community programmes across the region to promote financial literacy, environmental awareness and cancer prevention among the members of the public, including the youths.

Our Great Eastern Women's Run returned with a fully physical race for the first time since 2019, which saw our staff and financial representatives raise a total of S\$220,000 for Daughters Of Tomorrow and Singapore Cancer Society (SCS). With the launch of GREAT Critical Cover series in October, we raised another S\$27,522 for SCS. As a Group, we raised more than S\$320,000 to help uplift various communities across the region.

At Great Eastern, a robust, sustainable governance system commits us to the highest degree of sustainability oversight and accountability. We regularly review our governance structure with regard to material ESG factors and climate-related risks to achieve long-term sustainable growth.

More details can be found in the Corporate Social Responsibility section from pages 50 to 53, and in our Sustainability Report 2022.

### NAVIGATING AN ENHANCED REGULATORY LANDSCAPE

We have taken the necessary steps to comply with several new and revised regulations issued in 2022. Additionally, we provided our feedback on consultation papers and ensured timely submissions to the respective regulators across our markets.

#### In 2022, Singapore regulators released several significant regulations, including:

- » The **Financial Services and Markets Act 2022** was gazetted on 11 May 2022. The Act enhances MAS' agility and effectiveness in addressing financial sector-wide risks in a rapidly changing and increasingly integrated environment.
- » On 31 May 2022, MAS issued an **Information Paper on Environmental Risk Management**, which highlighted emerging and/or good practices, serving as a reference for insurers to strengthen their resilience to environmental risk in areas such as, governance and strategy, risk management, underwriting, investment, disclosure, capacity building and culture, as well as the key challenges of environmental risk management.
- » **Financial Sector Cyber Threat Alert and Readiness ("FINSTAR") Framework** was issued on 3 June 2022 as a guidance to encourage FIs in Singapore to be better prepared for a potential or impending cyber threats by developing cyber plans and implementing mitigation measures.
- » **The Financial Holding Companies Act 2013 ("FHC Act")**, which introduces a regulatory framework for financial holding companies ("FHCs") and their financial groups, came into effect on 30 June 2022. The Act empowers MAS to regulate FHCs of financial groups to strengthen group prudential oversight and support the safety and soundness of the Singapore financial system. Under Section 4(1) of the FHC Act, MAS designated Great Eastern Holdings Limited ("GEH") as a designated financial holding company ("DFHC"), with effect from 1 July 2022. As a DFHC, GEH is subjected to various controls and requirements, including controls over shareholding, limits on exposures, and minimum asset and capital requirements. In addition, GEH is required to comply with the FHC Act and its subsidiary legislations, notices, directions and circulars.

# Letter to Shareholders

## In Malaysia:

- » Agency professionalism, best practices and fair treatment, specifically towards vulnerable customers and protecting customers' data continues to garner attention from the regulators during the year with Bank Negara Malaysia.
- » Regulatory expectations in the climate and sustainability area has been prominent in 2022 where financial services companies are expected to develop, and execute on a strategy to disclose and mitigate the financial risk of climate change. Regulators expect companies to ensure that the Board and Senior Management exercise oversight on the basis of a sound understanding of climate-related risks.

## In Indonesia:

- » **POJK 6/2022 on Customer & Community Protection in Financial Service Industry** which requires customer protection principles to be included in the product cycle, starting from the product design up to the product's marketing/distribution.
- » The Indonesian House of Representative passed **Law 27/2022 on Personal Data Protection**. This regulation requires the appointment of a company Data Privacy Officer ("DPO") whom is responsible to implement data protection principles.
- » **SEOJK 31/2022 on Insurance Product Distribution through Bancassurance** which establishes guidelines and requirements for Bancassurance agreements and the process required to obtain OJK's approval.

## BUSINESS OUTLOOK

2023 is poised to be a challenging year for the global economy. The ongoing Russia-Ukraine conflict as well as possible geopolitical tensions in the Taiwan Straits are expected to continue to adversely affect economic growth and increase financial market volatility. Further, as the effect of changes in monetary policy may take time to be felt in financial markets and the broader economy, the full economic impact of 2022's policy tightening is likely to be experienced in 2023. As such, economic activity may continue to slow even as central banks dial back on rate hikes and balance sheet reductions, and a global recession cannot be ruled out. Amid such uncertainty, growth-sensitive assets such as equities may face substantial performance headwinds.

On a more positive note, most of the supply chain disruptions in previous years have improved. In addition, central banks may be approaching the end of their tightening cycles. Under such circumstances, bond yields are unlikely to face the same degree of upward pressure as in 2022, though interest rates are expected to remain high. Should a recession become a more central scenario, there may be scope for bond yields to decline, impacting fixed income assets.

Across the region, as we transition from a pandemic to endemic state of living with COVID-19, we expect to see recovery in consumer demand and commercial activity. COVID-19 has led to an increase in public awareness on the importance of adequate protection insurance, coupled with growing middle classes and rising per capita income across the markets of Singapore, Malaysia and Indonesia will continue to generate demand for our core products.

We will continue to build on our strategy of customer-centric innovation, digitalisation, and strengthening and growing our distribution network. As we accelerate the execution of our transformation roadmap, we remain cognisant that our cyber security capabilities and operational technology risk framework must remain competent to swiftly detect and respond to potential intrusions. Our People Strategy will also revolve around Culture Alignment, Capability Building and Capacity Management with the objective of strengthening organisational resilience and position us well to thrive in a volatile environment.

Operationally, we have set out our three-pronged strategic focus to bolster our product propositions to address customers' needs across all life stages and segments; enhance our digital tools to offer a more seamless and intuitive experience; as well as strengthen operational services to bring greater value to our customers, living up to our refreshed brand identity and promise.

On the sustainability front, we remain committed to our mission and will focus on creating long-term business value while accelerating our efforts in advancing the interests and well-being of our customers, staff, communities and our planet. As of January 2023, we are now a member of the Asia Investor Group on Climate Change (AIGCC). As we continue to engage our stakeholders, we look forward to making a positive contribution to the push for real-world transition.

We expect the global economic environment and capital market conditions to remain uncertain and volatile. Thus, we will continue to remain vigilant and adopt a prudent approach in our underwriting and investment operations,

while positioning ourselves to capitalise on opportunities ahead. Our well-diversified and high-quality asset portfolio has helped to cushion us during this volatile period and we will continue to strengthen our risk, investment, and balance sheet management capabilities to enable us to continue to ride out the challenging conditions in 2023.

Our core principles of maintaining healthy financials with a strong capital base, prudent management of our financial assets, well researched financial products to serve customer needs, has enabled the company to weather numerous market shocks and turbulence in over a century of operations. In doing so, we have remained not only resilient, but our capability to capture opportunities arising from any market disruption has also helped us to grow from strength to strength. This is a cardinal principle which we must always continue to hold fast to, demonstrating that we do not take for granted the confidence and trust placed in us by our shareholders, policyholders and other stakeholders.

#### ACKNOWLEDGEMENTS

Mr Thean Nam Yew, who has served on the Board since 5 January 2017, will be stepping down at the conclusion of the upcoming Annual General Meeting on 21 April 2023 (“AGM”). We wish to express our sincere appreciation to Mr Thean for his invaluable contributions as a valued member of the Board, particularly in respect of the Company’s digital initiatives, and we wish him the very best ahead.

Mr Koh Beng Seng will be stepping down at the conclusion of the AGM, after having served on the Board for the past 15 years, eight of which as the Chairman of the Board. The Board, management and staff wish to record a note of deep appreciation to Mr Koh for his insightful leadership and tireless dedication to the Great Eastern group of companies as the Chairman and wish him all the best in his endeavours.

Mr Soon Tit Koon, who was appointed to the Board on 1 January 2016, will succeed Mr Koh Beng Seng as Chairman on 22 April 2023.

On behalf of the Group, we would like to express our gratitude to our Board of Directors and the Boards of our subsidiary companies for their valuable counsel and guidance. Our deepest appreciation also goes to the management team, employees, bancassurance and affinity partners, financial representative network, business associates and the Union for their unstinting contribution and dedication. We also thank you, our shareholders and customers for your continued support and trust in Great Eastern.

As a trusted partner for life, we remain firmly committed to help all our customers achieve their aspirations, to be the best version of themselves and Reach for Great.


#### MESSAGE FROM THE CHAIRMAN

It has been a tremendous privilege and honour for me to have served on the Board of Great Eastern for the past 15 years. Throughout my time with Great Eastern, my fellow Directors have been unstinting in their support and contribution and I would like to express my deepest appreciation to them. I also wish to commend and thank our management, staff and financial representatives for their commitment, dedication and hard work. Together, we have strengthened the Great Eastern brand, grown our franchise and expanded our reach to more customers in Singapore and Malaysia.

I am confident that the Group is well-positioned to face all challenges and seize new opportunities. It is now opportune for me to pass the baton to Mr Soon Tit Koon, who has been a Board Member since 2016. I wish him and the Group every success in its next phase of growth.



**KOH BENG SENG**  
Chairman



**KHOR HOCK SENG**  
Group Chief Executive Officer

21 March 2023

# Board of Directors

As at 1 March 2023

GREAT EASTERN HOLDINGS LIMITED



## 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 19 April 2022.

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 72.

## 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. Octagon Advisors Pte. Ltd.	Chief Executive Officer
6. China Banking Association in China - Expert Committee	Member
7. 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. Oversea-Chinese Banking Corporation Limited*	Director
3. Lien Ying Chow Legacy Fellowship Council	Member

## 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

15 years 2 months

## Country of Principal Residence

Singapore

\* 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 19 April 2022.

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 78.

### 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

10 years 2 months

### Country of Principal Residence

Singapore

\* Listed company

# Board of Directors

GREAT EASTERN HOLDINGS LIMITED

As at 1 March 2023



## 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 66.

Mr Lee will be seeking re-election at the Company's 2023 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. 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. 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
6. Ensign Asia Pte. Ltd.	Director
7. Ensign Technologies Pte. Ltd.	Director
8. Istari Global (Singapore) Pte. Ltd.	Director
9. Istari International (UK) Limited	Director
10. Istari Global (US) LLC	Director

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

1. Building and Construction Authority	Chairman
2. D'Crypt Pte Ltd	Chairman
3. DSO National Laboratories	Director; Chairman, Audit Committee
4. Public Sector Data Security Review Committee	Member
5. Temasek International Advisors Pte. Ltd.	Corporate Advisor
6. InfoComm Technology Projects Advisory Panel, Ministry of Finance	Member

### 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

5 years 7 months

### Country of Principal Residence

Singapore

### The Board's comments on the re-election

Mr Lee's in-depth knowledge of cyber security and extensive management experience would enable him to contribute positively to the effectiveness of the Board and complement the skills, experience, knowledge and expertise of the existing Board members of the Company.



## 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 19 April 2022. 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 and Nominating Committee positions. Age 70.

### Other Directorships and Principal Commitments/ Appointments

1. The Great Eastern Life Assurance Company Limited	Director
2. Frasers Logistics & Commercial Asset Management Pte. Ltd. (Manager of Frasers Logistics & Commercial Trust*)	Director

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

1. CapitaLand Integrated Commercial Trust Management Limited (Manager of CapitaLand Integrated Commercial Trust*)	Director
2. ComfortDelgro Corporation Limited*	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

### 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

8 years 8 months

### Country of Principal Residence

Singapore

\* Listed company

# Board of Directors

As at 1 March 2023

GREAT EASTERN HOLDINGS LIMITED



## **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.

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 52.

### **Other Directorships and Principal Commitments/ Appointments**

1. D'Crypt Pte Ltd	Director; Chairman, Audit and Risk Committee
2. Ministry of Manpower	Senior Advisor

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

1. Central Provident Fund Board	Chief Executive Officer; Board Member
2. Raffles Health Insurance Pte. Ltd.	Director
3. SPRING Singapore	Director
4. PUB, Singapore's National Water Agency	Member, Board Committee for Transformation

### **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**

2 years

### **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 Overseas-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 71.

Mr Soon will be seeking re-election at the Company's 2023 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 Limited	Director
2. Wah Hin & Company Private Limited	Director
3. Mapletree China Logistics Investment Fund	Independent member, Investment Committee

### Past Directorship and Principal Commitment/ Appointment for the last 5 years

1. SPH REIT Management Pte. Ltd. (Manager of SPH REIT*)	Director
---	----------

### Academic and Professional Qualifications

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

### Board Committees Served On

- Chairman, Sustainability Committee
- Member, Risk Management Committee

### Length of Service

7 years 2 months

### Country of Principal Residence

Singapore

### The Board's comments on the re-election

Mr Soon's extensive experience in the financial sector, investments and business management and contributions during board and board committee discussions make him invaluable to the Great Eastern group.

\* Listed company

# Board of Directors

As at 1 March 2023

GREAT EASTERN HOLDINGS LIMITED



**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 the 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 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 71.

Mrs Teoh will be seeking re-election at the Company's 2023 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. 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
3. Ministry of Finance, Brunei	Ad hoc Legal Counsel

## 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

5 years 7 months

## Country of Principal Residence

Singapore

## The Board's comments on the re-election

Mrs Teoh possesses the relevant skill sets and her vast experience as a legal practitioner would enable her to contribute positively to the effectiveness of the Board and complement the skills, experience, knowledge and expertise of the existing Board Members of the Company.



### **THEAN NAM YEW**

Non-Executive Independent Director

Mr Thean was first appointed to the Board of the Company on 5 January 2017 and was 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 programmes 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 55.

#### **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**

6 years 2 months

#### **Country of Principal Residence**

Singapore

# Board of Directors

As at 1 March 2023

GREAT EASTERN HOLDINGS LIMITED



## WEE JOO YEOW

Non-Executive Independent Director

Mr Wee was first appointed to the Board of the Company on 1 January 2016 and was last re-elected as the Company's Director on 19 April 2022.

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 75.

### Other Directorships and Principal Commitments/ Appointments

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

7 years 2 months

### Country of Principal Residence

Singapore

\* Listed company



## HELEN WONG

### Non-Executive Non-Independent Director

Ms Wong was first appointed to the Board of the Company on 30 April 2021 and was last re-elected as the Company's Director on 19 April 2022.

Ms Wong is the Group CEO and Executive Director of OCBC Bank and sits on the boards of OCBC Bank's major subsidiaries. She has more than 38 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 61.

### Other Directorships and Principal Commitments/ Appointments

1.	OCBC Wing Hang Bank (China) Limited	Chairman
2.	Bank of Singapore Limited	Director
3.	OCBC Bank (Malaysia) Berhad	Director
4.	OCBC Overseas Investments Pte. Ltd.	Director

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

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

1.	The Hongkong 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.	Bank of Communications Company Limited	Director
7.	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

1 year 10 months

### Country of Principal Residence

Singapore

\* Listed company

# Board of Directors

As at 1 March 2023

## 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 2023 Annual General Meeting (“AGM”) of the Company, namely, Mr Lee Fook Sun, Mr Soon Tit Koon and Mrs Teoh Lian Ee 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.
- 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”.
- confirmed that he/she has prior experience as a Director of a listed issuer or financial institution save for Mr Lee Fook Sun and Mrs Teoh Lian Ee, who have undergone relevant training in areas as appropriate subsequent to their respective appointments as Directors of the Company.

The shareholding interest in the Company and its subsidiaries (if any) of each of these Directors are disclosed in the “Directors’ Statement” on page 88 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 69 to 70 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 8 December 2015 (Mr Soon Tit Koon) and 28 July 2017 (Mr Lee Fook Sun and Mrs Teoh Lian Ee), in connection with their respective appointments as Directors of the Company.

## PRINCIPAL INSURANCE SUBSIDIARIES IN SINGAPORE

As at 1 March 2023

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

Koh Beng Seng<sup>1</sup>, Chairman  
Mimi Ho  
Norman Ip  
Kyle Lee<sup>1</sup>  
Lee Boon Ngiap  
Leo Mun Wai  
Quah Wee Ghee

### GREAT EASTERN GENERAL INSURANCE LIMITED (“GEG”)

Koh Beng Seng<sup>1</sup>, Chairman  
Mimi Ho  
Norman Ip  
Lee Boon Ngiap  
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.



**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.

Ms Ho was previously a Director of Asia Pacific Clear Pte. Ltd., Asia Pacific Exchange Pte. Ltd., Central Provident Fund Board, Partner Reinsurance Asia Pte. Ltd., Regulatory Professionals Pte Ltd, a member of the Southeast Asia Disaster Risk Insurance Facility SubTrust A Committee and 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 68.



**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 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 stepped down as a Director of Great Eastern Holdings in February 2022. 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 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. Mr Ip was awarded The Public Service Medal in 2020. Age 70.



**LEE BOON NGAI**  
Director

Mr Lee was first appointed to the Boards of GEL and GEG on 16 April 2022. Mr Lee is a Member of the SIC, a council appointed by the Minister-in-charge of MAS to administer and enforce the Singapore Code on Takeovers and Mergers.

Mr Lee is an experienced banking, insurance and capital markets regulator with more than 20 years in senior management roles at the MAS. He was previously a Board Member, Audit and Risk Committee Member, and Human Resources and Finance Committee Member, of the Accounting and Corporate Regulatory Authority. He was also a Board Member and Chair of the Investment Committee of the Civil Aviation Authority of Singapore, and a Member of the Corporate Governance Council. During his time with MAS, he represented MAS in various international fora, including the Board of the International Organisation of Securities Commissioners, and on several committees and working groups of the Financial Stability Board and Basel Committee on Banking Supervision. Before his retirement in March 2021, he held the position of Assistant Managing Director (AMD), Group Head, Capital Markets Group in MAS where he was in charge of the regulation and supervision of capital markets.

Mr Lee holds a Bachelor of Engineering (Civil) (2nd Upper Honours) from the National University of Singapore. He also passed the Chartered Financial Analyst examinations. Mr Lee was awarded the National Day Awards 2007 – Public Administration Medal (Silver). Age 60.

# Board of Directors

GREAT EASTERN HOLDINGS LIMITED

As at 1 March 2023



**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 and an Independent Non-Executive Director of CapitaLand Integrated Commercial Trust Management Limited.

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, 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 56.



**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., Cypress Holdings Private Limited and Grand Alpine Enterprise Ltd. 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, Bank of Singapore 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 62.



# 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

GREAT EASTERN HOLDINGS LIMITED



**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.



**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.



**CHUA KENG HONG**  
Group Chief Investment Officer

With Great Eastern since 2015. Responsible for formulating the Group's investment strategies and management of all investments within the Group.



**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

GREAT EASTERN HOLDINGS LIMITED

FINANCIAL YEAR ENDED 31 DECEMBER		2022	2021	2020	2019	2018
<b>GROUP STATISTICS</b>						
Gross Premiums	(S\$millions)	<b>18,577.2</b>	18,956.3	15,507.1	11,769.5	12,239.2
Profit Attributable to Shareholders	(S\$millions)	<b>784.2</b>	1,113.0	960.6	1,003.8	740.7
Operating Profit after Tax <sup>1</sup>	(S\$millions)	<b>781.5<sup>2</sup></b>	748.3	730.7	659.8	636.1
Total Assets	(S\$millions)	<b>107,918.3</b>	110,390.1	106,927.7	98,603.6	85,042.0
Shareholders' Equity	(S\$millions)	<b>9,431.4</b>	10,029.6	9,361.0	8,610.7	7,436.9
Stock Exchange Prices <sup>3</sup>	(S\$)	<b>18.50</b>	20.15	20.00	21.75	24.78
Market Capitalisation <sup>3</sup>	(S\$millions)	<b>8,756.4</b>	9,537.4	9,466.4	10,294.7	11,728.8
Embedded Value	(S\$millions)	<b>17,894.6</b>	18,254.6	17,428.0	15,497.1	13,440.1
Economic Value of One Year's New Business	(S\$millions)	<b>860.4<sup>4</sup></b>	803.6	669.5	612.0	535.5
<b>GROUP FINANCIAL RATIOS</b>						
Return on Equity <sup>5</sup>	(%)	<b>8.1</b>	11.5	10.7	12.5	9.9
Gross Premium Growth	(%)	<b>-2.0</b>	22.2	31.8	-3.8	-2.5
Basic Earnings per share <sup>6</sup>	(S\$)	<b>1.66</b>	2.35	2.03	2.12	1.56
Diluted Earnings per share	(S\$)	<b>1.66</b>	2.35	2.03	2.12	1.56
Net Asset Value per share	(S\$)	<b>19.93</b>	21.19	19.78	18.19	15.71
Embedded Value per share	(S\$)	<b>37.81</b>	38.57	36.82	32.74	28.40
Economic Value of One Year's New Business per share	(S\$)	<b>1.82</b>	1.70	1.41	1.29	1.13
Dividend per share	(cents)	<b>65.0</b>	65.0	60.0	60.0	60.0

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 2021, FY22 operating profit after tax would have been S\$797.4 million.

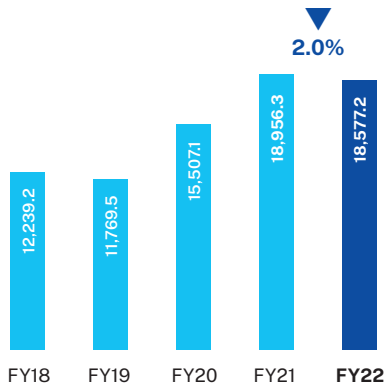
3 The Stock Exchange Prices and Market Capitalisation were obtained from Bloomberg.

4 If translated using the monthly spot rate for 2021, FY22 economic value of one year's new business would have been S\$874.8 million.

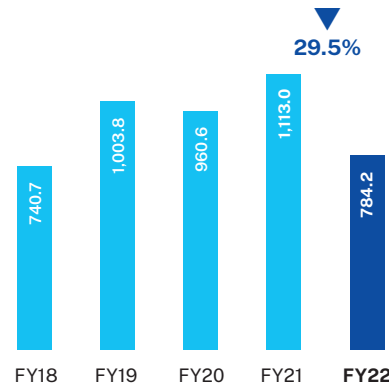
5 The average of the opening (1 January) and closing (31 December) balances of Shareholders' Equity has been used in the computation of Return on Equity.

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

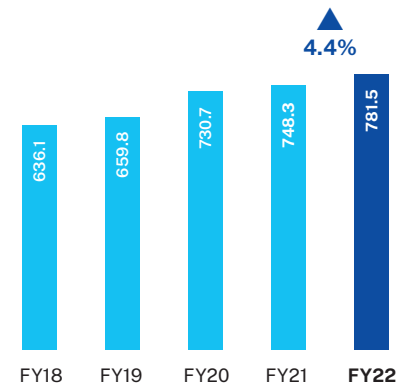
**GROSS PREMIUMS**  
S\$ millions



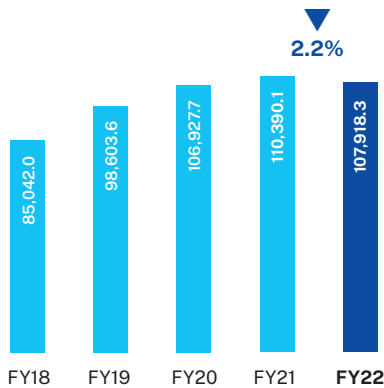
**PROFIT ATTRIBUTABLE TO SHAREHOLDERS**  
S\$ millions



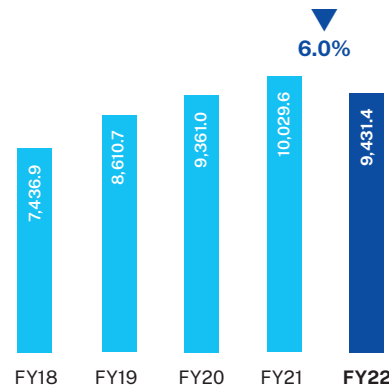
**OPERATING PROFIT AFTER TAX<sup>1</sup>**  
S\$ millions



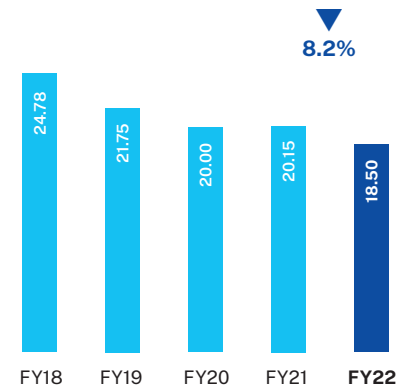
**TOTAL ASSETS**  
S\$ millions



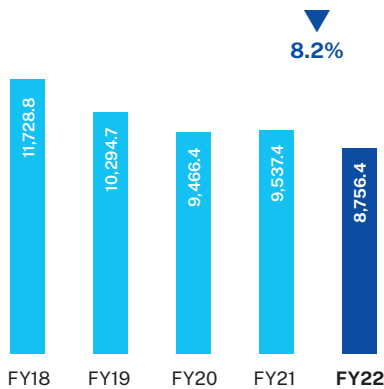
**SHAREHOLDERS' EQUITY**  
S\$ millions



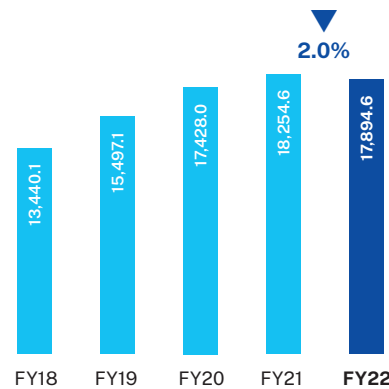
**STOCK EXCHANGE PRICES<sup>3</sup>**  
S\$



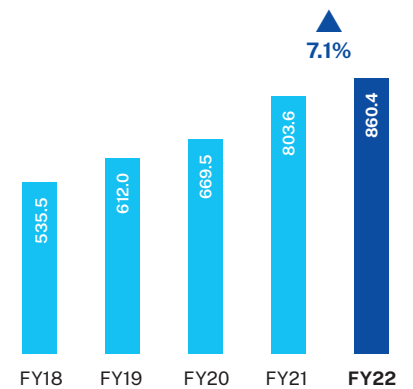
**MARKET CAPITALISATION<sup>3</sup>**  
S\$ millions



**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. Losses in the initial years could be due to the initial expenses from 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 the Group has been determined using the traditional deterministic cash flow methodology comprising 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 2022. 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 2022.

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 2022.

## 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 ("GELS") 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 was 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 2022 are as follows:

Embedded Value (S\$ millions)	Singapore*	Malaysia <sup>^</sup>	Total
Life Business			
Value of In-Force Business	6,925	4,167	11,092
Shareholders' Funds and Non-Life Business			
Adjusted Shareholders' Funds	5,752**	1,051	6,803
<b>Total Embedded Value</b>	<b>12,677</b>	<b>5,218</b>	<b>17,895</b>

\* Includes GELI

\*\* Includes businesses in Brunei and Hong Kong

<sup>^</sup> 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 2022 has been calculated as follows:

Values (S\$ millions)	Singapore	Malaysia*	Others <sup>^</sup>	Total
Economic Value of One Year's New Business	492	355	13	860

\* Includes GETB before deducting the amount attributable to non-controlling interests  
<sup>^</sup> 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 2021 analysis results.

S\$ millions	18,255	(5)	56	(496)	768	860	136	(1,371)	(308)	0	17,895
	Embedded Value 2021	Opening Adjustment	Operating Assumption Changes	Returns on Shareholders' Funds/Other Businesses	Expected Return on in-Force Business	Value of New Business Written	Operating Experience Variances	Economic and Non-Operating Variances	Dividends Paid	Other Adjustment	Embedded Value 2022
2022	18,255	(5)	56	(496)	768	860	136	(1,371)	(308)	0	17,895
2021	17,428	0	313	20	593	804	42	(447)	(284)	(214)*	18,255

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

## 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 Consulting (Singapore) Pte Ltd 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*	17,895	18,580	17,327	16,690	19,366
Economic Value of One Year's New Business <sup>^</sup>	860	981	757	732	1,042

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

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

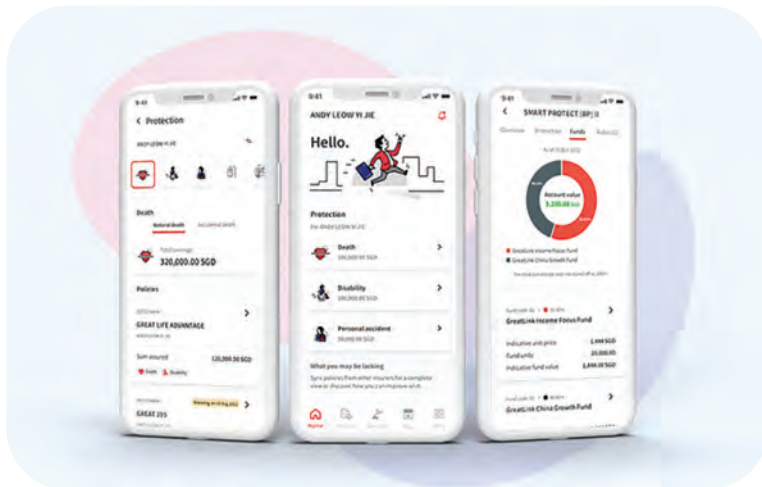
# Business Review

GREAT EASTERN HOLDINGS LIMITED

## Singapore

**O**ur operations in Singapore, comprising Great Eastern Life Assurance Co Ltd (GELS) and Great Eastern General Insurance (GEG), continued to increase our penetration in the market and we now serve over 2.3 million policyholders including those under the Central Provident Fund Board's Dependants' Protection Scheme (DPS).

In 2022, our Total Weighted New Business premiums fell 8% to S\$1.322 billion while New Business Embedded Value increased by 7% to S\$492 million. Our General Insurance business grew by 8% to S\$171 million in gross written premiums year-on-year.



### STRENGTHENING OUR LIFE INSURANCE BUSINESS

During the year, we continued to leverage on data analytics and customer research insights to deliver personalised solutions for our different customer segments. Our Centre for Design, Insights and Innovation (CDII) engaged with over 2,000 consumers to better understand their needs, attitudes and perspectives and these collective insights have helped us deliver sharper product propositions and customer experiences.

Through our customer analytics, we also identified opportunities to enhance our customer's protection portfolios. We launched *GREAT Care Benefit* and *GREAT Critical Protector* to selected customers to help plug their hospitalisation and critical illness coverage gaps, and also continued our efforts to help DPS policyholders enhance their death benefit with *GoGreat Term Life*. We worked with OCBC, leveraging on the bank's data insights to enhance the range of insurance solutions beyond wealth accumulation to also include simple protection plans.

### Our Distribution Channels

Our agency channel remains a key pillar of our distribution network and we continued to invest in technology and training to further enhance their advisory capabilities.

We continued to scale up the functionality of our Adviser Digital Portal (ADP), a web-portal designed for our financial representatives to engage their customers digitally. Our enhancements enabled greater personalisation and content customisation capabilities for financial representatives to benefit from stronger digital connectivity and engagement with their customers and facilitated sales opportunities around the clock.

Our financial representatives' training had stepped up a notch by having their curriculum integrated with and endorsed by the Institute of Banking and Finance (IBF). Our in-house learning and development institute, Centre for Excellence (CFE), was certified as an accredited IBF Training Provider. We will continue to strive to deliver high standards of training and competency for our financial representatives to meet the evolving needs of our customers.





To tap the growth of High Net Worth (HNW) and mass affluent segments, we continued to upskill our financial representatives with the tools and knowledge needed to provide holistic wealth advisory and financial planning services. In the third quarter of 2022, we launched *IWS II* – A Multigenerational Legacy Planning training programme focusing on advanced legacy planning solutions. We also partnered the Insurance and Financial Practitioners Association of Singapore (IFPAS) and Kaplan Singapore to launch two HNW programmes with IBF Level 2 and 3 accreditations, benefiting our financial representatives who specialise in advising affluent customers.

As part of our continuous efforts to foster a culture of upholding the highest ethical standards by our financial representatives, we launched a compulsory Professional Conduct & Culture (PCC) module with IFPAS as well as the Leaders Conduct & Culture (LCC) module to reinforce ethical practices and instil professional conduct and culture.

We continued in our efforts to attract talent to join the ranks as our financial representatives. On the recruitment front, we rolled out various initiatives, including monthly thematic events, carefully-structured internship programmes for fresh graduates, and profile-segmented recruitment kits tailored to engage with a diverse range of candidate profiles. These enabled us to attract more mid-career switchers and younger candidates and strengthened our strong network of over 5,000 financial representatives.

We further deepened our partnership with OCBC Bank through collaborating across data analytics and digital marketing platforms. We leveraged on the bank's data insights to develop

simple protection plans to augment their wealth offerings and launched *GREAT Term Guard* with guaranteed and simplified issuance offerings to selected customers. We improved the digital purchase journey for customers by enhancing user experience for customers who purchased our insurance products through the bank's mobile app and this initiative bagged the Singapore Good Design Award in 2022. We also provided more omni-channel options for customers to conveniently purchase General Insurance solutions such as home content during their interaction at branches.

We broadened our affinity partnership with Singtel to deliver customised bundled solutions at affordable prices to meet the needs of their customers in a COVID-normalised world. Aside from the existing home, motor and travel solutions for the population at large, we worked closely with Singtel to provide complimentary personal accident coverage for its pre-paid plan and remittance service subscribers, who are primarily work permit holders. This is a significant, inclusive gesture that gives peace of mind to this customer base as they work and contribute to our nation-building.

#### Our Product Propositions

Developing relevant insurance solutions to meet our customer's protection, savings and retirement needs continued to be our key focus.

2022 saw the world grappling with soaring prices with the rapid rise in inflation and interest rates. Despite this challenging environment, our agile investment and product development capabilities enabled us to launch a series of short-term endowment plans. Across the year we launched a series of *GREAT SP* tranches to meet our customers' savings needs with 95,000 policies inception.



As Critical Illness (CI) protection remains an important and pertinent pillar of our customers' protection portfolios, we launched two new solutions to help our customers close their protection gaps. *GREAT Critical Cover Top 3 CI* and *GREAT Critical Cover Complete* provides customers the option of covering three or 53 critical illnesses respectively, allowing them to reset their coverage to fully cover up to three episodes of CI.

In response to the implementation of the Cancer Drug List (CDL) from 1 September 2022 by the Ministry of Health, we enhanced our *GREAT TotalCare* rider plan to allow for the reimbursement of cancer drugs both on and off the CDL to offer more comprehensive coverage for our policyholders' cancer treatment needs. These changes were communicated to existing policyholders in December 2022 and will take effect for new policies inceptioned from 1 April 2023 and existing renewals progressively from this date onwards.

We also developed two new protection products exclusively for our existing customers to help them plug their protection gaps. We launched *GREAT Care Benefit* to provide a high daily benefit of up to \$2,000 upon hospitalisation. We also rolled out *GREAT Critical Protector* which covers 53 CIs across early, intermediate or critical stages with simplified underwriting to facilitate ease of purchase through our website.

To meet customers' long-term retirement and legacy planning needs, we rolled out the *Prestige Life Rewards 5 Special (PLR5 Special)* and enhanced our *Universal Life (UL20)*.

## GROWING OUR GENERAL AND GROUP INSURANCE BUSINESSES

Our General Insurance business grew across the region despite the challenges posed by the ever-evolving COVID-19 situation coupled with the geopolitical risks. Tapping on the easing of travel restrictions and the re-opening of borders, we nimbly pivoted our travel offerings to include comprehensive COVID-19 benefits.

We also continued to experience healthy growth in our retail business across all channels. A key focus had been to work with our financial representatives, bancassurance partners, brokers and affinity partners to utilise our digital capabilities to expand our reach.

With the successful launch of our new point-of-sales platform for intermediaries and direct customers, the majority of our personal lines business has been transacted online for both new and renewal businesses. This online platform will be extended to commercial lines and will be one of our key drivers for growth.

Our Group Insurance business also continued to achieve steady growth in 2022, with us serving more than 3,500 corporate clients and 800,000 insured members. As part of our Group Insurance offerings, we have been incorporating corporate mental wellness programmes that include preventive health management, health and wellness educational sessions for our clients.

Working closely with our clients and business partners, we introduced product enhancements and more flexible medical coverage options to meet the ever-changing healthcare landscape in Singapore.

### DEEPENING CUSTOMER ENGAGEMENT AND EXPERIENCES

During the year, we continued to invest resources to enhance our range of services to better serve our customers' needs across our service touchpoints.

We updated our Great Eastern app with a new interface and functionality that allows policyholders to consolidate all their financial holdings via the SGFinDex platform. This helps them uncover any coverage gaps they may have and enhance their financial planning experience with their financial representatives.

We also revamped our corporate website to enhance the navigation experience for customers and improve the ease of understanding of our products and services. A new content blog "Lifepedia" was also introduced featuring short reads, games, quizzes and videos to help enhance the financial literacy of customers through bite-sized nuggets.

Our Great Eastern Rewards app was upgraded to enhance the redemption process for the utilisation

of premium vouchers and gift credits to offset premium payments for insurance policy purchases. To-date, around 274,000 customers have signed up and the programme has been extended till end of 2023 to enable more customers to utilise their gift credits.

Post-pandemic, we also focused on deepening client engagements through an array of virtual and physical events covering content across investment market outlook, financial planning, fund updates, health and wellness, and lifestyle tips with over 120 events organised across the year.

With the lifting of COVID-19 restrictions, our 16th edition of Great Eastern Women's Run (GEWR) returned with over 4,000 runners joining the physical mass run. To champion healthy living and wellness among the female community, we also curated a suite of pre- and post-race activities, including virtual race challenges and kayaking activities for participants to bond with their families and friends while unlocking their own versions of greatness. In conjunction with GEWR, we also raised funds to support beneficiaries from the Singapore Cancer Society and Daughters Of Tomorrow. Our fundraising drive led by our staff and financial representatives raised a total of S\$220,000, with Great Eastern also donating \$1 for every 1 km clocked by our fundraisers during the donation drive period.



# Business Review

## Malaysia

Our Malaysian operations comprising Great Eastern Life Assurance (Malaysia) Berhad (GELM), Great Eastern Takaful Berhad (GETB) and Great Eastern General Insurance (Malaysia) Berhad (GEGM) registered an overall strong performance as the nation transitioned from a pandemic to endemic state of living with COVID-19.

Total Weighted New Business premiums from GELM and GETB increased by 8% to RM1,689.6 million (S\$527.6 million) compared to 2021, while New Business Embedded Value grew 10% to RM1,141.1 million (S\$355.5 million). GEGM's gross written premiums grew 11% to RM581.3 million (S\$181.8 million) year-on-year.

### GROWING OUR LIFE INSURANCE BUSINESS

#### Our Distribution Channels

Across the year, we continued to meet our customer's protection and wealth accumulation needs through our distribution network of financial representatives and our bancassurance channel.

We continued to uplift the capabilities of close to 22,000 financial representatives in their sales advisory and services. Our agency training arm, the Centre for Excellence, launched GreatKnowledge, a new cloud-based e-learning platform enabling our financial representatives to learn remotely at their own convenience and to exchange key takeaways through the platform anytime, anywhere.



To better empower our financial representatives, we upgraded our digital tools, GreatPlanner and MPOS (Mobile-Point-of-Sales), to uplift their productivity by providing digital tools for activity and performance management in GreatPlanner and allowing a wider range of supporting documents to be submitted digitally through MPOS. With the full adoption of our integrated point-of-sales system, we saw significant improvement in the processing time and accuracy of proposal submission.

We also expanded our Insurance Sales Coach (ISC) programme to support the Relationship Managers of OCBC Premier Banking on upskilling them on advanced legacy planning knowledge.

#### Our Product Propositions

In response to the surge in COVID-19 cases during the first half of 2022 due to the lifting of restrictions, we responded swiftly and launched a suite of affordable hospitalisation and medical plans through various targeted campaigns, to enhance protection for our customers' against COVID-19. These initiatives included the provision of medical coverage and hospitalisation income benefits for COVID-19 complications and hospitalisation due to COVID-19.

We upgraded our existing medical plans, *GREAT Medic Shield 2* and *SmartMedic Shield*, providing additional medical coverage against COVID-19, and launched the *SmartMedic Shield Extender Special Rider*, providing customers with complimentary two-year virtual health consultation and pharmacy services, and extra medical coverage at no additional cost.

To help Malaysians close their protection gap against critical illness, we introduced *GREAT Multi Cancer Care* and *GREAT Multi Cancer Care Special*. We also launched *GREAT Critical Care Relief* that provides coverage for five prevalent critical illnesses such as cancer, heart attack, stroke, kidney failure and serious coronary artery diseases, as well as coverage for both hospital and Intensive Care Unit (“ICU”) admission events.

To make insurance more accessible and affordable for our customers, GELM established an exclusive partnership with a group of panel hospitals under

the Preferred Hospital initiative to offer quality and cost effective healthcare services, including cashless admissions. In addition, administration charges, COVID-19 screening tests charges and cash deposits would also be waived.

For customers with savings needs, we introduced *GREAT Saver 3.2*, a two-year non-participating endowment plan, as well as universal life plans *Great Flexi Wealth Plus* and *Great Wealth Enhancer*. We also launched *SmartProtect Wealth Max*, an investment-linked plan (ILP) that provides high protection coverage and wealth accumulation at the same time.

We also rolled out two new protection propositions for our bancassurance customers to enhance their protection coverage and complement their endowment holdings. We also continued to place our focus on *All Rounder*, our first comprehensive ILP launched in late 2021 to meet the strong market demand.

Health Protection

**SMARTMEDIC SHIELD +  
SMARTMEDIC SHIELD PLUS**

Extensive medical coverage for your healthcare needs

**Great Eastern**  
A member of the OCIC Group

### Staying Close to our Customers

Leveraging on our re-branded loyalty and rewards app, UpGreat, as well as social media channels, we deepened our customer engagement efforts to drive brand awareness and leads conversion.

In collaboration with Tung Shin Hospital and Prince Court Medical Centre respectively, we organised cancer awareness talks and introduced *GREAT Multi Cancer Care* solution to the general public.

Fostering a closer collaboration with GEGM, selected GELM customers were also offered personalised service and additional rewards through dual-licensed financial representatives when they purchased selected General Insurance products such as motor, travel and home insurance.

# Business Review



## ADVANCING OUR TAKAFUL BUSINESS

Great Eastern Takaful Berhad continued to strengthen its leading position in the Takaful industry as it received Malaysia's Best Takaful Operator 2022 award by Global Business Outlook. The award is a recognition for its exemplary efforts in uplifting Islamic finance literacy and delivering best-in-class Takaful solutions that are tailored to suit various protection needs, financial goals, budgets and risk profiles for every stage of the life cycle.

To protect the fast-growing Islamic community in Malaysia against death and total and permanent disability, we launched *i-Great Ilham*, a limited period Guaranteed Issuance Offer (GIO) protection plan without any medical underwriting which recorded close to 6,300 certificates issuance.

As the appointed operator of mySalam, a national Takaful health protection scheme, we serve about 11.2 million Malaysians. Under this scheme, 2 million Malaysians had benefitted and received RM350 million in claims to-date. To expand our efforts to meet the protection needs of the broader community, we launched MikroSayang+ in 2022

with enhanced benefits via both our online platform and via our affinity partner Axiata Digital Partner's Boost platform.

We have strengthened our bancatakal partnerships through campaigns and ground activities, and competitive product propositions. Moving forward in 2023, our newly established bank partnership with Bank Rakyat will help propel our Takaful business further.

We have been making good progress with our digital strategy anchored on harnessing data analytics, robotics and artificial intelligence and leveraging on these capabilities in our business operations and services.

Our i-Great Partner portal that allows Takaful customers to make policy change requests digitally also registered encouraging results after a year of implementation. Our customer self-service portal, i-Get In Touch (iGIT), saw over 50% of our customers utilising the various digital services available, including fund switches and certificate management functions during the year.

We also enhanced our corporate website to enable customers to access over 30 e-servicing forms and submit their requests digitally. To improve our operational efficiency, we implemented various Robotics Process Automation (RPA) initiatives to automate cross-departmental processes such as claims processing and documents uploading.

In addition, we fully digitalised *GET REV*, a Group Takaful product which offers affordable and personalised healthcare plans for employees and their family members, eliminating paper processes for a seamless digital customer experience.

**EXPANDING OUR GENERAL INSURANCE BUSINESS**

Our strong General Insurance business growth was contributed by our marketing efforts and exceptional performance from our major distribution channels which include agency distribution, broking and automotive franchises.

As we scale our business, profitable growth remains as our key focus. We have stepped up on our recruitment efforts and added 11 new dealers and four new Perodua branches into our portfolio, with the objective of growing our motor business.

We also expanded our Agency Distribution channel with 76 new agents recruited during the year via the Agent-get-Agent referral programme. To support our new agents, we conducted several sales campaigns for them to engage existing motor, fire and personal accident policyholders.

To increase our penetration into the life insurance customer base, we introduced the Protection Prime Campaign to cross-sell home, private motor and travel insurance products to their policyholders.

With the gradual resumption of travel, we incorporated COVID-19 protection into our travel insurance products such as the *Travel for More*, *GREAT Voyager*, and *Malindo Travel Insurance*, and promoted these solutions across multiple distribution channels to allow us to reach a wider audience set.

We also supported the government’s efforts to increase insurance coverage of the B40 population by participating in the Perlindungan Tenang Voucher Programme. We launched *GreatTenang*, an affordable personal accident product with premiums from as little as RM0.21 a day.

In 2022, our partnership with Axiata yielded positive results. This was achieved through the launch of competitive propositions and campaigns, including the Cashback Campaign through its Boost mobile application.

The advertisement for GREAT TENANG insurance features a family of five (a father, a mother, and three children) smiling outdoors. The text includes:

- Personal Accident Protection
- GREAT TENANG**
- Covers you with 24-hour Personal Accident protection
- Complimentary COVID-19 AEFI Coverage\*\*
- PROGRAM BAUCAR (RM75)
- PERLINDUNGAN *tenang*
- MAU PU & MUDAH
- Pelan Mikro Insurans dan Mikro Takaful Mampu Milik
- Annual Premium: RM75\*
- Sum Insured: RM42,500

# Business Review

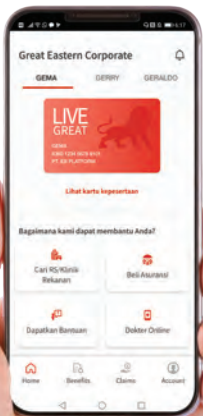
## Emerging Markets

**O**ur operations in Indonesia, comprising Great Eastern Life Indonesia (GELI) and Great Eastern General Insurance Indonesia (GEGI) registered robust growth as the economy rebounded from the effects of COVID-19.

**GELI's Total Weighted New Business premiums increased by 39% to IDR334.6 billion and New Business Embedded Value increased by 58% to IDR 129.3 billion. Our General Insurance business grew by 35% to IDR585.6 billion in gross written premiums year-on-year.**

### Indonesia

GELI and GEGI continued with the core strategy of making products and services more accessible digitally to better serve the post-pandemic expectations and evolving needs of consumers. These initiatives also included improving our new business and underwriting process, launching HybridO2O (Online to Offline) marketing initiatives, as well as enhancing digital-enabled sales and the training and development of our financial representatives. We were pleased to be recognised for our efforts with a total of 36 awards and accolades received. These included the Most Innovative Life Insurance for the Development of Integrated, Sophisticated Digital Services at the Indonesia Digital Innovation Awards 2022 and Indonesia Best Workplace for Women Award.



### GROWING OUR LIFE INSURANCE BUSINESS

We continued our growth momentum in our life business by working closely with our core bancassurance partner OCBC NISP. Activity management was a key focus as we jointly executed a year-long series of engagement programmes for our financial advisors to engage their customer networks. We enlarged our product suite and offerings and launched *i-Great Heritage Assurance (i-GHA)*, our first standalone Shariah personal insurance product, as well as *Super Investlink Plan 101 (SIP101)*, *MaxPrestige Heritage Protector* and *GREAT Optima Link*.

We further expanded our strategic partnerships with Bank Mestika Dharma, the largest bank in North Sumatra with the launch of *Great Wealth Assurance* and Bank Woori to launch *Asuransi Jiwa Kredit Kumpulan* to meet the needs for a Shariah credit life product.

With regards to our digital platforms, we continued to make enhancements so as to increase the range of services and features available online for our customers. Our digital-enabled sales platform and customer portal – GoGREAT! – was well received by customers seeking convenience as it enabled self-service digital transactions such as the direct purchase of insurance and post-sale servicing such as fund switches. Over 92% of all fund switching transactions were carried out through GoGREAT! in the year as we delivered quicker processing times along with real-time notifications.

We also enhanced our Great Eastern Corporate App, improving the turnaround time for group insurance claims to an average of four days, while providing real-time notifications to customers on their claim status. The app was also enhanced to enable customers to purchase products





seamlessly, including bundled insurance solutions such as *Asuransi Great Pro Solution (GPS)*, *Asuransi Jiwa Pembiayaan Syariah Step Up* and *Great Pro Insure Life*.

### STRENGTHENING OUR GENERAL INSURANCE BUSINESS

To cater to the evolving needs of our customers and provide them with a seamless customer experience, we strengthened our internal capabilities and services while enhancing our product propositions.

We continued to focus on expanding our retail business by working closely with our main broker and agency channels and business volumes through these channels grew steadily by 35% in 2022. During the year, our business from our bancassurance network grew by 60% and extended our reach to new customers.

Tapping on the huge e-commerce economy, we continued to build on our digital affinity partnerships to further expand our reach. We partnered Qoala and Gojek to launch *Gadget Protection* insurance to their customer bases through their e-commerce and e-wallet platforms. We also continued our collaboration with Indonesia's largest online travel agents, Traveloka and Tiket.com, as well as offline travel agents, to promote our *Flight Protection* travel insurance plan to their customer base and increase our market share for travel insurance. Our strategic partnerships have contributed to our business growth with 4.94 million policies transacted through these digital platforms which now represents 2.5% of our portfolio. We will continue to strengthen our digital capabilities by focusing on the automation and digitalisation of our operational processes and touchpoints to deliver greater convenience and personalised services to our customers.

## Brunei

The gradual easing of COVID-19 restrictions helped to accelerate the recovery of the business environment. Face-to-face industry and business events which were previously put on hold for the past two years gradually resumed. The full resumption of business operations also strengthened our business momentum as we took the opportunity to launch new insurance solutions to enhance our customers' protection and wealth accumulation needs. Key products launched included the *GREAT Flexi Protect 2 Series*, *SGD GREAT Retire Income*, *SGD GREAT Lifetime Payout 2*, *SGD Prestige Life Rewards 5* and *SGD GREAT Flexi Goal*. In conjunction with the new wealth solutions launched, we also deepened our training and engagement with Baiduri Bank Berhad to increase our penetration into the affluent segment.

As part of our continuous focus on building our talent pipeline by developing and growing our agency force, we kick-started the Aspiring Leaders Program in Brunei to identify and groom potential future leaders to enhance our financial advisory network. We also participated in recruitment activities with the government's Manpower Planning & Employment Council to engage fresh university graduates who were seeking careers in financial services.

We also contributed to the community by participating in the Insurance & Takaful Day 2022 organised by the Brunei Insurance and Takaful Association in November, to help the general public increase their financial literacy and awareness of insurance.

# Human Capital



**G**uided by our core values of Integrity, Initiative and Involvement, we continue to empower our people and develop their potential to the fullest as we incorporate our brand promise – Reach for Great – into their daily lives.

## FOSTERING STRONGER CONNECTION

As most COVID-19 restrictions across the region were lifted during the year, we resumed our employee engagement activities in both physical and hybrid formats.

Across the region we held quarterly townhalls, festive celebrations, departmental get-togethers, various workshops and sustainability campaigns. Our much anticipated Dinner & Dance and company anniversaries were also back in full swing across the region.

To celebrate the achievements and resilience of our employees as we emerged stronger from the pandemic, we organised a year-end appreciation lunch for employees in Singapore.

Our ninth edition of Kids@Work day returned with the theme of “I am a Protector”, instilling the values of protecting our families, ourselves and the earth among our employees’ children through a day of games, movie screening and sweet treats.

In Malaysia, we launched our Family Friday, a shortened workday initiative for all employees to leave work at 4pm on a selected Friday every month to spend more time with their loved ones.

Following the workplace transformation at Great Eastern Changi, our journey to enhance pandemic resilience continued at our head office at Great Eastern Centre. As we redesigned the workplace with features to encourage and enable greater collaboration, we also worked on creating a culture



and fostering an environment built on trust and where all staff feel safe to speak up and these initiatives will be implemented across other local and regional offices progressively.

## CHAMPIONING GREAT HEALTH AND WELLNESS

We put in place robust programmes to encourage holistic well-being of our people. Through our LIFE Programme in Singapore, we organised a series of activities, including webinars on finance, interactive workshops on mental wellness and physical health challenges. Around 470 employees participated in the challenge through 58 teams, with over 270 individuals joining the monthly activities held from March to September 2022.

Mental health is equally critical as our employees reach for greater work-life harmony. In Singapore, “We Are Okay” campaign was launched to encourage conversations about mental health and provide our employees with ready resources to become stronger mentally.

In Malaysia, we partnered Doctor Anywhere (DA) Malaysia to provide virtual consultations and assessment tools to our employees, in support of their mental well-being. We also participated in the Activ@Work Challenge by PERKESO – a three-month Steps Challenge held between 1 July to 30 September, where Great Eastern Malaysia was recognised as the “Most Active Employer” of the year, with nine of our employees clinching awards in the Top 10 “Most Active Employees” category.



### INVESTING IN PEOPLE DEVELOPMENT

As we strive to deliver operational excellence, positive business outcomes and value for our customers, we have been instilling among employees our corporate culture of Moving Together as One.

In Singapore, we continued the #mygreatculture programme to foster greater collaboration and open communications across all levels of our employees. Starting with the leadership team, a steady stream of sessions allowed our leaders to gather, discuss, align and implement best practices to enhance inter-division collaboration and team resilience, unlocking our human potential as we navigate the new future of work together. Filled with meaningful interactions and lively discussions, the sessions focused on how impactful leadership would enable employees to grow while nurturing the practice of our core values and the associated behaviours.

Following the leadership sessions, group sessions were organised for employees from November 2022 onwards, to enable trust and cultivate a psychologically open and safe work environment, in order to build stronger and more resilient teams. These will also be introduced across our regional offices to all our employees.

In Malaysia, we launched the Culture Icon Recognition Programme, a peer-to-peer recognition initiative that celebrates employees who demonstrate the core values and associated behaviours, our value-driven culture framework, in their respective roles. Upholding our commitment to providing a supportive and equitable workplace, we enhanced our employment benefits to meet the different needs of our multigenerational workforce.

We continued to drive continuous learning through a broad range of bite-sized digital learning modules for employees in Singapore and Malaysia. In Indonesia, we launched the DIGI Fun Day to create greater digital awareness among employees as we believe great customer experience begin with well-equipped employees.

In September, we rolled out a month-long #FutureReady Learning Carnival across all offices with an exciting line-up of 11 webinars and workshops, covering our seven #FutureReady pillars such as Customer Centricity, Risk and Governance,



and Tech and Data, to upskill our employees for greater productivity and work efficiency.

Based on our Culture and Employee Engagement Survey 2022, we had seen an improvement in our overall engagement score,

of which 81% of employees agreed that the organisation has an inclusive work environment that supported employees from diverse backgrounds and with different viewpoints. Another 78% of employees also indicated that they were able to integrate their work and personal life in a way that supported them.

### INFUSING A CULTURE OF SUSTAINABILITY

In line with our refreshed brand promise, we stepped up our Group-wide efforts to encourage our employees to adopt sustainability-driven practices and to reach for a greener tomorrow.

In Singapore, we launched a Sustainability Challenge with the aim of reducing our carbon footprint to support our move towards a low-carbon economy. E-learning modules on sustainability were also incorporated to help raise understanding of our key sustainability pillars among our employees.

In Malaysia, we led a sustainability awareness campaign themed The Apprentice: Great Eastern Challenge to exchange ideas on building a more sustainable Great Eastern. Participating teams brainstormed and validated their ideas and on environmental sustainability or good health and well-being.

Following the Lunar New Year celebrations, we initiated a red packet recycling campaign, collecting a total of 491 kilograms' worth of red packets from offices in Singapore and Malaysia.

In Indonesia, a series of events were held to drive good sustainability practices, including fashion and lifestyle choices, through education and upcycling workshops. The initiatives included an informative webinar on wastewater management, a digital quiz and a virtual viewing experience on climate change to mark World Water Day.

In conjunction with Earth Week 2022, we organised a series of upcycling workshops, a pre-loved clothes donation drive, and a lights-off campaign where we conserved a total of 552 hours of energy. Participating employees across the region were rewarded to encourage them to actively incorporate sustainable lifestyle habits in their daily lives.

# Corporate Social Responsibility

**A**s a leading regional insurer, Great Eastern is committed to giving back and making a positive difference to the communities we operate in. Our Corporate Social Responsibility efforts centre around uplifting the well-being of the vulnerable and needy, improving financial literacy and inclusion and protecting the environment. Our contributions include our corporate donations as well as volunteerism and fundraising efforts from our staff and financial representatives across the Group, under our umbrella Great Eastern Cares programme.

## Singapore

Building up financial literacy early especially among the youths as a foundational life skill is an area of focus that allows us to create long-term beneficial impact on society. In collaboration with Junior Achievement (JA) Singapore, more than 70 of our employees and financial representatives volunteered to deliver three interactive workshops at Bukit Panjang Government High School, Evergreen Secondary School and Raffles Girls' School during the year. Close to 930 students learnt about personal financial management across topics such as budgeting, discerning needs and wants, understanding debit and credit payment options as well as insights into career planning through these sessions.

On the environmental front, we partnered with Zero Waste SG, a non-governmental organisation in Singapore, and took on title sponsorship of the Sustainable Schools Programme. This 8-month holistic initiative raises green awareness and environment advocacy among secondary school students. Kicking off in April 2022, the programme was supported by our volunteers and engaged 11,000 secondary school students from 10 schools across a series of upcycling workshops and outreach activities.





The programme also included opportunities for students to gain first-hand experience in solving sustainability issues with teams from each school participating in a competition to generate innovative solutions that could be scaled up and used in other schools or community spaces. This contest culminated in November and winning entries included projects to create a clothes donation drive, a mobile thrift store to educate students on fast fashion and initiatives to compost leaf litter and food waste.

The 16th edition of the Singapore Great Eastern Women's Run (GEWR) returned this year in a fully physical event format for the first time since 2019. In conjunction with this event, over 250 female staff and financial representatives volunteered time and effort to help raise awareness and donations to support two charities – Daughters Of Tomorrow and Singapore Cancer Society (SCS). Aside from their individual donation outreach efforts, Great Eastern also pledged \$1 for every 1 km the fundraisers ran throughout the donation drive period and these collective efforts helped us raise a total of S\$220,000.

To emphasise our commitment to supporting the less fortunate, our employees and financial representatives also kicked off another fundraising drive for SCS' 'Return to Role' rehabilitation programme, in conjunction with the launch of *GREAT Critical Cover series* for critical illness coverage during the year with S\$27,522 raised.



# Corporate Social Responsibility

GREAT EASTERN HOLDINGS LIMITED



## Malaysia

To continue helping the underserved community tide over the challenges brought by COVID-19, we remain steadfast in creating positive social impact through sustainable value creation and staff volunteerism.

In our bid to support the education of disadvantaged students, we donated RM18,920 to and repurposed 107 used computer units for Medical Awareness Camp Outreach (MACO) under the Computer Empowerment Program (CEP), providing the students with exposure to information technology resources while reducing e-waste.

To spread the festive cheer during Lunar New Year and Hari Raya, we donated shopping vouchers worth RM12,500 to more than 100 children from four homes registered under the purview of the Department of Social Welfare (or Jabatan Kebajikan Masyarakat, JKM). Another donation of RM25,700 was made to host a series of Hari Raya celebrations for the underprivileged, in collaboration with Khadijah International Waqf Foundation. In celebration of Deepavali, we further contributed close to 100 lunch boxes with sweet treats to the homes. In addition, our employees took part in a fundraising drive, raising more than RM4,000 and donating over 200 dessert boxes to eight homes.

Into its 7th run, the Program Aspirasi Gemilang 'A' saw 13 children from JKM children homes awarded with RM100 for each 'A' they scored in the 2021 national examination, Sijil Pelajaran Malaysia.

A total of RM3,900 was disbursed through GELM ChildrenCare.

We also contributed to the Touching Lives Club's Charity Golf event by raising RM7,000 for the upgrading of community learning centres located in Kampung Tamasak and Kampung Soquon, two rural villages in Tongod, Sabah. In collaboration with Kembara Amal Ventures (KAVE), we contributed green packets of RM20,000 to needy children at Tahfiz schools around Klang Valley.

Strengthening our support towards special needs children and the elderly, we donated RM12,000 to Pusat Kebajikan Kasih OKU Selangor. We also continued our support towards Hospis Malaysia by donating RM10,000 to provide palliative care to the patients.

Our Takaful arm Great Eastern Takaful Berhad embarked on a sustainable business journey by adopting Value Based Intermediation Takaful (VBIT), a programme launched by Bank Negara Malaysia to provide services that have a beneficial and lasting effect on the economy, community and environment. Towards caring for the environment, we collaborated with the Sea Monkey Project and launched a Sustainability Room to promote the reduction of plastic pollution and embarked on recycling and upcycling plastic waste products harvested for positive environmental effects.

## Indonesia

We undertake a multi-stakeholder approach by working with partners to amplify the positive social impact we make.

As Indonesia has the largest Muslim population in the world, we aim to increase Shariah financial literacy in the country through partnership with Dream Diadona, one of the largest Muslim lifestyle media, to organise a financial literacy webinar during the month of Ramadan in April.

During the financial inclusion month in October, we collaborated with Bank OCBC NISP and Solopos Media Group and conducted physical and virtual financial literacy sessions for members of the public under the age of 35, as well as women entrepreneurs and consumers looking for a halal lifestyle or business operation.

To further promote financial literacy and the importance of insurance, we conducted an annual programme for over 100 students from the National Education University, Bali to learn about 'Trend and Penetration Rate of Digital Insurance (Insurtech) in Indonesia'.

We also conducted a series of health, financial and wellness classes for Bank OCBC NISP employees, with more than 6,000 participants attending over 31 activities held throughout the year.

In supporting the vulnerable and needy, we provided insurance coverage for a modified vehicle designed to

provide transportation for disabled and special needs children in Bali. We also organised refurbishment projects for the Sinar Batam Orphanage and Kasih Bunda Untari Samarinda Orphanage, providing comfortable homes for the children. In Surabaya, we collaborated with Indonesian Red Cross Society to organise a Blood Donation Drive for office tenants, financial representatives, brokers and members of the public, collecting 90 bags of blood.

## Brunei

In Brunei, we supported the local government's Strategy 2 'Forest Cover' initiative to plant 500,000 new trees by 2035. During the year, we planted 100 trees in Sungai Penyatang, Tutong through afforestation and reforestation activities to help combat climate change.



# Year in Review

GREAT EASTERN HOLDINGS LIMITED



## January

- » GELS held its Great Kick-Off event for over 5,000-strong agency force
- » GELS launched Lifepedia, a one-stop resource portal to enhance customer engagement and provide insurance and financial planning knowledge in digestible nuggets
- » GELM held its annual Next Gen Awards ceremony in physical format
- » GELM launched several campaigns to offer free additional coverage against accidental death due to natural disaster and hospitalisation benefits due to accident or COVID-19
- » GETB launched *Dana i-Ekuiti Global*, a new investment-linked plan that includes green funds with high ESG score through collaboration with external fund manager
- » GETB launched cashback campaign for *i-Great Prestij*, offering 6% to 8% cashback for a limited offer period
- » GELI launched *Asuransi GREAT Pro Solution* through GoGREAT! website
- » GEGl hosted the Agency Kick-Off 2022 virtual event attended by 230 financial representatives, with insights sharing on Indonesia's economic outlook for the year
- » GEGl partnered Blibli and Cermati to launch furniture insurance on their e-commerce platforms
- » GEGl piloted the affinity business for agency at the Samarinda Branch to support offline stores in selling gadget and electronics insurance

## February

- » GEGM launched several campaigns to drive fire and motor insurance sales
- » GETB launched *i-Great Inspirasi*, a new simplified issuance offer product which offers affordable protection against infectious disease as well as five main critical illnesses (CIs)

## March

- » GELM secured its first digital aggregator partner, Intelligent Money (iMoney), combining tele-sales assistance with our digital direct channel
- » GELM launched *GREAT Multi Cancer Care*, a cancer protection plan with comprehensive coverage through every cancer stage up to age 85 and a total payout of up to 360% of the basic sum assured
- » GELI partnered Bank Mestika Dharma to launch a new bancassurance product, *GREAT Wealth Assurance*
- » GELI partnered Bank OCBC NISP Syariah to launch a credit life product, *Asuransi Jiwa Pembiayaan Syariah Step Up*
- » GEGl introduced the Integral Front-End application for the expedition of travel insurance sales

## April

- » GELS partnered Zero Waste SG to build environment consciousness among over 11,000 secondary school students through its Sustainable Schools Programme 2022





- » GELS rolled out experience-management capabilities on all digital touchpoints to gather customer feedback and ratings, as well as to support continuous improvement in digital services
- » GEGM launched travel insurance products with COVID-19-related benefits
- » GETB launched *MikroSayang+*, an expansion of its existing microtakaful product for the underserved segment, which offers additional plan packages for hospitalisation and CI
- » GELI held a webinar themed “From Me to Earth” on Instagram Live session with Sustainability Indonesia to educate employees on sustainability in commemoration of Earth Day
- » GELI partnered Dream Diadona, one of the biggest Muslim lifestyle media in Indonesia, to hold a Shariah Financial Literacy Webinar session during Ramadan Month
- » GELI implemented the Robotic Process Automation (RPA) to automate inputs from multi-risk property policies for underwriting enhancement

## May

- » GELS launched *GREAT Dengue Care* which provided 12 months of complimentary coverage to eligible existing customers
- » GELM launched *SmartMedic Shield*, a comprehensive hospitalisation plan with enhanced medical coverage for COVID-19
- » GELI partnered Qoola, an insurtech broker, to launch a life product, *Great Pro Insure*
- » GELI partnered Bank Woori to launch a credit life product, *Asuransi Jiwa Kredit Kumpulan*

## June

- » GELS collaborated with the Singapore University of Social Sciences (SUSS) to conduct a study, titled “Youth in the Digital Space”, examining the influence of social media and technology on the behaviour and perceptions of Singapore youths
- » GELM collaborated with Persatuan Usahawan Maju Malaysia (PUMM) to offer affordable group insurance coverage to the employees and their families from Small and Medium Enterprises (SMEs) under PUMM
- » GEGM launched *GreatTenang* to compliment the Perlindungan Tenang vouchers programme by the Malaysian Government
- » GEGM launched Protection Prime Campaign to drive cross-selling among Great Eastern entities
- » GETB launched an exclusive *MikroSayang* campaign on Axiata’s Boost platform, offering products redeemable by eligible customers using Perlindungan Tenang vouchers
- » GETB launched a cashback campaign for *i-Great EVO* customers

## July

- » GELS launched *GREAT Care Benefit*, a hospital cash plan for additional expenses or medical treatment in the event of hospitalisation, together with complimentary coverage for dengue fever
- » GELS launched *mobile protection plan* for Singtel customers to protect their mobile phone screens and handsets
- » GELM launched Opt-in Medical Campaign, offering additional medical benefits and COVID-19 coverage at minimal cost without medical underwriting to all existing life assureds with medical plan/riders that has exclusion on communicable diseases requiring quarantine by law
- » GELM launched *SmartProtect Wealth Max*, an investment-linked plan that provides high coverage with the flexibility to choose the desired coverage term and premium paying term, while offering booster reward and maturity booster
- » GETB launched limited offer Guaranteed Issuance Offer plan, *i-Great Ilham*, providing affordable hibah takaful protection with high sum covered, as part of its financial inclusion initiative
- » GELI held Hospital Gathering and Network Award 2022



## August

- » Great Eastern celebrated its 114th anniversary and unveiled a new brand promise and tagline “Reach for Great”, embracing the new brand purpose of being a partner and enabler of its customers’ ambitions and aspirations across the region
- » GELS employees and financial representatives kick-started a series of tree-planting events across Singapore in support of the NPark’s OneMillion Trees Movement and Great Eastern’s sustainability efforts, with a completion target of 1,429 trees
- » GELM held a sales convention trip to Da Nang, Vietnam for all qualifiers of the 2021 Great Iconic Leaders Club (GILC) and 2021 Great Supreme Producers Club (GSPC)
- » GELM organised a comeback of a 3-Day Million Dollar League Summit 2022 to reward qualifiers of the L.E.A.D. Award in 2019 and Million Dollar League Award (MDLA) in 2020 and 2021
- » GEGM launched the Boost CarProtect Campaign to drive the sales of motor insurance products
- » GETB launched *Group Credit Family Takaful*, a protection plan for Bank Muamalat Malaysia Berhad personal financing customers
- » GELI celebrated its 26th anniversary with the launch of the Reach for Great campaign
- » GEGI conducted a financial literacy webinar attended by over 100 students from the University Pendidikan Nasional Bali
- » GEGI implemented B2B sales online system with the objective to enhance sales process for bancassurance and insurtech business partners

## September

- » GELS worked with Singtel to provide complimentary 30-day personal accident coverage for its pre-paid card users
- » GELM organised the largest Life Planning Advisors (LPA) graduation ceremony since 2010, commemorating the graduates from the Class of 2019 to 2021
- » GELM rewarded the qualifiers of the annual Supremacy Experience Summit 13 with a trip to Bangkok, Thailand
- » GETB launched a tactical campaign for *i-Great MediHarapan*, a standalone medical plan with additional family discounts
- » GELI kick-started a series of activities at the Sustainable Festival in support of Bank OCBC NISP’s sustainability efforts
- » GEGI partnered one of Indonesia’s biggest capsule hotel provider Bobobox to launch a personal accident insurance bundled with hotel bookings
- » GEGI partnered Cermati Insurtech through Indodana, a fintech company that provides cash loan services, to launch bundled gadget insurance coverage with new device purchase
- » GEGI participated at a travel fair in collaboration with Bank OCBC NISP, organised by Association of Travel Agents

## October

- » GELS launched two new CI plans in the *GREAT Critical Cover* series with the aim to bolster Singaporeans’ healthcare financial planning resilience, boosted with a fundraising drive to support Singapore Cancer Society’s ‘Return to Role’ rehabilitation programme
- » GELS revamped the corporate website to create a more customer-centric navigation experience
- » GELS held the in-person Final Sprint event attended by over 2,500 financial representatives
- » GELM launched *GREAT Critical Care Relief*, a conventional CI plan that provides coverage for top five CIs and hospitalisation benefits



- » GELM awarded seven tertiary scholarships to students from low-income groups for further education at local public universities
- » GELM rewarded the qualifiers of 2021 Supremacy Summit with a trip to Greece
- » GETB participated in Green Giving In Generations campaign with OCBC to support its ESG initiative
- » GETB set a new record in the Malaysia's Book of Records when it made the longest electric train service rental with the involvement of over 700 financial representatives
- » GELI launched its Hybrid Online to Offline programme to market *GREAT Pro Assurance* and *GREAT Saver Assurance* through OCBC NISP
- » GELI launched *GREAT Prestige Protector* through Bank OCBC NISP
- » GELI partnered Bank Optik Melawai to launch *Asuransi GREAT Pro Solution*
- » GELI partnered OCBC NISP and Solopos Media respectively to hold a series of financial literacy sessions in conjunction with the financial literacy month
- » GEGI participated in the financial inclusion month programme by the Financial Services Authority (OJK) by giving a 25% discount for Personal Accident products during the month
- » GEGI implemented Electronic Stamp Duty (e-stamp) in support of the Group's efforts to go paperless
- » GELS launched a new version of Great Eastern App to provide a more seamless user experience with enhanced interface and features
- » GELS enabled seamless consolidation of data from the Singapore Exchange (SGX), government agencies, participating banks and insurers via the Singapore Financial Data Exchange (SGFinDex) platform to facilitate customers' financial planning
- » GELS launched *GREAT Critical Protector* for existing customers to enjoy enhanced benefits of *GREAT Critical Cover* for a limited time period
- » GETB organised a Shopping Bonanza event, with more than 500 financial representatives raising funds and purchasing household necessities for flood victims
- » GETB launched the Sustainability Room to advocate recycling and upcycling practices among its employees
- » GELI partnered Saya Pilih Bumi, a digital movement of National Geographic Indonesia, to launch the sustainability campaign "Reach for a Greener Tomorrow"
- » GEGI implemented Electronic Survey (e-survey) for claims and policy acceptance
- » GEGI launched *Travel with COVID-19 benefits* plan, covering medical expenses, flight cancellations and delays

## November

- » GELS organised the 16th edition of Great Eastern Women's Run (GEWR), garnering support from over 4,000 participants for the first physical race since 2019, with a total of \$220,000 raised for Daughters Of Tomorrow and Singapore Cancer Society
- » GELS concluded the Sustainable Schools Programme with a prize presentation ceremony for the top five winning teams that presented the best sustainability school projects

## December

- » GETB launched cashback campaigns for *i-Great Generasi* and *i-Great MediHarapan* customers
- » GEGI participated in the OCBC Financial Fitness Classes and Festival at Jakarta and introduced its travel insurance to 125 participants
- » GEGI initiated a series of Reach for Great brand refresh advertisements at key strategic locations in central business districts and main streets of Jakarta
- » GELB planted 100 trees in Sungai Penyatang, Tutong through afforestation and reforestation activities to help combat climate change

# Awards

GREAT EASTERN HOLDINGS LIMITED

## Singapore

### **Most Transparent Company Award 2022 (Financials Category)**

SIAS Investors' Choice Awards 2022, Securities Investors Association (Singapore)

### **Advisers Initiative of the Year Education Insurance Initiative of the Year**

Insurance Asia Awards 2022

### **Technology Excellence Award for Fintech – Life Insurance**

Singapore Business Review (SBR) Technology Excellence Awards 2022

### **Intelligent Data Governance & Privacy Award**

Informatica Asia Pacific & Japan Customer Innovation Awards 2022

### **Excellence in Data Transformation**

Informatica ASEAN Innovation Award 2022

### **Most Trusted Brand (Life Insurance Category) – Gold Award**

Reader's Digest Trusted Brand 2022

### **Singapore's Best Employers 2022 Singapore's Best Customer Service 2022/23 (Insurance Category) – 2nd Place**

The Straits Times and Statista

### **Best Consumer Event: Health / Wellness / Fitness – Bronze Award (Campaign: Great Eastern Women's Run 2021)**

The Marketing Events Awards 2022

### **Best Campaign Pivot – Bronze Award (Campaign: Great Eastern Women's Run 2021)**

Mob-Ex Awards 2022

### **Top 100 Most Valuable Singaporean Brands**

Brand Finance Singapore 100 2022

## Malaysia

### **Most Trusted Brand (Life Insurance Category) – Gold Award Most Trusted Brand (Health Insurance Category) – Gold Award**

Reader's Digest Trusted Brand 2022

### **Brand of the Year (Insurance Category)**

The BrandLaureate BestBrands Awards 2021-2022

### **Best Employee Wellness Strategy – Gold Award**

Employee Experience Awards 2022 Malaysia, Human Resources Online



### **Excellence in Retention Strategy – Gold Award**

HR Excellence Awards 2022 Malaysia, Human Resources Online

### **Best Companies to Work For in Asia 2022 (Malaysia edition) – 7th year**

HR Asia

### **2022 LOMA Educational Achievement Award 2022 LOMA Excellence in Education Award**

Life Office Management Association (LOMA)

### **Most Active Employers of the Year Top 10 Most Active Employees – Nine Winners**

Activ@Work Challenge by PERKESO



## Indonesia

**The Most Innovative Life Insurance for The Development of Integrated and Sophisticated Digital Services**  
Indonesia Digital Innovation Award 2022, Warta Ekonomi

**Best Insurance 2022 with Top Financial Performance and Strategy Initiatives to Encourage Company Business Development**  
Indonesia Best Insurance Awards 2022, Warta Ekonomi

**Best Life Insurance 2022 for the IDR 500 Billion – 1.25 Trillion Equity Group**  
**Best Life Insurance Sharia Business Unit 2022 for the IDR 25 – 250 Billion Equity Group**  
**Best General Insurance 2022 for the IDR 500 Billion – 1 Trillion Equity Group**  
Insurance Award 2022, Media Asuransi

**Marketing Initiative of the Year**  
**Mobile App of the Year (Great Eastern Corporate)**  
Insurance Asia Awards 2022, Charlton Media Group

**Indonesia Best Business Transformation Award 2022**  
SWA Magazine & SWA Network

**Best Innovation in Marketing**  
**Best Marketing Campaign in 2022**  
Marketing Award 2022, Marketing Magazine



**Best Life Insurance for Assets above IDR 5 – 10 Trillion**  
Best Insurance Award 2022, Majalah Investor

**Top Insurance Employers 2022**  
Insurance Business Asia

**EXCELLENT Rating for Financial Performance FY2021 (Category – General Insurance with Gross Premium IDR 250 – 500 Billion)**  
Infobank 23rd Insurance Award 2022, Infobank Magazine

**Best Workplaces for Women 2022 in Committing to Inclusive Recruitment (General Insurance Category)**  
Indonesia Best Workplace for Women Award 2022, HerStory, member of Warta Ekonomi

# Corporate Governance Report

As at 1 March 2023

GREAT EASTERN HOLDINGS LIMITED

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”).

Prior to 1 July 2022, GEH adopted the corporate governance practices that conformed with the Banking (Corporate Governance) Regulations 2005 and any exemptions thereto, as well as the Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued by the Monetary Authority of Singapore (“MAS”) on 3 April 2013.

With effect from 1 July 2022, GEH has been designated as a financial holding company under Section 4(1) of the Financial Holding Companies Act 2013 through the Financial Holding Companies (Designated Financial Holding Companies) Order 2022. GEH has since adopted the corporate governance practices that conform with the Financial Holding Companies (Corporate Governance of Designated Financial Holding Companies with Licensed Insurer Subsidiary) Regulations 2022 (“FHC CG Regulations”) as well as the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued by MAS on 9 November 2021 (“MAS CG Guidelines”). The Company also complies in material aspects with the Code of Corporate Governance issued on 6 August 2018 and amended on 11 January 2023 (the “Code”) as part of its listing obligations.

A summary of the disclosures made pursuant to the Company’s corporate governance practices are provided on pages 84 to 85 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 that it is managed in the best interests of the Company as a whole while taking into account the need to safeguard the interests of shareholders, customers 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 and the Group effectively and in accordance with the Company’s Code of Conduct.
3. The principal roles and functions of the Board, as set out in the Board charter, include the following:
  - (a) providing leadership, reviewing, approving and overseeing the implementation of the Company’s strategic direction and overall business objectives as well as the organisational 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 obligations to shareholders, customers, policyholders and other stakeholders are understood and met;
  - (d) ensuring that the necessary 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) meeting regularly with Management, including key persons in control job functions, discussing and reviewing critically the decisions made, information provided and any explanations given by Management and key persons in control job functions, relating to the business and operations of the Company and the Group;
  - (h) providing oversight in ensuring that the risk appetite and activities of the Company and Group are consistent with the strategic intent, operating and regulatory environment, effective internal controls, capital sufficiency and regulatory standards;

# Corporate Governance Report

ANNUAL REPORT 2022

As at 1 March 2023

- (i) 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, and the review of all material related party transactions;
- (j) overseeing, through the Risk Management Committee, the management of the risks of the Company and the Group, the establishment and operation of an independent and adequate risk management function, supported by a system of sound internal controls, for identifying, measuring, monitoring, controlling and reporting risks on an enterprise-wide basis, the adequacy of the risk management function (including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and that it has appropriate independent reporting lines), and the capital management strategy, including the optimal allocation of capital resources, and the quality of the risk management processes and reporting;
- (k) overseeing, through the Nominating Committee, the succession planning for Directors and Management, their selection, appointment and removal (including reviewing reasons for resignation), and the management of its talent resources;
- (l) overseeing through the Nominating Committee, the establishment and review of the Code of Conduct and ethics as well as the culture and conduct framework, 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;
- (m) 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;
- (n) 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;
- (o) ensuring, through the Remuneration Committee, that the remuneration policies are in line with relevant regulations and guidelines, the strategic objectives of the Company, as well as the Company's Code of Conduct and ethics, and do not give rise to conflicts between the objectives of the Company and the interests of employees;
- (p) providing oversight of Management, including reviewing the appointment and removal of any Management, setting out clearly the roles, responsibilities, accountability, delegated authority and reporting relationships of Management and key persons in control job functions, and having these properly documented;
- (q) ensuring that the knowledge and expertise of Management and key persons in control job functions are appropriate given the risk profile and nature of the business of the Company and the Group, and that Management carry out the day-to-day operations of the Company and the Group effectively and in accordance with the Company's Code of Conduct and ethics, business objectives and strategies, and long-term interests and viability;
- (r) reviewing Management's performance and ensuring that Management formulates policies and processes to promote fair practices and high standards of business conduct by staff;
- (s) developing a continuous 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 and are updated on changes in laws, regulations, standards, strategies, new business lines, risk profile, etc;
- (t) 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; and

# Corporate Governance Report

GREAT EASTERN HOLDINGS LIMITED

As at 1 March 2023

- (u) maintaining records of all meetings of the Board and Board Committees, especially with regard to records of discussions on key deliberations and decisions taken, and concerns raised by Directors about the running of the Company or proposed corporate action that was not resolved, if any.
- 4. The Board also reviews the corporate governance framework, culture and conduct framework, business objectives and strategies on a periodic basis, and when there are material developments, to ensure 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 written terms of reference setting out their compositions, authorities and duties, 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.

## Executive Committee

- 10. 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
- 11. A majority of the members, that is, Mr Lee Fook Sun, Mr Kyle Lee and Mr Thean Nam Yew, are independent Directors.
- 12. 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.
- 13. The Executive Committee held a total of four meetings in 2022.

## Nominating Committee

- 14. 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



# Corporate Governance Report

ANNUAL REPORT 2022

As at 1 March 2023

15. A majority of the members (including the Nominating Committee Chairman), that is, Mr Lee Fook Sun, Mr Kyle Lee and Mr Wee Joo Yeow, are independent Directors.
16. The appointment and re-appointment of Nominating Committee members are subject to the prior written approval of MAS.
17. 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.
18. The Nominating Committee is responsible for identifying candidates, reviewing and recommending nominations and/or re-nominations of Directors on the Board and Board Committees as well as the reasons for resignation of Directors. It also reviews the nominations, dismissals and reasons for resignations of senior management positions in the Company, including the Group Chief Executive Officer ("Group CEO"), Group Chief Financial Officer ("Group CFO"), Group Chief Risk Officer ("Group CRO") and relevant senior management staff. In addition, the Nominating Committee ensures that there are adequate policies and procedures relating to the engagement, dismissal and succession of senior management. Following the resignation of the Group Chief Investment Officer ("Group CIO") in April 2022, Mr Chua Keng Hong was appointed as the Acting Group CIO in July 2022 and was subsequently appointed as Group CIO in December 2022. Mr Leslie Teo (Managing Director, Data and Strategic Transformation) left the Group in June 2022 and Ms Zhao Jingyuan was appointed as Group Chief Data Officer in July 2022.
19. The Nominating Committee reviews and assesses the state and implementation of the Group's ethics, culture and conduct programs and initiatives, including matters relating to fair dealing with customers, having regard to applicable requirements and regulations, guidelines and best practices.

20. The Nominating Committee sets the board diversity policy, including the targets, plans, timelines for the Board's approval and reviews the progress made towards achieving the targets of such policy.

## 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 career development plans.
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 2022.

## Audit Committee

24. 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
25. All of the members are non-executive Directors and independent from management and business relationships. A majority of the members (including the Audit Committee Chairman), that is, Mr Kyle Lee, Mr Ng Chee Peng, Mrs Teoh Lian Ee and Mr Thean Nam Yew, are independent Directors. None of the members are serving on the Audit Committee within a period of two years from the date of his/her ceasing to be a partner/director of Messrs PricewaterhouseCoopers LLP ("PwC"), the external auditor of the Company. None of them hold any financial interest in PwC.

# Corporate Governance Report

GREAT EASTERN HOLDINGS LIMITED

As at 1 March 2023

26. 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 FHC 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.
27. 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.
28. The Audit Committee held a total of nine meetings in 2022. The Audit Committee meetings were attended by the internal and external auditors, the Group CEO and certain senior management executives, including the Group CFO.
29. Further information on the Audit Committee is provided under Principle 10 on page 77 of this Annual Report.
30. 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.
31. 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 Remuneration Committee considers all aspects of remuneration including salaries, allowances, bonuses, share options and other incentives, benefits and termination terms, to ensure they are fair. For employees in control job functions, the Remuneration Committee considers their performance and remuneration independently of the business functions, and their performance measures are determined in accordance with the roles, so as not to compromise their independence. 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.
32. The Remuneration Committee held a total of two meetings in 2022.

## Remuneration Committee

30. The Remuneration Committee comprises the following Directors:
- Mr Lee Fook Sun, Chairman
  - Mr Koh Beng Seng, Member
  - Mr Wee Joo Yeow, Member
31. All of the members are non-executive Directors and independent from management and business relationships. A majority of the members (including the Remuneration Committee Chairman), that is, Mr Lee Fook Sun and Mr Wee Joo Yeow, are independent Directors.

## Risk Management Committee

35. 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
36. All of 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.

# Corporate Governance Report

ANNUAL REPORT 2022

As at 1 March 2023

37. The Risk Management Committee is responsible for the oversight of 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.
38. 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 and adequacy of risk management practices for all material risks.
39. 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.
40. 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.
41. 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.
42. The Risk Management Committee held a total of six meetings in 2022.
43. 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.

## Sustainability Committee

44. 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
45. All of the members are non-executive Directors.
46. 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 matters.
47. The Sustainability Committee also provides supervision and oversight on activities of the management committees or management working groups in the area of sustainability, and reviews progress made and the results of the implementation.
48. The Sustainability Committee held a total of three meetings in 2022.

## Digital Initiatives Working Group

49. 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 performed its functions pursuant to its Board-approved terms of reference and was dissolved following the completion of its review in January 2022.
50. The Digital Initiatives Working Group comprised the following non-executive Directors of the Company and its principal 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

# Corporate Governance Report

GREAT EASTERN HOLDINGS LIMITED

As at 1 March 2023

## Meetings and Directors' attendance

51. 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 2022, the Board and its Board Committees held a total of 35 meetings, including the Great Eastern Virtual Forum.
52. The contributions of the Directors go beyond attendance at meetings. They individually or collectively engage with other Directors and Management outside formal meetings in their oversight of the affairs of the Company and the Group.
53. 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.
54. The number of meetings of the Board and Board Committees held in 2022 and the attendance of the Directors at those meetings are tabulated in the following table.

## Directors' attendance at Board and Board Committee meetings in 2022

Director	Board <sup>(1)</sup>	Audit Committee	Executive Committee	Nominating Committee	Remuneration Committee	Risk Management Committee	Sustainability Committee	Annual General Meeting
	Number of meetings held in 2022							
	9	9	4	2	2	6	3	
Koh Beng Seng	9	-	4	2	2	6	3	√
Norman Ip <sup>(2)</sup>	2	-	-	1	-	1	-	-
Law Song Keng <sup>(3)</sup>	9	9	-	-	-	6	3	√
Lee Fook Sun	9	-	4	2	2	-	-	√
Kyle Lee <sup>(4)</sup>	9	9	4	2	-	-	-	√
Ng Chee Peng	9	9	1 <sup>(5)</sup>	-	-	-	-	√
Soon Tit Koon	9	-	-	-	-	6	3	√
Teoh Lian Ee	9	9	-	-	-	-	3	√
Thean Nam Yew	9	8	4	-	-	-	-	√
Wee Joo Yeow	9	-	1 <sup>(5)</sup>	2	2	-	-	√
Helen Wong	9	-	4	2	-	6	-	√

### Notes:

- (1) Inclusive of the Great Eastern Virtual Forum held on 6 September 2022.  
(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) By invitation.

Two Board sessions without Management were held in 2022. Directors' attendance at these sessions is not included in the above table.

As at 1 March 2023

## Access to Information

55. The Directors 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.
56. 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, operational, technology, conduct, money laundering and terrorism financing, legal, regulatory, reputational, strategic and environmental risks.
57. 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.
58. The Board also has separate and independent access to Management. Other than at Board and Board Committee meetings, Directors 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.
59. 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

60. 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. 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.

# Corporate Governance Report

As at 1 March 2023

GREAT EASTERN HOLDINGS LIMITED

61. The Nominating Committee ensures that there is a continuous 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 development programme is reviewed and updated, where necessary, by the Nominating Committee on an annual basis. In 2022, the continuous development programme for the Directors was updated in view of the increasing emphasis placed on sustainability matters and new disclosure requirements under the listing manual of the SGX-ST including as to climate-related matters.

62. 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 programme for Directors. Continuous 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.

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.

63. Continuous development programmes arranged by the Company for Directors in 2022 included the following topics:

- Considerations in Adopting a Sustainable Investment Strategy
- Outlook on Financial Markets, and The Implications of Geopolitical Events
- Tech War: China's Competitiveness and Challenge
- IFRS17 Programme Implementation
- Anti-Money Laundering and Countering the Financing of Terrorism
- Risk and Cyber Security in a time of COVID

- SID Directors Conference 2022
- Corporate Governance Roundup 2021
- ACRA-SGX-SID Audit Committee Seminar 2022
- Maximising the Value of Internal Audit

64. All Directors have attended the mandatory course, "Environmental, Social and Governance Essentials", organised by the Singapore Institute of Directors as prescribed by the SGX-ST.

## 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

65. 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. Directors do not appoint alternate directors as a matter of practice.

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

## Key information on Directors

67. Key information on the Directors' qualifications, background, working experience, age, directorships and appointments are set out in the "Board of Directors" section on pages 18 to 27 of this Annual Report. Information on their shareholdings in the Company and its related corporations are provided in the Directors' Statement on page 88 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.

68. 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 in the "Board of Directors" section on pages 29 and 30 of this Annual Report.

# Corporate Governance Report

ANNUAL REPORT 2022

As at 1 March 2023

## Board Composition and Independence

69. 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 as to his/her own independence.
70. The Company's Board comprises a majority of independent Directors. The Nominating Committee determines annually whether a Director is independent. The Nominating Committee has determined that seven of the ten Directors of the Company are independent and they are Mr Lee Fook Sun, Mr Kyle Lee, Mr Ng Chee Peng, Mr Soon Tit Koon, Mrs Teoh Lian Ee, Mr Thean Nam Yew and Mr Wee Joo Yeow.
71. Mr Lee Fook Sun, Mr Kyle Lee, Mr Ng Chee Peng, Mr Soon Tit Koon and Mr Wee Joo Yeow are or were non-executive Directors of companies that had business or insurance transactions with the Company's subsidiaries in the course of 2022 and/or 2021. 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.
72. Mr Koh Beng Seng is deemed non-independent as he has served for more than nine years on the Board. Mr Koh Beng Seng is independent from management relationships and business relationships with the Company and its subsidiaries. Mr Koh Beng Seng has stepped down from the Board of the Company's substantial shareholder, Oversea-Chinese Banking Corporation Limited ("OCBC Bank") with effect from 3 February 2023.
73. 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.
74. Mr Wee Joo Yeow is considered to be an independent Director of the Company with effect from 1 January 2023 with his stepping down from the Board of OCBC Bank.
75. Ms Helen Wong is a non-independent Director as she is the Group Chief Executive Officer of OCBC Bank.
76. 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.
77. 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](http://www.greateasternlife.com). In the appointment of Directors, 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. The Board, through its Nominating Committee, annually assesses the gender representation on the Board as well as its members' competency profiles, 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 Directors.
78. The Nominating Committee is responsible for proposing to the Board measurable targets to achieve adequate diversity and for monitoring the progress towards meeting the targets set and keeping the Board updated. The Board has approved the adoption of the Council for Board Diversity's aspirational targets (namely 25% by end 2025 and 30% by end 2030) for gender diversity. Female representation on the Board is currently 20%. The Company remains committed in moving towards the gender diversity targets set and any further progress made towards this target will be disclosed in future corporate governance reports, as appropriate.
79. The Company's Directors 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

# Corporate Governance Report

As at 1 March 2023

GREAT EASTERN HOLDINGS LIMITED

science, investment and asset management (including real estate and property), knowledge in banking, accounting, finance, strategy formulation, management experience, sustainability, risk management, technology, transformation management, taxation, law, familiarity with regulatory requirements and knowledge of cybersecurity risks. Several Directors also have experience in jurisdictions outside Singapore, such as Malaysia, Indonesia and Greater China. At least one of the Directors 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.

80. The Company's Directors have a sound understanding of the business strategy, nature of the business activities of the Company and the Group and their associated risks. 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.
81. 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.**

82. 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 Khor 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.
83. 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.

84. 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.
85. 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. The Company believes that there are sufficient channels of open communications and access to any of the independent Directors by any shareholder without the presence of the other Directors. The independent Directors chairing the Audit Committee, Nominating Committee, Remuneration Committee and Sustainability Committee have sufficient standing and authority to look into any matter which the Chairman and Management are unable to resolve. Accordingly, 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. As part of its continuous assessment of corporate governance standards, the Board will appoint a Lead Independent Director when the Board situation warrants it.



As at 1 March 2023

## 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

86. 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 Directors, 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.
87. In addition, the Nominating Committee further determines the proposed candidate's independence and ensures that the proposed candidate would satisfy the criteria under the applicable requirements so 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

88. 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.
89. The Directors who are retiring by rotation under Article 97 of the Company's Constitution and standing for re-election at the 2023 AGM are Mr Soon Tit Koon, Mr Lee Fook Sun and Mrs Teoh Lian Ee.
90. 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 Directors. 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 set out in the "Board of Directors" section on pages 18 to 27 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.

# Corporate Governance Report

As at 1 March 2023

GREAT EASTERN HOLDINGS LIMITED

## 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.**

91. 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/herself when the Nominating Committee deliberates upon his/her performance to avoid conflicts of interest.
92. An external party is engaged after 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. In 2022, the Nominating Committee engaged Aon Solutions Singapore Pte. Ltd. ("Aon Solutions") to facilitate the Board evaluation process. Aon Solutions and its consultants are independent and not related to the Company or its Directors.
93. 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.
94. 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. 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.**

95. The objective of the Group's remuneration policy is to attract, motivate, reward and retain quality personnel.
96. In considering its recommendations to the Board and in approving remuneration, the Remuneration Committee ensures that remuneration policies are in line with relevant regulations and guidelines, the strategic objectives of the Company, as well as the Company's Code of Conduct and ethics, and do not give rise to conflicts between the objectives of the Company and interests of individual Directors and employees. Remuneration is aligned to specific job functions undertaken and where the employee undertakes any control job functions, the performance and remuneration package of that employee is determined independently of the business functions of the Company, and is further aligned to the risks that the Company undertakes in its operations that is relevant to the specific job function. The Remuneration Committee also considers inputs from relevant control job functions on performance evaluation and remuneration outcomes, seeks input from the Risk Management Committee and Audit Committee to ensure that remuneration practices do not create incentives for excessive or inappropriate risk-taking behaviour.
97. 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 senior management executive. The composition and summarised terms of reference of the Remuneration Committee are provided on page 64 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.
98. The Remuneration Committee oversees the design of remuneration policies and pays sustained attention to the implementation of the remuneration policies that cover all employees of the Group to ensure that the policies operate as intended, with particular attention to key senior management executives and other employees whose actions may have a material impact on the risk exposure of the Company and the Group.

As at 1 March 2023

99. The Remuneration Committee ensures that senior management exercise active oversight and monitor the implementation and effectiveness of the remuneration policies, reviewing remuneration outcomes, risk measurements and risk outcomes regularly for consistency with the intentions of the remuneration policies.
100. 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.
101. The Remuneration Committee ensures that an annual review, either internally conducted or externally commissioned, is conducted independently of management to ensure that they are aligned with the recommendations made in accordance with the remuneration frameworks and remuneration packages for Directors and key senior management executives and to assess the compliance of the Group's remuneration policies with any relevant regulations and guidelines issued by MAS.
102. In 2022, 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 to assess the compliance of the Group's remuneration policies with any relevant regulations and guidelines issued by MAS. 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 senior management executives.
103. 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

104. 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.
105. 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.
106. In its review of the non-executive Directors' remuneration, the Remuneration Committee can seek expert advice, if necessary.
107. The Remuneration Committee has considered the market data for non-executive Directors' compensation provided by Willis Towers Watson in 2022. It was decided that the fee structure for computing the fee for each non-executive Director for the financial year ended 31 December 2022 ("FY2022") would be the same as that used in the previous financial year (as shown in the following table):

# Corporate Governance Report

As at 1 March 2023

		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
Digital Initiatives Working Group	Chairman / Joint Chairman	\$15,000
Attendance fees per Board, Board Committee or Working Group 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

108. 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.
109. 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 specific job function undertaken, individual performance and contribution and the overall performance of the organisation. The Remuneration Committee also takes into account the time horizon of risks that the organisation is exposed to, including ensuring that all variable compensation payments shall not be fully drawdown over short periods when risks are realised over longer periods.

110. 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 operational performance. Executives are remunerated based on the achievements of their own performance measures which are in turn determined in accordance with their roles, 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.**

111. 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.
112. The total compensation packages for key senior management executives comprise basic salary, variable 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.

# Corporate Governance Report

As at 1 March 2023

113. 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.
114. 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 both financial and non-financial factors that are consistent with the long-term objectives and financial soundness of the Company, the remuneration principles, practices and standards that may be specified by regulations and guidelines issued by MAS from time to time.
115. The Company has adopted a framework to foster a strong environment of culture and conduct within the Group. The Employee Culture & Conduct Indicators (“ECCI”) framework was introduced to enhance employees’ risk awareness and inculcate better risk management behaviours. Under this structured methodology based on clear and measurable conduct indicators, each employee is assessed against the prescribed ECCI before remuneration decisions are finalised and awarded for the year. When determining the amount of remuneration to be adjusted, all relevant indicators of the severity of the incident or misconduct would be taken into account. The ECCI framework and the approach in which risk indicators are embedded in performance management and rewards are clearly set out in the staff handbook and communicated to employees.
116. 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, 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 that the Group is exposed to.

117. The Company does not pay guaranteed bonuses for all employees. Cash bonuses are subject to clawback within six years of payment.

## Share-based incentives

118. 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 2019 for their performance in the year ended 31 December 2018.
119. 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.
120. 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

121. The remuneration of each individual Director and the Group CEO in respect of FY2022 is shown in the table below. Non-executive Directors will be paid Directors’ fees totalling \$2,457,000 in respect of FY2022, subject to shareholders’ approval at the 2023 AGM. For the financial year ended 31 December 2021, non-executive Directors were paid Directors’ fees totalling \$2,517,000. The decrease in Directors’ fees for FY2022 was mainly attributable to a decrease in the number of Directors to 10 in 2022 (2021:11).

# Corporate Governance Report

GREAT EASTERN HOLDINGS LIMITED

As at 1 March 2023

## Directors' and the Group CEO's remuneration for FY2022

Name	Total Remuneration (Great Eastern Group)	Directors' Fees (GEH)	Directors' Fees (Subsidiaries)	Salary	Bonuses <sup>(1)</sup>	Long-term incentives <sup>(2)</sup>	Benefits-in-kind <sup>(3)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Directors</b>							
Koh Beng Seng	558	546	-	-	-	-	12
Norman Ip <sup>(4)</sup>	324	32	292	-	-	-	-
Law Song Keng	246	246	-	-	-	-	-
Lee Fook Sun <sup>(5)</sup>	240	240	-	-	-	-	-
Kyle Lee <sup>(6)</sup>	296	255	41	-	-	-	-
Ng Chee Peng	165	165	-	-	-	-	-
Soon Tit Koon	192	192	-	-	-	-	-
Teoh Lian Ee	186	186	-	-	-	-	-
Thean Nam Yew <sup>(5)</sup>	222	222	-	-	-	-	-
Wee Joo Yeow	150	150	-	-	-	-	-
Helen Wong <sup>(7)</sup>	222	222	-	-	-	-	-
<b>Group CEO</b>							
Khor Hock Seng	4,896	-	-	1,100	1,905	1,422	469

### Notes:

(1) Bonuses comprise variable bonus paid in 2022.

(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 a Director of GEH on 28 February 2022.

(5) Mr Lee Fook Sun and Mr Thean Nam Yew each received a fixed amount of \$20,000 for their contributions in respect of Great Eastern Group's information technology infrastructure initiatives for FY2022.

(6) Mr Kyle Lee received Director's fees for his board service in respect of a GEH subsidiary in Singapore.

(7) The Director's fees attributable to Ms Helen Wong are payable to OCBC Bank.

## Remuneration of Top Five Key Senior Management Executives in 2022

122. The Code recommends the disclosure of the individual remuneration of the Company's top five key senior management executives 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

123. None of the Directors or the Group CEO of the Company had immediate family members who were employees of the Company in 2022. As the Company's substantial shareholder, OCBC Bank, is not an individual, the requirement as to disclosure of the 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.**

124. 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.

# Corporate Governance Report

As at 1 March 2023

125. 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

126. 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 systems 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 FY2022. 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) ("SFRS(I)") as required by the listing manual of the SGX-ST.
127. The Board is kept apprised of material changes in legislation 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 the listing manual of the SGX-ST, the Company has procured undertakings from its Directors and key senior management executive officers in the prescribed form.
128. To keep Directors 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 financial and non-financial risks which the Group is or may be exposed to and any significant events that have occurred or affected the industry during the year.

## Internal Controls

129. 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 and key management personnel who are responsible regarding the adequacy and 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.
130. 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, was adequate and effective as at 31 December 2022, to address the risks which the Group considers relevant and material to its operations.
131. 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.

132. The composition of the Audit Committee is provided on page 63 of this Annual Report. The Audit Committee adopts, where appropriate, relevant best practices set out in the Guidebook for Audit Committees in Singapore.

# Corporate Governance Report

As at 1 March 2023

GREAT EASTERN HOLDINGS LIMITED

133. 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 FY2022 included the following:
- 133.1 Reviewed with internal auditors:
- 133.1.1 their audit plans, evaluation of the system of internal controls and audit reports;
  - 133.1.2 the scope and results of internal audits; and
  - 133.1.3 the assistance given by the officers of the Company and the Group to the auditors.
- 133.2 Reviewed with the external auditor:
- 133.2.1 the audited financial statements of the Company and the Group for the financial year, which are prepared in accordance with the SFRS(I) and SFRS(I) Interpretations, for submission to the Board for consideration and approval thereafter;
  - 133.2.2 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;
  - 133.2.3 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
  - 133.2.4 any significant financial reporting issues, to ensure the integrity of the financial statements of the Company and the Group.
- 133.3 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 matter highlighted in the Independent Auditor's Report on page 91 of this Annual Report was also discussed with Management and the external auditor:
- 133.3.1 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.
- No significant issue arose in respect of the above item.
- 133.4 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.
- 133.5 Reviewed the assurance from the Group CEO and Group CFO on the financial records and financial statements.
- 133.6 Assessed the adequacy and effectiveness of the internal audit functions of the Company and its principal subsidiaries.
- 133.7 Assessed the independence of external and internal auditors.



# Corporate Governance Report

ANNUAL REPORT 2022

As at 1 March 2023

- 133.8 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.
- 133.9 Reviewed material related party transactions and the write-off of material related party transactions, and recommended the same to the Board for approval.
- 133.10 Reviewed interested person transactions as well as transactions that will be disclosed in the Annual Report.
134. 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 FY2022, 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.
135. 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 PwC as the external auditor at the 2023 AGM. The Company has complied with Rules 712 and 715 of the listing manual of the SGX-ST in relation to its external auditor.
136. 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.

## Whistle-Blowing Policy

137. 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.

138. The Group's internal audit function ("Group Internal Audit") is the independent function which is responsible for reviewing and investigating all whistle-blowing reports received. Group Internal Audit will make a preliminary assessment of the whistle-blowing report and decide whether to conduct an independent investigation, in consultation with the Audit Committee Chairman. If a report concerns Group Internal Audit, the report is escalated to the Audit Committee Chairman, or the Group CEO, the Board of Directors, regulators or law enforcement agencies.

## Internal Audit

139. 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 reliability, adequacy and effectiveness of the Group's risk management and internal control framework, including conducting regular assessments of the internal audit function and audit systems and incorporating needed improvements, 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.

# Corporate Governance Report

As at 1 March 2023

GREAT EASTERN HOLDINGS LIMITED

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, termination and succession are approved by the Audit Committee, and reasons for his resignation or dismissal would be discussed with the MAS.
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 explanation, 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 FY2022, 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.
145. In FY2022, 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, posted on the Company's website [www.greasternlife.com](http://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](http://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.

# Corporate Governance Report

ANNUAL REPORT 2022

As at 1 March 2023

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 ("Covid-19 (Temporary Measures) Order"), the Company held its AGM by way of electronic means on 19 April 2022. The Notice of AGM, proxy form and details of the alternative arrangements for the AGM were published via SGXNET and were also made available on the Company's website [www.greateasternlife.com](http://www.greateasternlife.com). 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 Company's 2022 AGM 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. With the exception of its AGMs that were conducted pursuant to the Covid-19 (Temporary Measures) Order, the Company has since 2012 conducted electronic poll voting for all resolutions tabled 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 advisors 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 2022 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 advisors and external auditors were either present in person or attended via electronic means. Questions submitted by shareholders in advance of the 2022 AGM were addressed via SGXNET and on the Company's website [www.greateasternlife.com](http://www.greateasternlife.com) on 13 April 2022, which was no later than 72 hours prior to the deadline for the submission of instruments appointing the Chairman of the Meeting as proxy.
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](http://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 FY2022 and the proposed dividend for FY2022 are set out in the Financial Highlights on page 34 and Note 35 of the Notes to the Financial Statements of this Annual Report.

# Corporate Governance Report

As at 1 March 2023

GREAT EASTERN HOLDINGS LIMITED

## 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 disclosures for the first and third quarters and its financial results for the half year and full year within the time frames prescribed in 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](http://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 annual operations and activities, 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](http://www.greateasternlife.com) for the latest media releases, financial results, financial results presentation materials, annual reports, sustainability 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](http://www.greateasternlife.com), to communicate and engage with its stakeholders.

## 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, 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 and up 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 abridged financial disclosures for its first and third quarters of the financial year and up to the date of the announcement of the relevant results of OCBC Bank. The Company will notify Directors, executives and employees of the Company and of the Group of each black-out period. Directors, executives and employees of the Company and of the Group are regularly reminded not to deal in 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.

# Corporate Governance Report

ANNUAL REPORT 2022

As at 1 March 2023

## 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 and 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 FY2022 are respectively set out in Note 31 of the Notes to the Financial Statements and page 213 of this Annual Report.

## ETHICAL STANDARDS AND CONDUCT

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. Please also refer to the section on Code of Conduct in the Sustainability Report which provides information about the Code of Conduct for financial representatives and Supplier Code of Conduct. Together with the Code of Conduct for employees, these collectively serve to promote and maintain high levels of professional conduct and strengthen the organisational culture of the Company.
165. 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.
166. 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](http://www.greateasternlife.com).

# Corporate Governance Report

GREAT EASTERN HOLDINGS LIMITED

As at 1 March 2023

## 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
<b>Provision 1.2</b> The induction, training and development provided to new and existing directors.	60 to 64
<b>Provision 1.3</b> Matters that require Board approval.	6 and 7
<b>Provision 1.4</b> 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 48
<b>Provision 1.5</b> The number of Board and Board Committee meetings and each individual director's attendance at such meetings.	54
<b>Provision 2.4</b> The board diversity policy and progress made towards implementing the board diversity policy, including objectives.	77 to 80
<b>Provision 4.3</b> 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.	86 to 88 and 90
<b>Provision 4.4</b> 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.	71
<b>Provision 4.5</b> (a) Listed company directorships and principal commitments of each director.	90 and "Board of Directors" section on pages 18 to 27 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.	90
<b>Provision 5.2</b> 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.	91 to 93
<b>Provision 6.4</b> The engagement of any remuneration consultants and their independence.	102, 107 and 116
<b>Provision 8.1</b> Policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:	
(a) Each individual director and the CEO.	104 to 121
(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.	108 to 120 and 122

# Corporate Governance Report

ANNUAL REPORT 2022

As at 1 March 2023

Provisions	Paragraph Number in Corporate Governance Report
<b>Provision 8.2</b> 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.	123
<b>Provision 8.3</b> 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.	112 to 122
<b>Provision 9.2</b> Whether the Board received assurance from: <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul>	129
<b>Provision 11.3</b> Directors' attendance at general meetings of shareholders held during the financial year.	54 and 151
<b>Provision 12.1</b> The steps the Board has taken to solicit and understand the views of shareholders.	147, 148, 151, 154 to 156
<b>Provision 13.2</b> 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
<b>Guideline 1.16</b> 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.	60 to 64
<b>Guideline 2.13</b> 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.	10 and 12
<b>Guideline 4.13</b> Resignation or dismissal of key appointment holders.	18
<b>Guideline 4.14</b> Deviation and explanation for the deviation from the internal guidelines on time commitment referred to in Guidelines 4.4 and 4.10.	90
<b>Guideline 11.14</b> 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.	35, 37 to 41
<b>Guideline 17.4</b> Material related party transactions.	160 to 162

## Financial Statements

87	Directors' Statement
90	Independent Auditor's Report
94	Consolidated Profit or Loss Statement
95	Consolidated Statement of Comprehensive Income
96	Balance Sheets
97	Statements of Changes in Equity
100	Consolidated Statement of Cash Flows
102	Notes to the Financial Statements



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 2022.

## 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 2022, 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 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  
Ms Helen Wong

## 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.

## 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 2023, 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 1.1.2022 or date of appointment	As at 31.12.2022	As at 1.1.2022 or date of appointment	As at 31.12.2022

### Ordinary shares in the capital of the Company

Mrs Teoh Lian Ee	-	-	5,000 <sup>(1)</sup>	5,000 <sup>(1)</sup>
------------------	---	---	----------------------	----------------------

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 1.1.2022 or date of appointment	As at 31.12.2022	As at 1.1.2022 or date of appointment	As at 31.12.2022

### Ordinary shares in the capital of OCBC Bank

Mr Koh Beng Seng	7,644	13,644	-	-
Mr Law Song Keng	126,246	126,246	15,249 <sup>(1)</sup>	15,249 <sup>(1)</sup>
Mr Lee Fook Sun	-	-	190,158 <sup>(2)</sup>	190,158 <sup>(2)</sup>
Mr Kyle Lee	135,121	135,121	-	-
Mr Ng Chee Peng	13,109	13,109	1,500 <sup>(1)</sup>	1,500 <sup>(1)</sup>
Mr Soon Tit Koon	472	472	-	-
Mrs Teoh Lian Ee	24,711	24,711	299 <sup>(1)</sup>	299 <sup>(1)</sup>
Mr Wee Joo Yeow	83,627	83,627	4,892 <sup>(1)</sup>	4,892 <sup>(1)</sup>
Ms Helen Wong	135,779	262,431	342,061 <sup>(3)</sup>	434,713 <sup>(3)</sup>

Notes:

<sup>(1)</sup> Held by spouse.

<sup>(2)</sup> Held under Halden Joy Trust.

<sup>(3)</sup> Comprises deemed interest in 434,713 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 2023.

## 5. SHARE OPTIONS

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

## 6. AUDIT COMMITTEE

The Audit Committee (“AC”) comprises five 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 nine 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, Financial Holding Companies Act 2013, Financial Holdings Companies Regulations 2022, Financial Holding Companies (Corporate Governance of Designated Financial Holding Companies with Licensed Insurer Subsidiary) Regulations 2022, Guidelines on Corporate Governance for Designated Financial Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued by the Monetary Authority of Singapore on 9 November 2021 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 2022.

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 2023

# Independent Auditor's Report

GREAT EASTERN HOLDINGS LIMITED

TO THE MEMBERS OF GREAT EASTERN HOLDINGS LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OUR OPINION

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

#### *What we have audited*

The financial statements of the Company and the Group comprise:

- the consolidated profit or loss statement of the Group for the year ended 31 December 2022;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2022;
- the statements of changes in equity of the Group and of the Company for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

### BASIS FOR OPINION

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

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

#### *Independence*

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

### OUR AUDIT APPROACH

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

# Independent Auditor's Report

TO THE MEMBERS OF GREAT EASTERN HOLDINGS LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

### OUR AUDIT APPROACH (CONTINUED)

#### Key Audit Matters

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><b>Valuation of life insurance contract liabilities</b></p> <p>Refer to the following notes in the consolidated financial statements: Note 2.10.3 <i>Life Insurance Contract Liabilities</i>, Note 2.30(a) <i>Critical accounting estimates and judgments on liabilities of insurance business</i>, Note 14.1 <i>Life Insurance Contracts</i> and Note 33 <i>Insurance Risk</i>.</p> <p>As at 31 December 2022, the Group has life insurance contract liabilities of S\$85,565.0 million representing approximately 87% of the Group's total liabilities.</p> <p>Management's valuation of life insurance contract liabilities uses complex actuarial methods and models. The valuation process involves significant judgment about the assumptions of uncertain future events, including: mortality, morbidity, expense, lapse, surrender and interest rates.</p> <p>In addition to historical experience, management judgment is involved in the application of these assumptions. Changes in these assumptions used could result in a material impact to the valuation of the life insurance contract liabilities and the related movements in the consolidated profit or loss statement of the Group.</p>	<p>We performed the following audit procedures to address this matter:</p> <ul style="list-style-type: none"> <li>• We understood the actuarial valuation process, including model changes and assumptions setting;</li> <li>• We tested the design and operating effectiveness of controls over the accuracy and completeness of the data used;</li> <li>• We understood the valuation methodologies used, identified changes in methodologies from the previous valuation and assessed the reasonableness and impact for material changes identified. We carried out these procedures by applying our industry knowledge and experience and assessed whether the methodologies and changes to those methodologies are consistent with recognised actuarial practices and expectations derived from market experience;</li> <li>• We performed an independent review of model points on a sample basis to assess that the methodologies and assumptions have been applied appropriately;</li> <li>• We assessed the reasonableness of the key assumptions used by management including: mortality, morbidity, expense, lapse, surrender and interest rates, by comparing against the Group's historical experiences and market observable data, where applicable;</li> <li>• We reviewed the reasonableness of the movement analysis of the insurance contract liabilities prepared by management. The movement analysis provides a reconciliation of the balance as at 31 December 2021 to 31 December 2022, showing the key drivers of the changes during the year; and</li> <li>• We assessed the appropriateness of the disclosures in the financial statements.</li> </ul> <p>Based on the work performed and the evidence obtained, we found the methodologies and assumptions used by management to be appropriate. Our audit procedures on the disclosures showed that they were in accordance with the relevant SFRS(I) disclosure requirements.</p>

# Independent Auditor's Report

GREAT EASTERN HOLDINGS LIMITED

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

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

### 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

ANNUAL REPORT 2022

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 2023

# Consolidated Profit or Loss Statement

GREAT EASTERN HOLDINGS LIMITED

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	2022	2021
<b>Income</b>			
Gross premiums		18,577.2	18,956.3
Premiums ceded to reinsurers		(870.0)	(766.9)
(Increase)/decrease in premium liabilities	14	(5.2)	0.2
Net premiums		17,702.0	18,189.6
Commissions received from reinsurers		51.5	51.4
Investment income, net	4	2,858.0	2,699.5
Rental income, net		28.0	27.8
Fees and other income		36.1	39.7
Loss on sale of investments and changes in fair value	5	(8,002.6)	(1,080.3)
Change in third-party interests in consolidated investment funds		0.2	-
(Loss)/gain on exchange differences		(78.0)	36.7
<b>Total income</b>		<b>12,595.2</b>	<b>19,964.4</b>
<b>less: Expenses</b>			
Gross claims, maturities, surrenders and annuities		11,148.4	11,388.2
Claims, maturities, surrenders and annuities recovered from reinsurers		(656.1)	(530.7)
Commissions and distribution expenses		1,386.5	1,489.7
Increase in provision for impairment of assets		29.1	1.5
Management and other expenses	7	661.3	665.0
Interest expense		-	0.2
Increase in provision for agents' retirement benefits	6	38.3	19.7
Depreciation and amortisation expenses	7	88.0	79.4
Gross change in insurance contract liabilities	14	(669.9)	2,605.2
Change in insurance contract liabilities ceded to reinsurers	14	(137.7)	1,597.7
<b>Total expenses</b>		<b>11,887.9</b>	<b>17,315.9</b>
<b>Profit before income tax</b>		<b>707.3</b>	<b>2,648.5</b>
Income tax credit/(expense) attributable to policyholders' returns	8	248.9	(1,294.0)
Profit before tax attributable to shareholders' profits		956.2	1,354.5
<b>Income tax credit/(expense)</b>		<b>79.6</b>	<b>(1,515.1)</b>
<b>less: Income tax (credit)/expense attributable to policyholders' returns</b>		<b>(248.9)</b>	<b>1,294.0</b>
Income tax expense attributable to shareholders' profits	8	(169.3)	(221.1)
<b>Profit after income tax</b>		<b>786.9</b>	<b>1,133.4</b>
<b>Attributable to:</b>			
Shareholders		784.2	1,113.0
Non-controlling interests		2.7	20.4
		<b>786.9</b>	<b>1,133.4</b>
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	9	\$1.66	\$2.35

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



# Consolidated Statement of Comprehensive Income

ANNUAL REPORT 2022

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	2022	2021
<b>Profit after income tax for the year</b>	<b>786.9</b>	1,133.4
<b>Other comprehensive (loss)/income:</b>		
<b>Items that will not be reclassified to the Profit or Loss Statement:</b>		
Exchange differences arising on translation of overseas entities attributable to non-controlling interests	(1.0)	(0.2)
Revaluation (loss)/gain on equity instruments at fair value through other comprehensive income	(257.1)	139.2
Income tax related to the above	44.1	(23.6)
<b>Items that may be reclassified subsequently to the Profit or Loss Statement:</b>		
Exchange differences arising on translation of overseas entities	(102.2)	(23.7)
Debt instruments at fair value through other comprehensive income:		
Changes in fair value	(1,011.1)	(253.2)
Changes in allowance for expected credit losses	(1.6)	(0.4)
Reclassification of realised loss/(gain) on disposal of investments to the Profit or Loss Statement	95.4	(49.3)
Income tax related to the above	157.7	50.6
<b>Other comprehensive loss for the year, after tax</b>	<b>(1,075.8)</b>	(160.6)
<b>Total comprehensive (loss)/income for the year</b>	<b>(288.9)</b>	972.8
<b>Total comprehensive (loss)/income attributable to:</b>		
Shareholders	(290.6)	952.6
Non-controlling interests	1.7	20.2
	<b>(288.9)</b>	972.8

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

# Balance Sheets

GREAT EASTERN HOLDINGS LIMITED

As at 31 December 2022

in Singapore Dollars (millions)	Note	Group		Company	
		2022	2021	2022	2021
<b>Share capital</b>	10	<b>152.7</b>	152.7	<b>152.7</b>	152.7
<b>Reserves</b>					
Merger reserve	11	-	-	<b>419.2</b>	419.2
Currency translation reserve	11	<b>(119.3)</b>	(17.1)	-	-
Fair value reserve	11	<b>(711.3)</b>	281.7	-	-
Retained earnings		<b>10,109.3</b>	9,612.3	<b>2,962.5</b>	3,121.7
<b>SHAREHOLDERS' EQUITY</b>		<b>9,431.4</b>	10,029.6	<b>3,534.4</b>	3,693.6
<b>NON-CONTROLLING INTERESTS</b>		<b>99.2</b>	106.8	-	-
<b>TOTAL EQUITY</b>		<b>9,530.6</b>	10,136.4	<b>3,534.4</b>	3,693.6
<b>LIABILITIES</b>					
<b>Insurance payables</b>	12	<b>7,146.6</b>	6,620.6	-	-
<b>Other creditors</b>	13	<b>2,109.9</b>	1,924.3	<b>8.5</b>	8.1
<b>Income tax payable</b>		<b>238.5</b>	328.6	-	-
<b>Derivative financial liabilities</b>	20	<b>292.0</b>	111.4	-	-
<b>Provision for agents' retirement benefits</b>	6	<b>295.8</b>	291.3	-	-
<b>Deferred tax liabilities</b>	8	<b>2,032.4</b>	2,579.0	-	-
<b>Insurance contract liabilities</b>	14	<b>86,272.5</b>	88,398.5	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>107,918.3</b>	110,390.1	<b>3,542.9</b>	3,701.7
<b>ASSETS</b>					
<b>Cash and cash equivalents</b>		<b>9,607.9</b>	9,117.7	<b>20.4</b>	19.8
<b>Other debtors</b>	15	<b>877.8</b>	904.5	-	0.4
<b>Insurance receivables</b>	16	<b>3,579.8</b>	3,335.6	-	-
<b>Asset held for sale</b>	27	<b>72.6</b>	-	-	-
<b>Reinsurers' share of insurance contract liabilities</b>	17	<b>1,002.5</b>	886.7	-	-
<b>Amount due from subsidiaries</b>	18	-	-	<b>2,480.9</b>	2,674.3
<b>Loans</b>	19	<b>480.5</b>	592.2	-	-
<b>Derivative financial assets</b>	20	<b>761.7</b>	369.9	-	-
<b>Investments</b>	21	<b>88,760.4</b>	92,462.4	-	-
<b>Deferred tax assets</b>	8	<b>58.4</b>	-	-	-
<b>Investment in associate</b>	22	<b>122.5</b>	95.2	-	-
<b>Investment in subsidiaries</b>	23	-	-	<b>1,041.6</b>	1,007.1
<b>Intangible assets</b>	25	<b>203.6</b>	195.0	-	-
<b>Investment properties</b>	26	<b>1,881.2</b>	1,883.9	-	-
<b>Property, plant and equipment</b>	28	<b>509.4</b>	547.0	-	0.1
<b>TOTAL ASSETS</b>		<b>107,918.3</b>	110,390.1	<b>3,542.9</b>	3,701.7

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

# Statement of Changes in Equity – Group

ANNUAL REPORT 2022

For the financial year ended 31 December 2022

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 2022		152.7	(17.1)	281.7	9,612.3	10,029.6	106.8	10,136.4
Profit for the year		-	-	-	784.2	784.2	2.7	786.9
<b>Other comprehensive (loss)/income</b>								
Exchange differences arising on translation of overseas entities		-	(102.2)	-	-	(102.2)	(1.0)	(103.2)
Net revaluation loss on equity instruments at fair value through other comprehensive income		-	-	(213.0)	-	(213.0)	-	(213.0)
Debt instruments at FVOCI:								
Changes in fair value		-	-	(1,011.1)	-	(1,011.1)	-	(1,011.1)
Changes in allowance for expected credit losses	33	-	-	(1.6)	-	(1.6)	-	(1.6)
Reclassification of realised loss on disposal of investments to the Profit or Loss Statement		-	-	95.4	-	95.4	-	95.4
Income tax related to the above		-	-	157.7	-	157.7	-	157.7
Other comprehensive loss for the year, after tax		-	(102.2)	(972.6)	-	(1,074.8)	(1.0)	(1,075.8)
Total comprehensive (loss)/income for the year		-	(102.2)	(972.6)	784.2	(290.6)	1.7	(288.9)
Reclassification of net change in fair value of equity instruments upon derecognition	21	-	-	(20.4)	20.4	-	-	-
<b>Distributions to shareholders</b>								
Dividends paid during the year:								
Final one-tier tax exempt dividend for the previous year	35	-	-	-	(260.3)	(260.3)	-	(260.3)
Interim one-tier tax exempt dividend	35	-	-	-	(47.3)	(47.3)	-	(47.3)
Dividends paid to non-controlling interests		-	-	-	-	-	(9.3)	(9.3)
Total distributions to shareholders		-	-	-	(307.6)	(307.6)	(9.3)	(316.9)
Total transactions with shareholders in their capacity as shareholders		-	-	-	(307.6)	(307.6)	(9.3)	(316.9)
Balance at 31 December 2022		152.7	(119.3)	(711.3)	10,109.3	9,431.4	99.2	9,530.6

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

# Statement of Changes in Equity – Group

GREAT EASTERN HOLDINGS LIMITED

For the financial year ended 31 December 2022

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	Retained Earnings				
Balance at 1 January 2021		152.7	6.6	464.9	8,736.8	9,361.0	113.5	9,474.5	
Profit for the year		-	-	-	1,113.0	1,113.0	20.4	1,133.4	
<u>Other comprehensive (loss)/income</u>									
Exchange differences arising on translation of overseas entities		-	(23.7)	-	-	(23.7)	(0.2)	(23.9)	
Net revaluation gain on equity instruments at fair value through other comprehensive income		-	-	115.6	-	115.6	-	115.6	
<u>Debt instruments at FVOCI:</u>									
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 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	21	-	-	(46.5)	46.5	-	-	-	
<u>Distributions to shareholders</u>									
<u>Dividends paid during the year:</u>									
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 – Company

ANNUAL REPORT 2022

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	Share Capital	Merger Reserve	Retained Earnings	Total Equity
<b>Balance at 1 January 2022</b>		<b>152.7</b>	<b>419.2</b>	<b>3,121.7</b>	<b>3,693.6</b>
<b>Profit for the year</b>		–	–	<b>148.4</b>	<b>148.4</b>
<b>Total comprehensive income for the year</b>		–	–	<b>148.4</b>	<b>148.4</b>
<b>Distributions to shareholders</b>					
<b>Dividends paid during the year:</b>					
Final one-tier tax exempt dividend for the previous year	35	–	–	(260.3)	(260.3)
Interim one-tier tax exempt dividend	35	–	–	(47.3)	(47.3)
<b>Total distributions to shareholders</b>		–	–	<b>(307.6)</b>	<b>(307.6)</b>
<b>Total transactions with shareholders in their capacity as shareholders</b>		–	–	<b>(307.6)</b>	<b>(307.6)</b>
<b>Balance at 31 December 2022</b>		<b>152.7</b>	<b>419.2</b>	<b>2,962.5</b>	<b>3,534.4</b>
<b>Balance at 1 January 2021</b>					
Balance at 1 January 2021		152.7	419.2	3,130.7	3,702.6
<b>Profit for the year</b>		–	–	<b>275.0</b>	<b>275.0</b>
<b>Total comprehensive income for the year</b>		–	–	<b>275.0</b>	<b>275.0</b>
<b>Distributions to shareholders</b>					
<b>Dividends paid during the year:</b>					
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)
<b>Total distributions to shareholders</b>		–	–	<b>(284.0)</b>	<b>(284.0)</b>
<b>Total transactions with shareholders in their capacity as shareholders</b>		–	–	<b>(284.0)</b>	<b>(284.0)</b>
<b>Balance at 31 December 2021</b>		<b>152.7</b>	<b>419.2</b>	<b>3,121.7</b>	<b>3,693.6</b>

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

# Consolidated Statement of Cash Flows

GREAT EASTERN HOLDINGS LIMITED

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax		707.3	2,648.5
<i>Adjustments for non-cash items:</i>			
Loss on sale of investments and changes in fair value	5	8,002.6	1,080.3
Increase in provision for impairment of assets		29.1	1.5
Increase in provision for agents' retirement benefits	6	38.3	19.7
Depreciation and amortisation expenses	7	88.0	79.4
Unrealised loss/(gain) on exchange differences		78.0	(36.7)
Gross change in insurance contract liabilities	14	(669.9)	2,605.2
Change in insurance contract liabilities ceded to reinsurers	14	(137.7)	1,597.7
Change in premium liabilities	14	5.2	(0.2)
Dividend income	4	(716.8)	(668.8)
Interest income	4	(2,284.6)	(2,165.9)
Interest expense		-	0.2
Interest expense on policy benefits and lease liabilities	7	208.7	201.0
Share-based payments	7	8.2	7.1
		<b>5,356.4</b>	<b>5,369.0</b>
<i>Changes in working capital:</i>			
Insurance receivables		(533.2)	(318.3)
Other debtors		(30.7)	93.4
Insurance payables		(322.9)	595.0
Other creditors		(117.4)	(945.9)
Cash generated from operations		<b>4,352.2</b>	<b>4,793.2</b>
Income tax paid		(418.1)	(299.9)
Interest paid on policy benefits and lease liabilities		(208.7)	(201.0)
Agents' retirement benefits paid	6	(16.2)	(18.7)
<b>Net cash flows generated from operating activities</b>		<b>3,709.2</b>	<b>4,273.6</b>

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

# Consolidated Statement of Cash Flows

ANNUAL REPORT 2022

For the financial year ended 31 December 2022

in Singapore Dollars (millions)	Note	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from maturities and sale of investments		<b>37,062.9</b>	36,754.2
Purchase of investments		<b>(42,882.2)</b>	(43,589.0)
Proceeds from sale of property, plant and equipment		<b>0.5</b>	3.0
Purchase of property, plant and equipment and investment properties	26,28	<b>(14.9)</b>	(41.1)
Acquisition of intangible assets	25	<b>(56.0)</b>	(63.3)
Interest income received		<b>2,282.5</b>	2,178.1
Interest expense paid		-	(9.3)
Dividends received		<b>719.0</b>	686.5
<b>Net cash flows used in investing activities</b>		<b>(2,888.2)</b>	(4,080.9)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	35	<b>(307.6)</b>	(284.0)
Dividends paid to non-controlling interests		<b>(9.3)</b>	(26.9)
Principal element of lease payments	28	<b>(13.9)</b>	(13.9)
Redemption of debt issued		-	(400.0)
<b>Net cash flows used in financing activities</b>		<b>(330.8)</b>	(724.8)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>490.2</b>	(532.1)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>9,117.7</b>	9,649.8
<b>Cash and cash equivalents at the end of the year</b>		<b>9,607.9</b>	9,117.7
<b>Cash and cash equivalents comprise:</b>			
<b>Cash and bank balances</b>		<b>3,026.1</b>	2,544.0
<b>Cash on deposit</b>		<b>2,683.2</b>	2,623.9
<b>Short-term instruments</b>		<b>3,898.6</b>	3,949.8
		<b>9,607.9</b>	9,117.7

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

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

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 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 2022.

SFRS(I)	Title	Effective date (Annual periods beginning on or after)
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

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



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

#### 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) 17	Insurance Contracts	1 January 2023
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	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 Insurance Contract	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Various	Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
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

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 for SFRS(I) 17, as described below.

#### SFRS(I) 17 Insurance Contracts

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

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

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

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

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

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

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

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

##### ii. Level of aggregation

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

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

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

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

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

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

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

##### iii. Contract Boundary

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

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

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

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

##### iii. Contract Boundary (continued)

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

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

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

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

##### iv. Measurement – Overview

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

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

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

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

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

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

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

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

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

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

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

##### Fulfilment Cash Flows ("FCF")

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

The estimates of future cash flows:

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

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

##### CSM

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

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

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

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

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

###### Subsequent Measurement

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

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

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

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

###### Reinsurance contracts

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

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

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

- A. **SFRS(I) 17 Insurance Contracts** (continued)
- v. **Measurement – contracts not measured under the PAA** (continued)

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

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

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

#### Insurance Acquisition Cash Flows

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

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

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

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

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

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

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

###### Impact assessment

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

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

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

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

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

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

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

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

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

##### vi. Measurement – contracts measured under the PAA (continued)

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

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

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

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

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

##### Impact assessment

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

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

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

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



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

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

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

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

###### Discount rates

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

###### Risk adjustment for non-financial risk

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

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

###### Estimates of future cash flows

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

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

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

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

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

##### viii. Presentation and disclosure

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

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

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

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

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

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

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

Insurance service result comprises insurance revenue and insurance service expenses.

##### Insurance revenue

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

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

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

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

###### Insurance service expense

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

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

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

###### Insurance finance income or expenses

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

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

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

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

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

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

###### Disclosure

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Changes in Accounting Policies (continued)

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

##### B. Transition

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

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

### 2.3 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.

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.

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.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Basis of Consolidation and Business Combinations (continued)

#### 2.3.1 Basis of Consolidation (continued)

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.

### 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Insurance Contracts (continued)

#### 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.

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.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Insurance Contracts (continued)

#### 2.10.3 Life Insurance Contract Liabilities (continued)

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.

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

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

## 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.

## 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 liabilities are 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.

##### Premium liabilities

Premium liabilities is the higher of the aggregate of the Unearned Premium Reserves ("UPR") for all lines of business and the best estimate value of the Unexpired Risk Reserves ("URR") plus the required provision of risk margin for adverse deviation as required by the regulations.

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:

- 1/365<sup>th</sup> method for all classes of business

For Malaysia and Indonesia:

- 25% method for marine cargo
- 1/365<sup>th</sup> 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.

## 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.

#### 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Recognition of Income and Expense (continued)

#### 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 and amortised cost;
- (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.

## 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.

#### 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Recognition of Income and Expense (continued)

#### 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.



## 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'.

### 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Taxes (continued)

#### 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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Taxes (continued)

#### 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.

### 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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.

#### 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.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.18 Financial Assets (continued)

#### *Business model assessment (continued)*

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 financial assets.

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.

#### *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.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.18 Financial Assets (continued)

#### *Subsequent measurement (continued)*

##### 2.18.1 Debt Instruments (continued)

- (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.

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.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.18 Financial Assets (continued)

#### Derecognition (continued)

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 and derivative liabilities.

#### 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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.

### 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.

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.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.22 Intangible Assets (continued)

#### 2.22.1 Goodwill (continued)

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.

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.23 Property, Plant and Equipment (continued)

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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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.

### 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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 2022 amounted to \$84,936.2 million (31 December 2021: \$86,958.4 million).

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 ("IBNR") at the balance sheet date.

Generally, claim liabilities are determined based upon the Group's past claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Estimations are made with reference to the past experience with similar cases, historical claims development trends, legislative changes, judicial decisions and economic conditions. It is certain that actual claim liabilities will not exactly develop as projected and may vary from the Group's projections.

The estimates of claim liabilities are therefore sensitive to various factors and uncertainties. The establishment of technical provisions is an inherently uncertain process and, as a consequence of this uncertainty, the eventual settlement of claim liabilities may vary from the initial estimates.

The carrying value of non-life insurance contract liabilities – claims liabilities, gross as at 31 December 2022 amounted to \$513.3 million (31 December 2021: \$491.1 million).

#### (b) Income taxes

The Group is subject to income taxes in various 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 2022 amounted to \$2,212.5million (31 December 2021: \$2,907.6 million).

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.30 Critical Accounting Estimates and Judgments (continued)

#### (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 25.

#### (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

GREAT EASTERN HOLDINGS LIMITED

## 3 SUBSIDIARIES AND ASSOCIATES

	Country of Incorporation	Principal Activities	Effective interest held by GEH	
			2022 %	2021 %
<b>(i) SIGNIFICANT SUBSIDIARIES</b>				
<b><u>Held by the Company</u></b>				
The Great Eastern Life Assurance Company Limited <sup>(3.1)</sup>	Singapore	Life assurance	<b>100.0</b>	100.0
Great Eastern General Insurance Limited <sup>(3.1)</sup>	Singapore	Composite insurance	<b>100.0</b>	100.0
Lion Global Investors Limited <sup>(3.1)</sup>	Singapore	Asset management	<b>70.0</b>	70.0
The Great Eastern Trust Private Limited <sup>(3.1)</sup>	Singapore	Investment holding	<b>100.0</b>	100.0
<b><u>Held through subsidiaries</u></b>				
Great Eastern Life Assurance (Malaysia) Berhad <sup>(3.2)</sup>	Malaysia	Life assurance	<b>100.0</b>	100.0
Great Eastern General Insurance (Malaysia) Berhad <sup>(3.2)</sup>	Malaysia	General insurance	<b>100.0</b>	100.0
P.T. Great Eastern Life Indonesia <sup>(3.2)</sup>	Indonesia	Life assurance	<b>99.5</b>	99.5
P.T. Great Eastern General Insurance Indonesia <sup>(3.2)</sup>	Indonesia	General insurance	<b>95.0</b>	95.0
Straits Eastern Square Private Limited <sup>(3.1)</sup>	Singapore	Property investment	<b>100.0</b>	100.0
218 Orchard Private Limited <sup>(3.1)</sup>	Singapore	Property investment	<b>100.0</b>	100.0
Great Eastern Takaful Bhd <sup>(3.2)</sup>	Malaysia	Family Takaful business	<b>70.0</b>	70.0
Aminstitutional Income Bond Fund <sup>(3.3)</sup>	Malaysia	Wholesale fixed income fund	<b>79.0</b>	100.0
Affin Hwang Wholesale Income Fund <sup>(3.2)</sup>	Malaysia	Wholesale fixed income fund	<b>100.0</b>	100.0
Affin Hwang Wholesale Equity Fund <sup>(3.2)</sup>	Malaysia	Wholesale equity fund	<b>99.8</b>	99.8
<b>(ii) SIGNIFICANT ASSOCIATES</b>				
<b><u>Held through subsidiaries</u></b>				
Boost Holdings Sdn Bhd <sup>(3.2)</sup>	Malaysia	Digital Financial Services	<b>21.9</b>	21.9

<sup>(3.1)</sup> Audited by PricewaterhouseCoopers ("PwC") LLP, Singapore.

<sup>(3.2)</sup> Audited by firms within the worldwide network of PricewaterhouseCoopers firms and entities.

<sup>(3.3)</sup> Audited by Ernst & Young PLT, Malaysia.

# Notes to the Financial Statements

ANNUAL REPORT 2022

## 4 INVESTMENT INCOME, NET

in Singapore Dollars (millions)	Group	
	2022	2021
Dividend income		
– Investments		
Financial assets measured at FVOCI	76.3	81.3
Financial assets mandatorily measured at FVTPL	640.5	587.5
	716.8	668.8
Interest income		
– Investments		
Financial assets measured at FVOCI	249.9	192.2
Financial assets mandatorily measured at FVTPL	267.9	211.9
Financial assets designated at FVTPL	1,464.7	1,478.3
– Financial assets at amortised cost	302.1	283.5
	2,284.6	2,165.9
	3,001.4	2,834.7
less: Investment related expenses	(143.4)	(135.2)
	2,858.0	2,699.5

During the year ended 31 December 2022, \$27.6 million (31 December 2021: \$19.8 million) of the dividend income relates to equity investments measured at FVOCI which were derecognised during the reporting year.

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

in Singapore Dollars (millions)	Note	Group	
		2022	2021
Changes in fair value of investment properties	26	91.3	84.3
Net (loss)/gain on sale of debt securities measured at FVOCI		(95.4)	49.6
Changes in fair value of investment in associate		24.4	–
Changes in fair value of investments			
– mandatorily measured at FVTPL		(4,257.4)	1,202.3
– designated at FVTPL		(3,765.5)	(2,416.5)
		(8,022.9)	(1,214.2)
		(8,002.6)	(1,080.3)

## 6 PROVISION FOR AGENTS' RETIREMENT BENEFITS

in Singapore Dollars (millions)	Group	
	2022	2021
Balance at the beginning of the year	291.3	295.5
Currency translation reserve adjustment	(17.6)	(5.2)
Increase in provision for the year	38.3	19.7
Paid during the year	(16.2)	(18.7)
Balance at the end of the year	295.8	291.3

As at 31 December 2022, \$139.7 million (31 December 2021: \$133.8 million) of the above provision for agents' retirement benefits is payable within one year.

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 7 ADDITIONAL PROFIT OR LOSS DISCLOSURES

in Singapore Dollars (millions)	Note	Group	
		2022	2021
Fees paid to auditors		5.1	3.3
Audit fees paid to Auditor of the Company		3.9	2.1
Audit fees paid to other auditors		0.8	0.7
Non-audit fees paid to Auditor of the Company		0.4	0.5
Staff costs and related expenses <sup>(1)</sup>		398.9	401.0
Salaries, wages, bonuses and other costs		353.7	354.7
Central Provident Fund / Employee Provident Fund		37.0	39.2
Share-based payments		8.2	7.1
Fee income		33.7	37.4
Fund management fee		27.3	32.8
Financial advisory fee		6.4	4.6
Depreciation and amortisation expenses		88.0	79.4
Depreciation	28	45.3	44.2
Amortisation	25	42.7	35.2
Interest expense		208.7	201.0
On policy benefits		206.8	198.8
On lease liability	28	1.9	2.2

<sup>(1)</sup> Material items within management and other expenses.

## 8 INCOME TAX

### Major components of income tax (credit)/expense

The major components of income tax (credit)/expense for the year ended 31 December 2022 and 2021 are:

in Singapore Dollars (millions)	Group	
	2022	2021
<b>(a) Income tax (credit)/expense attributable to policyholders' returns:</b>		
Current income tax:		
– Current income taxation	163.6	165.0
– Over provision in respect of previous years	(20.7)	(1.0)
	142.9	164.0
Deferred income tax:		
– Origination and reversal of temporary differences	(391.8)	1,130.0
	(391.8)	1,130.0
	(248.9)	1,294.0



# Notes to the Financial Statements

ANNUAL REPORT 2022

## 8 INCOME TAX (CONTINUED)

### Major components of income tax (credit)/expense (continued)

The major components of income tax (credit)/expense for the year ended 31 December 2022 and 2021 are (continued):

in Singapore Dollars (millions)	Note	Group	
		2022	2021
<b>(b) Income tax expense attributable to shareholders' profits</b>			
Current income tax:			
- Current income taxation		220.7	240.2
- Over provision in respect of previous years		(49.3)	(24.3)
		171.4	215.9
Deferred income tax:			
- Origination and reversal of temporary differences		(2.1)	5.2
		(2.1)	5.2
		169.3	221.1
<b>Total tax (credit)/expense for the year recognised in the Profit or Loss Statement</b>		<b>(79.6)</b>	<b>1,515.1</b>

### 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 2022 and 2021 is as follows:

Profit before tax attributable to shareholders' profits	956.2	1,354.5
Tax at the domestic rates applicable to profits in the countries where the Group operates	238.8	291.5
<b>Adjustments:</b>		
Foreign tax paid not recoverable	6.8	8.3
Permanent differences	120.0	67.0
Tax exempt income	(147.0)	(121.4)
Over provision in respect of previous years	(49.3)	(24.3)
<b>Income tax expense recognised in the Profit or Loss Statement</b>	<b>169.3</b>	<b>221.1</b>

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Deferred tax assets and liabilities are offset when there is a legal enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Presented after appropriate offsetting as follows:

Deferred tax assets	(58.4)	-
Deferred tax liabilities	2,032.4	2,579.0
Net deferred tax liabilities	1,974.0	2,579.0

### Deferred Tax

The movement in the net deferred tax is as follows:

Balance at the beginning of the year	2,579.0	1,484.6
Currency translation reserve adjustment	(7.6)	(3.9)
Deferred tax charge taken to the Profit or Loss Statement:		
Other temporary differences	1.6	15.0
Fair value changes	(51.5)	(88.8)
(Reversal of)/increase in provision against future policyholders' returns	(344.0)	1,209.0
Deferred tax on fair value changes of investments at FVOCI	(203.5)	(36.9)
Balance at the end of the year	1,974.0	2,579.0

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 8 INCOME TAX (CONTINUED)

in Singapore Dollars (millions)	Note	Group	
		2022	2021
<b>Deferred taxes at 31 December related to the following:</b>			
		<b>Balance Sheet</b>	
<u>Deferred tax liabilities:</u>			
Differences in depreciation for tax purposes		18.4	16.9
Accrued investment income		0.6	0.9
Net unrealised gains on investments		1.4	184.9
Net accretion on fixed income investments		43.8	46.6
Provision against future policyholders' returns		1,898.2	2,244.0
Differences in insurance items <sup>(1)</sup>		119.9	101.7
<b>Deferred tax liabilities</b>		<b>2,082.3</b>	<b>2,595.0</b>
<u>Deferred tax assets:</u>			
Net unrealised loss on investments		77.0	5.2
Unutilised tax losses carried forward		20.2	1.4
Net amortisation on fixed income investments		1.9	2.1
Other accruals and provisions		8.8	6.9
Leases		0.4	0.4
<b>Deferred tax assets</b>		<b>108.3</b>	<b>16.0</b>
<b>Net deferred tax liabilities</b>		<b>1,974.0</b>	<b>2,579.0</b>
		<b>Profit or Loss Statement</b>	
<u>Deferred tax liabilities:</u>			
Differences in depreciation for tax purposes		1.5	3.9
Accrued investment income		(0.3)	(0.3)
Net unrealised gain/(loss) on investments		28.5	(81.4)
Net accretion on fixed income investments		(2.8)	(0.8)
Provision against future policyholders' returns	14	(344.0)	1,209.0
Differences in insurance items		18.2	13.6
<u>Deferred tax assets:</u>			
Net unrealised loss on investments		(71.8)	(5.2)
Unutilised tax losses carried forward		(21.5)	(0.1)
Net amortisation on fixed income investments		0.2	(1.8)
Other accruals and provisions		(1.9)	(1.5)
Leases		-	(0.2)
<b>Deferred tax (credit)/expense</b>		<b>(393.9)</b>	<b>1,135.2</b>
<u>Unrecognised tax losses</u>			

At the balance sheet date, the Group has tax losses of approximately \$28.7 million (31 December 2021: \$27.7 million) expiring in 2023 – 2026 (31 December 2021: 2022 – 2025) 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

ANNUAL REPORT 2022

## 8 INCOME TAX (CONTINUED)

With the adoption of SFRS(I) 17 *Insurance Contracts*, Singapore insurers will use the insurance returns filed with MAS for regulatory purposes (“MAS Statutory Returns”) instead of their financial statement prepared in accordance with the accounting standard as the basis for preparing tax computations with effect from Year of Assessment (“YA”) 2024 (financial year 2023). With the change in taxation basis effective 1 January 2023, a one-time estimated adjustment of \$120.0 million of deferred tax asset will be reclassified to current income tax in the Balance Sheet.

## 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	
		2022	2021
Profit attributable to ordinary shareholders for computation of basic and diluted earnings per share	(in millions of Singapore Dollars)	<b>784.2</b>	1,113.0
Weighted average number of ordinary shares on issue applicable to basic and diluted earnings per share	(in millions)	<b>473.3</b>	473.3
Basic and diluted earnings per share	(in Singapore Dollars)	<b>\$1.66</b>	\$2.35

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			
		2022		2021	
		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	<b>473,319,069</b>	<b>152.7</b>	473,319,069	152.7
--	--------------------	--------------	-------------	-------

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.

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 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.

## 12 INSURANCE PAYABLES

in Singapore Dollars (millions)	Group	
	2022	2021
Claims admitted or intimated	501.9	470.3
Policy benefits	5,793.7	5,487.1
Reinsurance liabilities	851.0	663.2
	<b>7,146.6</b>	<b>6,620.6</b>

The carrying amounts disclosed above approximate fair value at the balance sheet date.

Policy benefits bear interest at 2.5% per annum (2021: 2.5% per annum) for the Group's insurance subsidiaries in Singapore and at 4.4% per annum (2021: 4.5% per annum) for the Group's insurance subsidiaries in Malaysia.

## 13 OTHER CREDITORS

in Singapore Dollars (millions)	Group		Company	
	2022	2021	2022	2021
Other creditors comprise the following:				
Accrued expenses and other creditors	1,544.3	1,585.6	8.5	8.1
Investment creditors	410.7	223.1	-	-
Amount due to holding company <sup>(1)</sup>	6.2	1.6	-	-
Third-party interests in consolidated investment funds <sup>(2)</sup>	35.3	0.5	-	-
Lease liabilities	62.6	74.4	-	-
Premiums in suspense	48.0	36.3	-	-
Provision for reinstatement costs	2.8	2.8	-	-
	<b>2,109.9</b>	<b>1,924.3</b>	<b>8.5</b>	<b>8.1</b>

<sup>(1)</sup> Amount due to holding company is non-trade related, unsecured, interest-free, repayable upon demand and is to be settled in cash.

<sup>(2)</sup> 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

ANNUAL REPORT 2022

## 14 INSURANCE CONTRACT LIABILITIES

in Singapore Dollars (millions)	Note	Group		
		Gross	Reinsurance	Net
<b>31 December 2022</b>				
Life insurance contracts	14.1	85,565.0	(579.8)	84,985.2
Non-life insurance contracts	14.2	707.5	(422.7)	284.8
		<b>86,272.5</b>	<b>(1,002.5)</b>	<b>85,270.0</b>
<b>31 December 2021</b>				
Life insurance contracts	14.1	87,718.3	(472.5)	87,245.8
Non-life insurance contracts	14.2	680.2	(414.2)	266.0
		<b>88,398.5</b>	<b>(886.7)</b>	<b>87,511.8</b>
<b>14.1 Life insurance contracts</b>				
<b>31 December 2022</b>				
Life insurance contract liabilities		84,936.2	(579.8)	84,356.4
Unallocated surplus		628.8	-	628.8
		<b>85,565.0</b>	<b>(579.8)</b>	<b>84,985.2</b>
<b>31 December 2021</b>				
Life insurance contract liabilities		86,958.4	(472.5)	86,485.9
Unallocated surplus		759.9	-	759.9
		<b>87,718.3</b>	<b>(472.5)</b>	<b>87,245.8</b>
<b>Movement in life insurance contract liabilities</b>				
Balance at 1 January 2022		87,718.3	(472.5)	87,245.8
Currency translation reserve adjustment		(1,439.4)	11.2	(1,428.2)
Change in life insurance contract liabilities				
– Due to assumptions change		(1,499.0)	(20.8)	(1,519.8)
– Due to change in discount rate		(3,625.5)	0.5	(3,625.0)
– Due to movement during the year		4,120.6	(98.2)	4,022.4
Reversal of provision for deferred tax on future policyholders' returns	8	344.0	-	344.0
Unallocated surplus		(53.1)	-	(53.1)
Others		(0.9)	-	(0.9)
<b>Balance at 31 December 2022</b>		<b>85,565.0</b>	<b>(579.8)</b>	<b>84,985.2</b>
<b>31 December 2021</b>				
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)
<b>Balance at 31 December 2021</b>		<b>87,718.3</b>	<b>(472.5)</b>	<b>87,245.8</b>

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 14 INSURANCE CONTRACT LIABILITIES (CONTINUED)

in Singapore Dollars (millions)	Group		
	Gross	Reinsurance	Net
<b>14.1 Life insurance contracts (continued)</b>			
<b>31 December 2022</b>			
Contracts with Discretionary Participating Features ("DPF")	58,951.3	8.5	58,959.8
Contracts without Discretionary Participating Features ("DPF")	17,295.5	(575.1)	16,720.4
Investment-linked contracts	8,689.4	(13.2)	8,676.2
	<b>84,936.2</b>	<b>(579.8)</b>	<b>84,356.4</b>
<b>31 December 2021</b>			
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
	<b>86,958.4</b>	<b>(472.5)</b>	<b>86,485.9</b>
<b>14.2 Non-life insurance contracts</b>			
<b>31 December 2022</b>			
Claim liabilities	513.3	(345.0)	168.3
Premium liabilities	194.2	(77.7)	116.5
	<b>707.5</b>	<b>(422.7)</b>	<b>284.8</b>
<b>31 December 2021</b>			
Claim liabilities	491.1	(340.5)	150.6
Premium liabilities	189.1	(73.7)	115.4
	<b>680.2</b>	<b>(414.2)</b>	<b>266.0</b>
<b>Movement in claims liabilities</b>			
Balance at 1 January 2022	491.1	(340.5)	150.6
Currency translation reserve adjustment	(20.9)	14.7	(6.2)
Movement during the year	43.1	(19.2)	23.9
Balance at 31 December 2022	<b>513.3</b>	<b>(345.0)</b>	<b>168.3</b>
Balance at 1 January 2021	351.0	(206.5)	144.5
Currency translation reserve adjustment	(3.7)	2.5	(1.2)
Movement during the year	143.8	(136.5)	7.3
Balance at 31 December 2021	<b>491.1</b>	<b>(340.5)</b>	<b>150.6</b>
<b>Movement in premium liabilities</b>			
Balance at 1 January 2022	189.1	(73.7)	115.4
Currency translation reserve adjustment	(18.4)	14.3	(4.1)
Movement during the year	23.5	(18.3)	5.2
Balance at 31 December 2022	<b>194.2</b>	<b>(77.7)</b>	<b>116.5</b>
Balance at 1 January 2021	188.5	(72.1)	116.4
Currency translation reserve adjustment	(1.2)	0.4	(0.8)
Movement during the year	1.8	(2.0)	(0.2)
Balance at 31 December 2021	<b>189.1</b>	<b>(73.7)</b>	<b>115.4</b>

# Notes to the Financial Statements

ANNUAL REPORT 2022

## 15 OTHER DEBTORS

in Singapore Dollars (millions)	Note	Group	
		2022	2021
Other debtors comprise the following:			
Financial Assets:			
Accrued interest and dividend receivable		632.0	611.0
Investment debtors		156.9	193.4
Other receivables		24.2	37.5
Deposits collected		3.6	4.4
	19	816.7	846.3
Non-Financial Assets:			
Prepayments and others		61.1	58.2
		877.8	904.5

As at 31 December 2022, the Company has no prepayments (31 December 2021: \$0.4 million).

## 16 INSURANCE RECEIVABLES

in Singapore Dollars (millions)	Note	Group	
		2022	2021
Insurance receivables comprise the following:			
Financial Assets:			
Due from policyholders:			
Outstanding premiums		983.9	663.3
Policy loans		2,277.5	2,355.8
Due from reinsurers:			
Amounts due from reinsurers		318.4	316.5
	19	3,579.8	3,335.6

## 17 REINSURERS' SHARE OF INSURANCE CONTRACT LIABILITIES

in Singapore Dollars (millions)	Group	
	2022	2021
Reinsurance share of:		
Insurance contract liabilities	579.8	472.5
Premium liabilities	77.7	73.7
Claims liabilities	345.0	340.5
	1,002.5	886.7

## 18 AMOUNT DUE FROM SUBSIDIARIES

in Singapore Dollars (millions)	Note	Company	
		2022	2021
Amount due from subsidiaries		2,478.8	2,672.2
Loans to subsidiaries		9.1	9.1
Provision for impairment of unsecured loan to subsidiary		(7.0)	(7.0)
	19	2,480.9	2,674.3

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

GREAT EASTERN HOLDINGS LIMITED

## 19 LOANS AND OTHER FINANCIAL ASSETS AT AMORTISED COST

in Singapore Dollars (millions)	Note	Group		Company	
		2022	2021	2022	2021
<b>Loans comprise the following:</b>					
Secured loans		<b>294.6</b>	398.1	-	-
Unsecured loans		<b>194.7</b>	206.8	-	-
		<b>489.3</b>	604.9	-	-
less: Provision for impairment of secured loans		<b>2.6</b>	2.9	-	-
Provision for impairment of unsecured loans		<b>6.2</b>	9.8	-	-
		<b>480.5</b>	592.2	-	-

If loans were carried at fair value, the carrying amounts would be as follows:

Loans		<b>485.3</b>	604.1	-	-
-------	--	--------------	-------	---	---

### Loans and other financial assets at amortised cost:

Cash and cash equivalents		<b>9,607.9</b>	9,117.7	<b>20.4</b>	19.8
Other debtors	15	<b>816.7</b>	846.3	-	-
Insurance receivables	16	<b>3,579.8</b>	3,335.6	-	-
Loans		<b>480.5</b>	592.2	-	-
Debt securities	21	<b>1,802.5</b>	242.3	-	-
Amount due from subsidiaries	18	-	-	<b>2,480.9</b>	2,674.3
<b>Total loans and financial assets at amortised cost</b>		<b>16,287.4</b>	14,134.1	<b>2,501.3</b>	2,694.1

### 19.1 Loans analysed by interest rate sensitivity and geography

#### Fixed

Singapore		<b>4.9</b>	61.0	-	-
Malaysia		<b>144.3</b>	250.2	-	-
		<b>149.2</b>	311.2	-	-

#### Floating

Singapore		<b>331.3</b>	281.0	-	-
<b>Total</b>		<b>480.5</b>	592.2	-	-

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

ANNUAL REPORT 2022

## 20 DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 21 INVESTMENTS

in Singapore Dollars (millions)	Group	
	2022	2021
<b>21.1 Financial assets at FVOCI</b>		
Equity securities designated at FVOCI		
(i) Quoted equity securities	<b>1,639.3</b>	2,175.4
– Singapore Exchange	<b>229.7</b>	477.0
– Hong Kong Stock Exchange	<b>392.3</b>	305.1
– Australian Stock Exchange	<b>110.1</b>	222.0
– Taiwan Stock Exchange	<b>127.3</b>	285.2
– Bursa Malaysia	<b>222.0</b>	219.8
– New York Stock Exchange	<b>156.3</b>	215.4
– Korea Exchange	<b>121.1</b>	161.1
– Others	<b>280.5</b>	289.8
(ii) Unquoted equity securities	<b>22.7</b>	27.0
	<b>1,662.0</b>	2,202.4
Debt securities at FVOCI		
(iii) Quoted debt securities <sup>(1)</sup>	<b>6,423.8</b>	5,697.5
(iv) Unquoted debt securities	<b>2,069.6</b>	1,795.7
	<b>8,493.4</b>	7,493.2
Total securities measured at FVOCI	<b>10,155.4</b>	9,695.6

During the financial year ended 31 December 2022 and 2021, 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 \$933.7 million (31 December 2021: \$699.8 million) at the date of disposal. The cumulative gain on disposal of \$20.4 million (31 December 2021: \$46.5 million) was reclassified from fair value reserve to retained earnings.

## 21.2 Financial assets at FVTPL

### Mandatorily measured at FVTPL

Equity securities		
(i) Quoted equity securities	<b>11,469.2</b>	13,651.1
(ii) Unquoted equity securities	<b>21.8</b>	24.5
	<b>11,491.0</b>	13,675.6
Debt securities		
(iii) Quoted debt securities	<b>5,750.4</b>	3,409.3
(iv) Unquoted debt securities	<b>2,778.8</b>	2,178.5
	<b>8,529.2</b>	5,587.8
Other investments		
(v) Collective investment schemes <sup>(2)</sup>	<b>14,226.7</b>	16,685.3
Total financial assets mandatorily measured at FVTPL	<b>34,246.9</b>	35,948.7

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

<sup>(2)</sup> 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.

# Notes to the Financial Statements

ANNUAL REPORT 2022

## 21 INVESTMENTS (CONTINUED)

in Singapore Dollars (millions)	Note	Group	
		2022	2021
<b>21.2 Financial assets at FVTPL (continued)</b>			
<b>Designated at FVTPL</b>			
Debt securities			
(i) Quoted debt securities		29,556.4	31,585.7
(ii) Unquoted debt securities		12,999.2	14,990.1
Total financial assets designated at FVTPL		42,555.6	46,575.8
Total financial assets at FVTPL		76,802.5	82,524.5
<b>21.3 Financial assets at Amortised Cost</b>			
Debt securities			
(i) Quoted debt securities		1,097.7	242.3
(ii) Unquoted debt securities		704.8	-
Total financial assets at Amortised Cost <sup>(1)</sup>	19	1,802.5	242.3
<b>TOTAL INVESTMENTS</b>		<b>88,760.4</b>	<b>92,462.4</b>

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

in Singapore Dollars (millions)	Group	
	2022	2021
Quoted debt securities	1,401.1	266.3
Unquoted debt securities	314.1	-
	1,715.2	266.3

## 22 INVESTMENT IN ASSOCIATE

in Singapore Dollars (millions)	Group	
	2022	2021
Investment in shares, at fair value	122.5	95.2
<b>Carrying amount at 31 December</b>	<b>122.5</b>	<b>95.2</b>

The Group's associate is as follows:

Name of associate	Principal place of business	Nature of the relationship with the Group	Effective % interest held	
			2022	2021
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.

Information about the Group's investment in associate is as follows:

in Singapore Dollars (millions)	Group	
	2022	2021
Loss after income tax from continuing operations	(51.4)	(53.9)
Total comprehensive loss	(51.4)	(53.9)

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 23 INVESTMENT IN SUBSIDIARIES

in Singapore Dollars (millions)	Company	
	2022	2021
Investment in shares, at cost	1,323.4	1,288.9
Distribution from pre-acquisition reserve	(281.8)	(281.8)
	<b>1,041.6</b>	<b>1,007.1</b>
Investment in shares, at cost:		
Balance at the beginning of the year	1,288.9	1,279.8
Acquisition	34.5	9.1
Balance at the end of the year	<b>1,323.4</b>	<b>1,288.9</b>

### 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.

### 23.1 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
<b>31 December 2022:</b>					
Lion Global Investors Limited	Singapore	30%	1.6	81.1	9.2
31 December 2021:					
Lion Global Investors Limited	Singapore	30%	18.6	88.7	26.9

### 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

ANNUAL REPORT 2022

## 23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

### 23.2 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:

in Singapore Dollars (millions)	Lion Global Investors Ltd	
	2022	2021
<b>Summarised balance sheets</b>		
<b>Current</b>		
Assets	318.6	347.6
Liabilities	(46.9)	(51.0)
Net current assets	271.7	296.6
<b>Non-current</b>		
Assets	3.2	3.5
Liabilities	(0.1)	(0.1)
Net non-current assets	3.1	3.4
Net assets	274.8	300.0
<b>Summarised statement of comprehensive income</b>		
Revenue	106.5	117.3
Profit before income tax	14.8	72.8
Income tax expense	(9.3)	(11.5)
Profit after income tax from continuing operations	5.5	61.3
Total comprehensive income	5.5	61.3
<b>Other summarised information</b>		
Net cash flows from operations	45.4	59.0

## 24 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

## 24 INTERESTS IN STRUCTURED ENTITIES (CONTINUED)

### 24.1 Interests in unconsolidated structured entities

As part of its investment activities, the Group invests in unconsolidated structured entities. As at 31 December 2022, the Group's total interest in unconsolidated structured entities was \$15,094.6 million (31 December 2021: \$17,446.3 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	
	2022	2021
<b>Debt securities</b>		
<i>Analysed as:</i>		
MBS	201.7	161.5
ABS	197.4	221.3
SD	468.8	378.2
<b>Collective investment schemes</b>		
<i>Analysed as:</i>		
Hedge funds	1,508.6	1,604.2
Private equity funds	2,842.1	2,680.5
Unit trusts	3,071.1	4,155.1
REITs	780.5	937.7
ETF	551.5	573.9
OEIC	5,472.9	6,733.9
<b>Total</b>	<b>15,094.6</b>	<b>17,446.3</b>

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.

### 24.2 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	
	2022	2021	2022	2021
Collective investment schemes	2,963.8	4,126.6	23.5	33.4
<b>Total</b>	<b>2,963.8</b>	<b>4,126.6</b>	<b>23.5</b>	<b>33.4</b>

# Notes to the Financial Statements

ANNUAL REPORT 2022

## 25 INTANGIBLE ASSETS

in Singapore Dollars (millions)	Note	Group	
		2022	2021
Goodwill	25.1	26.7	27.2
Other intangible assets	25.3	176.9	167.8
<b>Carrying amount at 31 December</b>		<b>203.6</b>	<b>195.0</b>

### 25.1 Goodwill

#### Cost:

At 1 January		34.0	34.1
Currency translation reserve adjustment		(0.5)	(0.1)
At 31 December		<b>33.5</b>	<b>34.0</b>

#### Impairment:

At 1 January and 31 December		<b>(6.8)</b>	<b>(6.8)</b>
------------------------------	--	--------------	--------------

#### Net carrying amount:

At 31 December	25	<b>26.7</b>	<b>27.2</b>
----------------	----	-------------	-------------

### 25.2 Impairment test for goodwill

#### Subsidiary – Lion Global Investors Limited

Carrying value of capitalised goodwill as at 31 December 2022	\$18.9 million
Basis on which recoverable values are determined <sup>(1)</sup>	Value in use
Terminal growth rate <sup>(2)</sup>	2%
Discount rate <sup>(3)</sup>	6%

#### Business acquired – Tahan Insurance Malaysia Berhad

Carrying value of capitalised goodwill as at 31 December 2022	\$5.5 million
Basis on which recoverable values are determined <sup>(1)</sup>	Value in use
Terminal growth rate <sup>(2)</sup>	6%
Discount rate <sup>(3)</sup>	9%

#### Subsidiary – PT Great Eastern General Insurance Indonesia

Carrying value of capitalised goodwill as at 31 December 2022	\$2.3 million
Basis on which recoverable values are determined <sup>(1)</sup>	Value in use
Terminal growth rate <sup>(2)</sup>	5%
Discount rate <sup>(3)</sup>	16%

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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 (2021: nil) was recognised for the financial year ended 31 December 2022 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

GREAT EASTERN HOLDINGS LIMITED

## 25 INTANGIBLE ASSETS (CONTINUED)

### 25.3 Other intangible assets

in Singapore Dollars (millions)	Note	Group				Total
		Software	Capital works in progress	Club Membership	Distribution Platform	
<b>Cost</b>						
At 1 January 2021		-	-	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		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
<b>Additions</b>		<b>20.4</b>	<b>35.6</b>	-	-	<b>56.0</b>
<b>Disposals</b>		<b>(11.5)</b>	<b>(0.3)</b>	-	-	<b>(11.8)</b>
<b>Reclassification</b>		<b>62.8</b>	<b>(62.8)</b>	-	-	-
<b>Currency translation reserve adjustment</b>		<b>(8.2)</b>	<b>(2.4)</b>	-	<b>(0.2)</b>	<b>(10.8)</b>
<b>At 31 December 2022</b>		<b>473.7</b>	<b>65.5</b>	<b>0.6</b>	<b>3.8</b>	<b>543.6</b>
<b>Accumulated amortisation</b>						
At 1 January 2021		-	-	(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)
Disposals		0.3	-	-	-	0.3
Currency translation reserve adjustment		1.3	-	-	-	1.3
At 31 December 2021		(341.0)	-	(0.1)	(1.3)	(342.4)
<b>Amortisation charge for the year</b>	7	<b>(42.1)</b>	-	-	<b>(0.6)</b>	<b>(42.7)</b>
<b>Disposals</b>		<b>11.3</b>	-	-	-	<b>11.3</b>
<b>Currency translation reserve adjustment</b>		<b>7.0</b>	-	-	<b>0.1</b>	<b>7.1</b>
<b>At 31 December 2022</b>		<b>(364.8)</b>	-	<b>(0.1)</b>	<b>(1.8)</b>	<b>(366.7)</b>
<b>Net book value</b>						
At 31 December 2021	25	69.2	95.4	0.5	2.7	167.8
<b>At 31 December 2022</b>	25	<b>108.9</b>	<b>65.5</b>	<b>0.5</b>	<b>2.0</b>	<b>176.9</b>



# Notes to the Financial Statements

ANNUAL REPORT 2022

## 26 INVESTMENT PROPERTIES

in Singapore Dollars (millions)	Note	Group	
		2022	2021
<b>Balance sheet:</b>			
At 1 January		<b>1,883.9</b>	1,767.2
Additions (subsequent expenditure)		<b>1.0</b>	0.2
Net gain from fair value adjustments	5	<b>91.3</b>	84.3
Reclassification from property, plant and equipment	28	-	38.8
Reclassification to asset held for sale	27	<b>(72.6)</b>	-
Currency translation reserve adjustment		<b>(22.4)</b>	(6.6)
At 31 December		<b>1,881.2</b>	1,883.9
<b>Profit or Loss Statement:</b>			
Rental income from investment properties:			
- Minimum lease payments		<b>47.3</b>	46.9
Direct operating expenses (including repairs and maintenance) arising from:			
- Rental generating properties		<b>(17.1)</b>	(16.7)
- Non-rental generating properties		<b>(0.1)</b>	(0.4)
		<b>(17.2)</b>	(17.1)

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.

## 27 ASSET HELD FOR SALE

The directors of the Group's subsidiary approved the sale of a property, and this sale is expected to be completed by 2023. The property has been reclassified from investment property to asset held for sale during the year and measured at fair value. The fair value of the property amounting to \$72.6 million was determined using the income approach. This is a level 3 measurement as per the fair value hierarchy set out in Note 34.3.

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 28 PROPERTY, PLANT AND EQUIPMENT

in Singapore Dollars (millions)	Note	Group								
		Right-Of-Use Assets			Property, Plant and Equipment Owned					
		Leasehold Land <sup>(1)</sup>	Office space	Other Right-Of-Use Assets	Freehold Land <sup>(1)</sup>	Capital Works in Progress	Buildings <sup>(1)</sup>	Computer Equipment and Software Development Costs	Other Assets <sup>(2)</sup>	Total
<b>Cost</b>										
At 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	25	-	-	-	-	-	-	(444.8)	-	(444.8)
Reclassification to investment properties	26	-	-	-	-	(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 and 1 January 2022		37.9	102.8	1.3	60.5	15.2	606.3	144.7	108.2	1,076.9
<b>Additions</b>		-	<b>0.5</b>	-	-	<b>1.4</b>	-	<b>9.0</b>	<b>3.0</b>	<b>13.9</b>
<b>Disposals/assets written off</b>		-	<b>(0.5)</b>	-	-	-	-	<b>(2.1)</b>	<b>(8.6)</b>	<b>(11.2)</b>
<b>Reclassification</b>		-	-	-	-	<b>(11.6)</b>	-	-	<b>11.6</b>	-
<b>Currency translation reserve adjustment</b>		<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.2)</b>	-	<b>(8.3)</b>	<b>(5.4)</b>	<b>(2.9)</b>	<b>(17.4)</b>
<b>At 31 December 2022</b>		<b>37.6</b>	<b>102.6</b>	<b>1.2</b>	<b>60.3</b>	<b>5.0</b>	<b>598.0</b>	<b>146.2</b>	<b>111.3</b>	<b>1,062.2</b>
<b>Accumulated Depreciation and Impairment Loss</b>										
At 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 and 1 January 2022		(2.1)	(27.6)	(0.9)	(1.4)	-	(302.4)	(120.2)	(75.3)	(529.9)
<b>Depreciation charge for the year</b>	<b>7</b>	-	<b>(12.4)</b>	<b>(0.3)</b>	-	-	<b>(12.1)</b>	<b>(11.2)</b>	<b>(9.3)</b>	<b>(45.3)</b>
<b>Disposals/assets written off</b>		-	<b>0.1</b>	-	-	-	-	<b>2.1</b>	<b>8.5</b>	<b>10.7</b>
<b>Currency translation reserve adjustment</b>		-	<b>0.2</b>	-	-	-	<b>3.7</b>	<b>5.3</b>	<b>2.5</b>	<b>11.7</b>
<b>At 31 December 2022</b>		<b>(2.1)</b>	<b>(39.7)</b>	<b>(1.2)</b>	<b>(1.4)</b>	-	<b>(310.8)</b>	<b>(124.0)</b>	<b>(73.6)</b>	<b>(552.8)</b>
<b>Net Book Value</b>										
At 31 December 2021		35.8	75.2	0.4	59.1	15.2	303.9	24.5	32.9	547.0
<b>At 31 December 2022</b>		<b>35.5</b>	<b>62.9</b>	-	<b>58.9</b>	<b>5.0</b>	<b>287.2</b>	<b>22.2</b>	<b>37.7</b>	<b>509.4</b>

As at year end, the Company held other assets with a net book value of \$0.1 million (31 December 2021: other assets with a net book value of \$0.1 million). Depreciation for the year on computer equipment was nil (31 December 2021: nil).

<sup>(1)</sup> 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	
	2022	2021
Freehold land, Leasehold land and Buildings	<b>846.6</b>	844.6

<sup>(2)</sup> Other assets include motor vehicles, office furniture, fittings and equipment.

# Notes to the Financial Statements

ANNUAL REPORT 2022

## 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 3 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	
		2022	2021
Depreciation expense of right-of-use assets		12.7	13.0
Interest expense on lease liabilities	7	1.9	2.2
Expense relating to short-term leases		2.7	2.4
Expense relating to leases of low-value assets		0.2	0.3
Total amount recognised in the Profit or Loss Statement		17.5	17.9

The total cash outflow for leases in 2022 was \$13.9 million (2021: \$13.9 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"). OCBC Bank has ceased granting share options under the OCBC Option Scheme effective from financial year 2018 remuneration. Share options granted in prior years continue to be outstanding until the options lapse or are exercised by the recipients. The share options have a validity period of 10 years from date of grant.

For the financial year ended 31 December 2022, there were no options granted under the OCBC Share Option Scheme (2021: 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 (2021: nil).

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 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:

	2022		2021	
	Number of Options	Average Price	Number of Options	Average Price
Number of shares comprised in options:				
At beginning of year	2,534,433	\$10.186	3,377,411	\$10.031
Lapsed during the year	(14,856)	\$12.113	(52,405)	\$13.340
Exercised during the year	(619,432)	\$9.384	(790,573)	\$9.315
Outstanding at end of year	1,900,145	\$10.433	2,534,433	\$10.186
Exercisable at end of year	1,900,145	\$10.433	2,534,433	\$10.186

Average share price underlying the options exercised during the financial year **\$12.245** \$11.841

Details of the options outstanding as at 31 December 2022 are as follows:

Grant Year	Grant Date	Exercise Period	Acquisition Price	2022	
				Outstanding	Exercisable
2013	14.03.2013	15.03.2014 - 13.03.2023	\$10.018	375,890	375,890
2014	14.03.2014	15.03.2015 - 13.03.2024	\$9.169	366,172	366,172
2015	16.03.2015	16.03.2016 - 15.03.2025	\$10.378	141,309	141,309
2016	16.03.2016	16.03.2017 - 15.03.2026	\$8.814	121,982	121,982
2017	23.03.2017	23.03.2018 - 22.03.2027	\$9.598	474,908	474,908
2018	22.03.2018	22.03.2019 - 21.03.2028	\$13.340	419,884	419,884
				1,900,145	1,900,145

The carrying amount of the liability recognised on the Group's balance sheet related to the above options at 31 December 2022 is \$6.3 million (31 December 2021: \$1.6 million).

As at 31 December 2022, the weighted average remaining contractual life of outstanding options was 2.9 years (2021: 3.3 years). There were no outstanding options held by directors of the Company as at 31 December 2022 (2021: nil).

There were no outstanding options held by directors of the Company as at 31 December 2022 (2021: nil).

## 29 EXECUTIVES' SHARE OPTION SCHEME (CONTINUED)

### 29.2 OCBC Deferred Share Plan ("DSP")

The OCBC Deferred Share Plan ("DSP") aims to increase the performance-orientation and retention factor in compensation packages of executives, and foster an ownership culture within the organisation. It also aligns the interests of executives with the sustained business performance of OCBC Bank. OCBC Group Executive Director selected by the OCBC Group Remuneration Committee, are eligible to participate in the DSP.

Half (50%) of the share awards will vest after two years with the remaining 50% vesting at the end of three years in accordance with the guidelines established under the DSP. Prior to the vesting date, the executives will not be accorded voting rights for the shares.

OCBC Bank adopted the OCBC Deferred Share Plan 2021 ("DSP 2021") on 29 April 2021 to replace the DSP, which was terminated on the same day. The termination of the DSP does not affect the awards which have been granted, whether such awards have been released (whether fully or partially) or not. By implementing the DSP 2021, which permits new ordinary shares to be issued, OCBC Bank has greater flexibility in its methods for delivery of ordinary shares, as this can be effected through an issue of new ordinary shares, in addition to the transfer of existing ordinary shares (including treasury shares).

During the financial year, 567,100 (2021: 490,261) OCBC ordinary shares were granted to eligible executives of GEH Group under the DSP, of which none (2021: nil) were granted to a director of the Company.

Total awards of 70,315 (2021: 49,860) ordinary shares, of which none (2021: nil) ordinary shares to directors of the Company, were granted to eligible executives of the Group and the Company under the DSP for the financial year ended 31 December 2022. The fair value of the shares at grant date was \$6.5 million (2021: \$5.9 million).

### 29.3 OCBC Employee Share Purchase Plan ("ESP")

The OCBC Employee Share Purchase Plan ("ESP Plan") was implemented for all employees of the participating companies in OCBC Group, including executive Directors.

The ESP Plan is a saving-based share ownership plan to help employees own ordinary shares in OCBC Bank through their monthly contributions via deductions from payroll and/or from Central Provident Fund. The employees have the option to convert the contributions to ordinary shares after one year or to withdraw the contributions at any time. As a further incentive to employees to enrol in the ESP Plan, OCBC Bank pays interest on the amounts saved at a preferential interest rate. The duration of the offering period is 24 months.

In July 2022, OCBC Bank launched its seventeenth offering of ESP Plan for OCBC Group employees, which commenced on 1 September 2022 and will expire on 31 August 2024. Under the offering, OCBC Bank granted 1,023,893 (2021: 1,170,840) rights to acquire ordinary shares in the Bank. The fair value of the rights, determined using the binomial valuation model was \$0.9 million (2021: \$1.5 million). Significant inputs to the valuation model are set out below.

	2022	2021
Acquisition price (\$)	12.07	11.58
Share price (\$)	12.24	12.42
Expected volatility based on last 250 days historical price volatility as of acceptance date (%)	16.51	17.11
Risk-free rate based on 2-year swap rate (%)	2.45	0.35
Expected dividend yield (%)	4.05	4.00

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 29 EXECUTIVES' SHARE OPTION SCHEME (CONTINUED)

### 29.3 OCBC Employee Share Purchase Plan ("ESP") (continued)

A summary of the movement in the number of acquisition rights of the ESP Plan issued to GEH Group's employees is as follows:

	2022		2021	
	Number of Subscription Rights	Weighted Average Subscription Price	Number of Subscription Rights	Weighted Average Subscription Price
At 1 January	2,241,236	\$10.253	2,058,404	\$9.772
Subscriptions on commencement of plan	1,023,893	\$12.070	1,170,840	\$11.580
Exercised	(1,066,832)	\$9.054	(699,887)	\$11.049
Lapsed/Forfeited	(344,404)	\$10.840	(288,121)	\$10.276
At 31 December	1,853,893	\$11.837	2,241,236	\$10.253
Average share price underlying acquisition rights exercised during the financial year		\$11.986		\$12.041

As at 31 December 2022, the weighted average remaining contractual life of outstanding acquisition rights was 1.2 years (2021: 1.1 years). No director of GEH Group has acquisition rights under the ESP Plan (2021: nil).

## 30 OTHER MATTERS

in Singapore Dollars (millions)	Group	
	2022	2021

### 30.1 Capital commitments

Commitments for capital expenditure not provided for in the financial statements:

- investment properties	15.3	2.0
- property, plant and equipment	77.1	83.9
	92.4	85.9

### 30.2 Minimum Lease Receivable

Future minimum lease receivable under non-cancellable operating leases are as follows as of 31 December:

Within one year	43.4	43.9
After one year but not more than five years	28.5	30.8
	71.9	74.7

# Notes to the Financial Statements

ANNUAL REPORT 2022

## 31 RELATED PARTY TRANSACTIONS

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

in Singapore Dollars (millions)	Group		Company	
	2022	2021	2022	2021

### 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:

Fees and commission and other income received from:				
– holding company	12.0	4.8	–	–
– related parties of the holding company	27.3	23.5	–	–
Premiums received from key management personnel	1.3	0.4	–	–
Fees and commission expense paid to:				
– holding company	242.6	253.0	–	–
– related parties of the holding company	52.1	61.5	–	–
Interest income received from:				
– holding company	2.0	0.2	–	–
– related parties of the holding company	8.7	9.0	–	–
Interest expense paid to holding company	0.2	–	–	–
Rental income received from:				
– related parties of the holding company	0.3	0.3	–	–
Other expenses paid to:				
– holding company	11.7	17.8	–	–
– related parties of the holding company	10.8	18.3	–	–
– associate	0.5	6.9	–	–
Dividend income from subsidiaries	–	–	153.4	279.2

### 31.2 Balance sheet balances with related parties

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

Cash and cash equivalents held with:				
– holding company	938.3	742.8	20.4	19.8
– related parties of the holding company	319.4	608.4	–	–
Investments in debt securities of:				
– related parties of the holding company	114.9	97.3	–	–
Derivative financial assets held with:				
– holding company	365.0	151.8	–	–
Derivative financial liabilities held with:				
– holding company	82.8	34.2	–	–

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

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

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 31 RELATED PARTY TRANSACTIONS (CONTINUED)

in Singapore Dollars (millions)	Group		Company	
	2022	2021	2022	2021
<b>31.3 Compensation of key management personnel</b>				
Short-term employee benefits	<b>29.0</b>	29.0	<b>2.1</b>	2.1
Other long-term benefits	<b>1.2</b>	1.0	-	-
Central Provident Fund/Employee Provident Fund	<b>1.3</b>	1.4	-	-
Share-based payments	<b>4.7</b>	3.8	-	-
	<b>36.2</b>	35.2	<b>2.1</b>	2.1
Comprises amounts paid to:				
Directors of the Company	<b>3.3</b>	3.2	<b>2.1</b>	2.1
Other key management personnel	<b>32.9</b>	32.0	-	-
	<b>36.2</b>	35.2	<b>2.1</b>	2.1

## 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.



## 32 SEGMENTAL INFORMATION (CONTINUED)

### 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

GREAT EASTERN HOLDINGS LIMITED

## 32 SEGMENTAL INFORMATION (CONTINUED)

### (1) By Business Segments

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

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

# Notes to the Financial Statements

ANNUAL REPORT 2022

## 32 SEGMENTAL INFORMATION (CONTINUED)

### (1) By Business Segments (continued)

in Singapore Dollars (millions)	Group									
	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations <sup>(1)</sup>		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Other material items:</b>										
Interest income	97.7	85.1	14.4	13.4	2,172.5	2,067.4	-	-	2,284.6	2,165.9
Staff costs and related expenses	43.1	43.8	36.1	36.5	318.6	320.1	1.1	0.6	398.9	401.0
Rental expense	2.4	2.4	1.4	1.1	24.8	24.4	(24.7)	(24.0)	3.9	3.9
Interest expense on policy benefits	-	-	-	-	206.8	198.8	-	-	206.8	198.8
<b>Non-cash items:</b>										
Depreciation and amortisation expenses	5.0	4.8	4.8	3.8	78.2	70.8	-	-	88.0	79.4
Increase/(decrease) in provision for impairment of assets	3.9	(1.2)	(0.3)	0.3	25.5	2.4	-	-	29.1	1.5
Changes in fair value of investments:										
- through the Profit or Loss Statement	(95.2)	(22.6)	2.6	(1.2)	(7,930.3)	(1,190.4)	-	-	(8,022.9)	(1,214.2)
- through equity	(267.0)	(20.6)	(19.2)	(13.6)	(982.0)	(79.8)	-	-	(1,268.2)	(114.0)
<b>Assets and liabilities:</b>										
Segment assets	9,957.4	10,537.9	1,188.4	1,080.5	100,795.8	103,003.9	(4,145.8)	(4,327.4)	107,795.8	110,294.9
Investment in associate	122.5	95.2	-	-	-	-	-	-	122.5	95.2
<b>Total assets</b>	<b>10,079.9</b>	<b>10,633.1</b>	<b>1,188.4</b>	<b>1,080.5</b>	<b>100,795.8</b>	<b>103,003.9</b>	<b>(4,145.8)</b>	<b>(4,327.4)</b>	<b>107,918.3</b>	<b>110,390.1</b>
Segment liabilities	125.7	76.6	1,202.1	1,094.1	98,933.5	100,501.4	(4,144.5)	(4,326.0)	96,116.8	97,346.1
Income tax and deferred tax liabilities	220.4	255.9	-	(3.3)	2,050.5	2,655.0	-	-	2,270.9	2,907.6
<b>Total liabilities</b>	<b>346.1</b>	<b>332.5</b>	<b>1,202.1</b>	<b>1,090.8</b>	<b>100,984.0</b>	<b>103,156.4</b>	<b>(4,144.5)</b>	<b>(4,326.0)</b>	<b>98,387.7</b>	<b>100,253.7</b>
<b>Other segment information:</b>										
Additions to non-current assets										
- property, plant and equipment	0.7	2.3	1.3	1.1	11.9	37.5	-	-	13.9	40.9
- investment properties	-	-	-	-	1.0	0.2	-	-	1.0	0.2
- goodwill and intangible assets	2.0	1.2	4.7	5.7	49.3	56.4	-	-	56.0	63.3

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

### (2) By Geographical Segments

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

Non-current assets information presented above consist of intangible assets, investment properties, property, plant and equipment and deferred tax assets 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 Investment Committee ("Group IC")
- Group Asset-Liability Committee ("Group ALC")
- Group Technology Strategy Committee ("Group TSC")
- Group Product Management and Approval Committee ("Group PMAC")

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.

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.

## 33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### **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 insurance 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.

### **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:

## 33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### *Insurance Risk (continued)*

#### **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 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.

In general, reinsurance business will only be given to reinsurers with a minimum credit rating of S&P A- or equivalent. 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 at least annually, 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. Nevertheless, the fees earned by the Group for managing the investment-linked funds would fluctuate with the changes in underlying fund values.

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

ANNUAL REPORT 2022

## 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 risk as at the balance sheet date:

#### (i) by Class of business:

in Singapore Dollar (millions)	Gross			Reinsurance			Net total
	With DPF <sup>(1)</sup>	Without DPF	Total	With DPF	Without DPF	Total	
<b>2022</b>							
Whole life	40,798.7	9,748.7	50,547.4	9.1	(22.9)	(13.8)	50,533.6
Endowment	18,003.1	13,125.3	31,128.4	0.4	(29.0)	(28.6)	31,099.8
Term	0.6	677.6	678.2	(0.2)	(161.7)	(161.9)	516.3
Accident and health	1.8	735.9	737.7	-	(293.1)	(293.1)	444.6
Annuity	23.0	366.3	389.3	-	-	-	389.3
Others	124.1	1,331.1	1,455.2	(0.8)	(81.6)	(82.4)	1,372.8
<b>Total</b>	<b>58,951.3</b>	<b>25,984.9</b>	<b>84,936.2</b>	<b>8.5</b>	<b>(588.3)</b>	<b>(579.8)</b>	<b>84,356.4</b>
<b>2021</b>							
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
<b>Total</b>	<b>63,333.9</b>	<b>23,624.5</b>	<b>86,958.4</b>	<b>10.3</b>	<b>(482.8)</b>	<b>(472.5)</b>	<b>86,485.9</b>

<sup>(1)</sup> DPF is defined as Contracts with Discretionary Participating Features.

#### (ii) by Country:

in Singapore Dollar (millions)	Gross			Reinsurance			Net total
	With DPF <sup>(1)</sup>	Without DPF	Total	With DPF	Without DPF	Total	
<b>2022</b>							
Singapore	44,104.3	18,416.5	62,520.8	15.1	(252.0)	(236.9)	62,283.9
Malaysia	14,513.9	6,767.6	21,281.5	(6.4)	(332.4)	(338.8)	20,942.7
Others	333.1	800.8	1,133.9	(0.2)	(3.9)	(4.1)	1,129.8
<b>Total</b>	<b>58,951.3</b>	<b>25,984.9</b>	<b>84,936.2</b>	<b>8.5</b>	<b>(588.3)</b>	<b>(579.8)</b>	<b>84,356.4</b>
<b>2021</b>							
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
<b>Total</b>	<b>63,333.9</b>	<b>23,624.5</b>	<b>86,958.4</b>	<b>10.3</b>	<b>(482.8)</b>	<b>(472.5)</b>	<b>86,485.9</b>

<sup>(1)</sup> DPF is defined as Contracts with Discretionary Participating Features.

## 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 2022			31 December 2021		
	Gross impact	Reinsurance ceded	Net impact	Gross impact	Reinsurance ceded	Net impact
Scenario 1 – Mortality and Major Illness	(729.6)	353.7	(375.9)	(754.0)	362.1	(391.9)
Scenario 2 – Mortality and Major Illness	492.1	(228.4)	263.7	525.9	(245.6)	280.3
Scenario 3 – Health and Disability	(277.9)	144.8	(133.1)	(257.6)	141.3	(116.3)
Scenario 4 – Health and Disability	176.4	(61.9)	114.5	149.8	(45.0)	104.8
Scenario 5 – Lapse and Surrender rates	99.3	(34.2)	65.1	91.8	(17.3)	74.5
Scenario 6 – Lapse and Surrender rates	(142.7)	45.6	(97.1)	(130.3)	30.3	(100.0)
Scenario 7 – Expenses	(56.2)	5.2	(51.0)	(47.7)	3.2	(44.5)

**TABLE 33(B2):** Profit/(loss) after tax and shareholders' equity sensitivity for the Malaysia segment:

in Singapore Dollars (millions)	Life Insurance Contracts					
	31 December 2022			31 December 2021		
	Gross impact	Reinsurance ceded	Net impact	Gross impact	Reinsurance ceded	Net impact
Scenario 1 – Mortality and Major Illness	(126.7)	–	(126.7)	(133.3)	–	(133.3)
Scenario 2 – Mortality and Major Illness	109.3	–	109.3	120.2	–	120.2
Scenario 3 – Health and Disability	(14.4)	–	(14.4)	(23.0)	–	(23.0)
Scenario 4 – Health and Disability	12.5	–	12.5	20.0	–	20.0
Scenario 5 – Lapse and Surrender rates	(27.6)	–	(27.6)	(23.6)	–	(23.6)
Scenario 6 – Lapse and Surrender rates	71.7	–	71.7	57.9	–	57.9
Scenario 7 – Expenses	(40.3)	–	(40.3)	(35.4)	–	(35.4)

The tables above demonstrate the sensitivity of the Group's profit or loss after tax to possible changes in individual actuarial valuation assumptions, 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.



## 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 14 of the financial statements. The premium liabilities comprise 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 2022			As at 31 December 2021		
	Gross premium liabilities	Reinsured premium liabilities	Net premium liabilities	Gross premium liabilities	Reinsured premium liabilities	Net premium liabilities
Fire	42.2	(17.7)	24.5	39.0	(16.3)	22.7
Motor	41.5	(4.5)	37.0	36.5	(2.5)	34.0
Marine & aviation	6.1	(3.0)	3.1	8.0	(3.9)	4.1
Workmen's compensation	13.6	(3.9)	9.7	17.6	(5.5)	12.1
Personal accident & health	23.3	(1.5)	21.8	23.3	(1.7)	21.6
Miscellaneous	67.5	(47.1)	20.4	64.7	(43.8)	20.9
<b>Total</b>	<b>194.2</b>	<b>(77.7)</b>	<b>116.5</b>	<b>189.1</b>	<b>(73.7)</b>	<b>115.4</b>

in Singapore Dollars (millions)	Gross claims liabilities	Reinsured claims liabilities	Net claims liabilities	Gross claims liabilities	Reinsured claims liabilities	Net claims liabilities
	Fire	123.1	(95.4)	27.7	127.8	(105.4)
Motor	63.0	(4.7)	58.3	54.5	(6.5)	48.0
Marine & aviation	25.4	(18.6)	6.8	28.3	(21.0)	7.3
Workmen's compensation	36.4	(13.2)	23.2	33.9	(12.6)	21.3
Personal accident & health	26.0	(4.4)	21.6	24.8	(4.7)	20.1
Miscellaneous	239.4	(208.7)	30.7	221.8	(190.3)	31.5
<b>Total</b>	<b>513.3</b>	<b>(345.0)</b>	<b>168.3</b>	<b>491.1</b>	<b>(340.5)</b>	<b>150.6</b>

## 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 2022			As at 31 December 2021		
	Gross premium liabilities	Reinsured premium liabilities	Net premium liabilities	Gross premium liabilities	Reinsured premium liabilities	Net premium liabilities
Singapore	100.8	(47.3)	53.5	99.2	(47.6)	51.6
Malaysia	72.9	(22.0)	50.9	70.6	(18.3)	52.3
Indonesia	20.5	(8.4)	12.1	19.3	(7.8)	11.5
<b>Total</b>	<b>194.2</b>	<b>(77.7)</b>	<b>116.5</b>	<b>189.1</b>	<b>(73.7)</b>	<b>115.4</b>

in Singapore Dollars (millions)	Gross claims liabilities	Reinsured claims liabilities	Net claims liabilities	Gross claims liabilities	Reinsured claims liabilities	Net claims liabilities
	Singapore	194.3	(123.0)	71.3	175.1	(113.7)
Malaysia	266.7	(188.5)	78.2	289.2	(216.2)	73.0
Indonesia	52.3	(33.5)	18.8	26.8	(10.6)	16.2
<b>Total</b>	<b>513.3</b>	<b>(345.0)</b>	<b>168.3</b>	<b>491.1</b>	<b>(340.5)</b>	<b>150.6</b>

#### 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. 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 enforces a policy of active management and prompt pursuit of claims, 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

ANNUAL REPORT 2022

## 33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Insurance Risk (continued)

#### Insurance Risk of Non-Life Insurance Contracts (continued)

The sensitivity analysis below shows the impact of changes in key assumptions on gross and net liabilities, profit before tax and equity.

in Singapore Dollars (millions)	Change in assumptions	Impact on gross liabilities	Impact on net liabilities	Impact on profit before tax	Impact on equity
<b>As at 31 December 2022</b>					
Provision for adverse deviation margin	+20%	11.9	3.0	(3.0)	(2.5)
Loss ratio (for latest year)	+20%	75.1	40.6	(40.6)	(32.9)
Claim handling expenses	+20%	2.0	1.4	(1.4)	(1.2)
<b>As at 31 December 2021</b>					
Provision for adverse deviation margin	+20%	10.5	3.9	(3.9)	(3.1)
Loss ratio (for latest year)	+20%	67.1	36.6	(36.6)	(29.3)
Claim handling expenses	+20%	1.9	1.6	(1.6)	(1.3)

The method used and significant assumptions made for deriving sensitivity information above did not change from the previous year.

**TABLE 33(C2):** The table below shows the cumulative claims estimates, including both claims notified and IBNR for each successive accident year, at each balance sheet date, together with cumulative payments to date.

Gross non-life insurance contract liabilities for 2022:

in Singapore Dollars (millions)	2015	2016	2017	2018	2019	2020	2021	2022	Total
<b>Estimate of cumulative claims</b>									
Accident Year	195.2	201.8	219.4	188.0	221.1	272.9	258.4	266.1	
One year later	194.9	213.4	212.8	162.8	226.6	239.3	226.7	-	
Two years later	166.5	208.8	190.6	153.9	227.2	271.1	-	-	
Three years later	171.2	202.6	195.0	244.3	230.9	-	-	-	
Four years later	170.2	201.4	196.4	244.9	-	-	-	-	
Five years later	170.3	200.9	193.7	-	-	-	-	-	
Six years later	165.7	196.2	-	-	-	-	-	-	
Seven years later	164.5	-	-	-	-	-	-	-	
<b>Current estimate of cumulative claims</b>	<b>164.5</b>	<b>196.2</b>	<b>193.7</b>	<b>244.9</b>	<b>230.9</b>	<b>271.1</b>	<b>226.7</b>	<b>266.1</b>	
<b>Cumulative payments</b>	<b>160.4</b>	<b>193.0</b>	<b>175.4</b>	<b>138.2</b>	<b>190.9</b>	<b>204.2</b>	<b>143.2</b>	<b>82.2</b>	
<b>Non-life gross claim liabilities</b>	<b>4.1</b>	<b>3.2</b>	<b>18.3</b>	<b>106.7</b>	<b>40.0</b>	<b>66.9</b>	<b>83.5</b>	<b>183.9</b>	<b>506.6</b>
<b>Reserve for prior years</b>									<b>6.7</b>
<b>Non-life Insurance Contract Liabilities, gross</b>									<b>513.3</b>

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### *Insurance Risk (continued)*

#### **Insurance Risk of Non-Life Insurance Contracts** (continued)

**TABLE 33(C2):** The table below shows the cumulative claims estimates, including both claims notified and IBNR for each successive accident year, at each balance sheet date, together with cumulative payments to date. (continued)

Non-life insurance contract liabilities, net of reinsurance of liabilities, for 2022:

<b>in Singapore Dollars (millions)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
<b><u>Estimate of cumulative claims</u></b>									
Accident Year	101.8	108.5	125.1	121.0	122.8	109.1	108.5	140.1	
One year later	100.2	107.4	124.0	112.8	115.6	95.8	93.4	-	
Two years later	95.7	105.1	120.0	110.1	115.3	97.4	-	-	
Three years later	92.0	101.5	118.7	110.8	116.6	-	-	-	
Four years later	90.5	100.3	118.3	110.8	-	-	-	-	
Five years later	90.4	100.4	115.7	-	-	-	-	-	
Six years later	87.6	97.4	-	-	-	-	-	-	
Seven years later	86.5	-	-	-	-	-	-	-	
<b>Current estimate of cumulative claims</b>	<b>86.5</b>	<b>97.4</b>	<b>115.7</b>	<b>110.8</b>	<b>116.6</b>	<b>97.4</b>	<b>93.4</b>	<b>140.1</b>	
<b>Cumulative payments</b>	<b>85.0</b>	<b>95.6</b>	<b>109.7</b>	<b>101.0</b>	<b>102.5</b>	<b>82.0</b>	<b>69.9</b>	<b>49.1</b>	
<b>Non-life net claim liabilities</b>	<b>1.5</b>	<b>1.8</b>	<b>6.0</b>	<b>9.8</b>	<b>14.1</b>	<b>15.4</b>	<b>23.5</b>	<b>91.0</b>	<b>163.1</b>
<b>Reserve for prior years</b>									<b>5.2</b>
<b>Non-life Insurance Contract Liabilities, net</b>									<b>168.3</b>

## 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 the 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.

## 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. Most reforms affecting the Group had been completed by the end of 2021. However, the transition deadlines for USD LIBOR and SIBOR have been extended to end June 2023 and end December 2024 respectively, hence some instruments referencing these rates may not be transitioned until those dates.

The Group anticipates that IBOR reform will have moderate operational, risk management and accounting impacts across all of its business lines. The main risk to which the Group is exposed as a result of IBOR reform is 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 has 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/FRN holdings include SGD Swap Offer Rate ("SOR"), SIBOR, and USD LIBOR are primarily at The Great Eastern Life Assurance Company Limited. The Group also has corporate loans holdings indexed to SOR.

The alternative reference rate for SOR and SIBOR is the Singapore Overnight Rate Average ("SORA"); and for USD LIBOR is the Secured Overnight Financing Rate ("SOFR"). The changes to the contractual terms of financial assets indexed to SOR, SIBOR, and USD LIBOR to incorporate new benchmark rates are still in progress as at 31 December 2022.

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').

## 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 2022. The amounts of trading assets and investment securities are shown at their carrying amounts.

in Singapore Dollars (millions)	Group		
	Gross carrying amount		
	SOR	USD LIBOR	Grand total
<b>Debt securities</b>	<b>692.0</b>	<b>970.0</b>	<b>1,662.0</b>
<b>Corporate loan</b>	<b>116.0</b>	<b>–</b>	<b>116.0</b>
	<b>808.0</b>	<b>970.0</b>	<b>1,778.0</b>

##### 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 2022. 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		
	Notional amount		
	SOR	USD LIBOR	Grand total
<b>Derivatives</b>	<b>280.0</b>	<b>21.0</b>	<b>301.0</b>

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 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.

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
<b>As at 31 December 2022</b>					
<b>FINANCIAL AND INSURANCE-RELATED ASSETS</b>					
<b>Financial assets at FVOCI</b>					
Equity securities	231.6	250.0	203.0	977.4	1,662.0
Debt securities	3,558.0	1,242.1	3,284.8	408.5	8,493.4
<b>Financial assets at FVTPL</b>					
Equity securities	878.6	6,608.1	668.1	3,336.2	11,491.0
Debt securities	21,007.6	14,832.9	11,718.5	3,525.8	51,084.8
Other investments	6,500.2	203.9	5,988.4	1,534.2	14,226.7
<b>Financial assets at amortised cost</b>					
Debt securities	804.1	–	995.0	3.4	1,802.5
Derivative financial assets	670.6	0.3	55.4	35.4	761.7
Loans	222.1	144.3	–	114.1	480.5
<b>Reinsurers' share of</b>					
insurance contract liabilities	396.7	549.5	30.6	25.7	1,002.5
Insurance receivables	1,024.5	2,512.3	10.4	32.6	3,579.8
Other debtors	384.3	228.1	161.2	43.1	816.7
Cash and cash equivalents	6,819.6	1,509.4	886.1	392.8	9,607.9
	<b>42,497.9</b>	<b>28,080.9</b>	<b>24,001.5</b>	<b>10,429.2</b>	<b>105,009.5</b>
<b>FINANCIAL AND INSURANCE-RELATED LIABILITIES</b>					
Other creditors	1,385.3	490.9	88.9	31.4	1,996.5
Insurance payables	2,459.3	4,673.1	2.4	11.8	7,146.6
Derivative financial liabilities	84.2	4.8	96.6	106.4	292.0
Provision for agents' retirement benefits	0.8	295.0	–	–	295.8
Insurance contract liabilities	60,181.8	21,621.4	3,172.4	668.1	85,643.7
	<b>64,111.4</b>	<b>27,085.2</b>	<b>3,360.3</b>	<b>817.7</b>	<b>95,374.6</b>



# Notes to the Financial Statements

ANNUAL REPORT 2022

## 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 2021</u>					
<u>FINANCIAL AND INSURANCE-RELATED ASSETS</u>					
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
	<u>38,160.6</u>	<u>28,509.9</u>	<u>26,921.2</u>	<u>14,019.1</u>	<u>107,610.8</u>
<u>FINANCIAL AND INSURANCE-RELATED LIABILITIES</u>					
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
	<u>64,807.2</u>	<u>27,524.5</u>	<u>3,377.2</u>	<u>763.8</u>	<u>96,472.7</u>

The financial assets and financial liabilities of the Company are not material.

## 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.

## 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
<b>As at 31 December 2022</b>						
<b>FINANCIAL AND INSURANCE-RELATED ASSETS</b>						
Financial assets at FVOCI						
Equity securities	1,662.0	-	-	-	1,662.0	1,662.0
Debt securities	8,493.4	814.5	4,401.0	7,101.6	-	12,317.1
Financial assets at FVTPL						
Equity securities	11,491.0	-	-	-	11,491.0	11,491.0
Debt securities	51,084.8	7,339.7	20,032.0	41,646.7	1,185.4	70,203.8
Other investments	14,226.7	3.0	-	-	14,226.7	14,229.7
Financial assets at Amortised Cost						
Debt securities	1,802.5	788.5	845.5	640.7	-	2,274.7
Derivative financial assets	761.7	640.9	80.1	40.7	-	761.7
Loans	480.5	113.7	395.0	14.3	-	523.0
Reinsurers' share of insurance contract liabilities	1,002.5	449.0	388.9	164.6	-	1,002.5
Insurance receivables	3,579.8	770.2	532.1	-	2,277.5	3,579.8
Other debtors	816.7	816.7	-	-	-	816.7
Cash and cash equivalents	9,607.9	9,607.9	-	-	-	9,607.9
	<b>105,009.5</b>	<b>21,344.1</b>	<b>26,674.6</b>	<b>49,608.6</b>	<b>30,842.6</b>	<b>128,469.9</b>
<b>FINANCIAL AND INSURANCE-RELATED LIABILITIES</b>						
Other creditors	1,996.5	1,902.9	58.0	0.3	35.3	1,996.5
Insurance payables	7,146.6	7,124.4	22.2	-	-	7,146.6
Derivative financial liabilities	292.0	221.1	12.3	58.6	-	292.0
Provision for agents' retirement benefits	295.8	139.7	56.7	99.4	-	295.8
Insurance contract liabilities	85,643.7	16,750.8	20,366.5	48,521.7	4.7	85,643.7
	<b>95,374.6</b>	<b>26,138.9</b>	<b>20,515.7</b>	<b>48,680.0</b>	<b>40.0</b>	<b>95,374.6</b>

## 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
<u>As at 31 December 2021</u>						
<u>FINANCIAL AND INSURANCE-RELATED ASSETS</u>						
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	886.7	547.3	257.8	81.6	-	886.7
Insurance receivables	3,335.6	611.2	348.4	0.6	2,375.4	3,335.6
Other debtors	846.3	845.3	0.8	-	0.2	846.3
Cash and cash equivalents	9,117.7	9,117.7	-	-	-	9,117.7
	<u>107,610.8</u>	<u>15,999.9</u>	<u>21,231.1</u>	<u>51,981.2</u>	<u>37,820.8</u>	<u>127,033.0</u>
<u>FINANCIAL AND INSURANCE-RELATED LIABILITIES</u>						
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
	<u>96,472.7</u>	<u>24,654.1</u>	<u>20,122.0</u>	<u>51,689.2</u>	<u>7.4</u>	<u>96,472.7</u>

The Company's financial assets and financial liabilities are not material.

## 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
<b>As at 31 December 2022</b>				
<b>ASSETS</b>				
Cash and cash equivalents	9,059.0	–	548.9	9,607.9
Other debtors	799.1	32.9	45.8	877.8
Insurance receivables	2,145.6	1,434.2	–	3,579.8
Asset held for sale	72.6	–	–	72.6
Reinsurers' share of insurance contract liabilities	440.5	548.8	13.2	1,002.5
Loans	103.3	377.2	–	480.5
Derivative financial assets	631.4	120.8	9.5	761.7
Investments	15,126.6	65,560.6	8,073.2	88,760.4
Deferred tax assets	–	58.4	–	58.4
Investment in associate	–	122.5	–	122.5
Intangible assets	42.6	161.0	–	203.6
Investment properties	–	1,881.2	–	1,881.2
Property, plant and equipment	45.6	463.8	–	509.4
	<b>28,466.3</b>	<b>70,761.4</b>	<b>8,690.6</b>	<b>107,918.3</b>
<b>LIABILITIES</b>				
Insurance payables	7,124.3	22.3	–	7,146.6
Other creditors	1,909.1	149.8	51.0	2,109.9
Derivative financial liabilities	211.9	70.7	9.4	292.0
Income tax payable	238.5	–	–	238.5
Provision for agents' retirement benefits	19.9	275.9	–	295.8
Deferred tax liabilities	(29.2)	2,061.1	0.5	2,032.4
Insurance contract liabilities	8,248.8	69,334.4	8,689.3	86,272.5
	<b>17,723.3</b>	<b>71,914.2</b>	<b>8,750.2</b>	<b>98,387.7</b>

\* expected recovery or settlement within 12 months from the balance sheet date.

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 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 2021</u>				
<b>ASSETS</b>				
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 associates	-	95.2	-	95.2
Intangible assets	35.1	159.9	-	195.0
Investment properties	-	1,883.9	-	1,883.9
Property, plant and equipment	67.3	479.7	-	547.0
	<u>23,905.2</u>	<u>76,861.4</u>	<u>9,623.5</u>	<u>110,390.1</u>
<b>LIABILITIES</b>				
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
	<u>15,365.8</u>	<u>75,089.5</u>	<u>9,798.4</u>	<u>100,253.7</u>

\* expected recovery or settlement within 12 months from the balance sheet date.

## 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 default by the borrower or counterparty.

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. The task of evaluating and monitoring credit risk at the subsidiary level is undertaken by Local ALCs.

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
<b>As at 31 December 2022</b>			
<b>Secured loans</b>	<b>Properties</b>	<b>291.8</b>	<b>545.4</b>
	<b>Others</b>	<b>0.2</b>	<b>0.2</b>
<b>Policy loans</b>	<b>Cash value of policies</b>	<b>2,277.5</b>	<b>5,279.7</b>
<b>Derivatives</b>	<b>Cash</b>	<b>186.1</b>	<b>186.1</b>
		<b>2,755.6</b>	<b>6,011.4</b>
<b>As at 31 December 2021</b>			
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

### 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 2022 (31 December 2021: nil).

As at the balance sheet date, no investments (2021: 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)	31 December 2022			Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
<b>Loans and other receivables at amortised cost</b>				
Investment Grade* (BBB to AAA)	373.2	112.1	-	485.3
Not Rated	1.7	-	36.7	38.4
	<b>374.9</b>	<b>112.1</b>	<b>36.7</b>	<b>523.7</b>
Loss allowance	(0.6)	(5.9)	(36.7)	(43.2)
Carrying amount	<b>374.3</b>	<b>106.2</b>	<b>-</b>	<b>480.5</b>
<b>Debt securities at amortised cost</b>				
Investment Grade* (BBB to AAA)	1,802.5	-	-	1,802.5
	<b>1,802.5</b>	<b>-</b>	<b>-</b>	<b>1,802.5</b>
Loss allowance	(1.1)	-	-	(1.1)
Carrying amount	<b>1,801.4</b>	<b>-</b>	<b>-</b>	<b>1,801.4</b>
<b>Debt securities at FVOCI</b>				
Investment Grade* (BBB to AAA)	8,361.5	29.3	-	8,390.8
Non Investment Grade* (C to BB)	-	5.3	-	5.3
Not Rated	97.3	-	-	97.3
	<b>8,458.8</b>	<b>34.6</b>	<b>-</b>	<b>8,493.4</b>

\* Based on internal ratings grades which are equivalent to grades of external rating agencies.



## 33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Market and Credit Risk (continued)

#### (h) Credit risk. (continued)

in Singapore Dollars (millions)	31 December 2021			Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
<u>Loans at amortised cost</u>				
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	(0.9)	(9.5)	(2.3)	(12.7)
Carrying amount	479.7	112.5	-	592.2
<u>Debt securities at amortised cost</u>				
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
<u>Debt securities at FVOCI</u>				
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

GREAT EASTERN HOLDINGS LIMITED

## 33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Market and Credit Risk (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
<b>As at 31 December 2022</b>						
<b>Financial assets at FVOCI</b>						
Equity securities	-	-	-	-	1,662.0	1,662.0
<b>Financial assets at FVTPL</b>						
Equity securities	-	-	-	3,366.2	8,124.8	11,491.0
Debt securities	43,047.2	2,118.2	4,293.8	1,625.6	-	51,084.8
Other investments	-	-	-	3,081.4	11,145.3	14,226.7
Derivative financial assets	716.7	-	35.5	9.5	-	761.7
Reinsurers' share of insurance contract liabilities	-	-	989.3	13.2	-	1,002.5
Insurance receivables	991.5	20.0	2,568.3	-	-	3,579.8
Other debtors	3.6	1.1	766.2	45.8	-	816.7
Cash and cash equivalents	8,799.2	-	259.8	548.9	-	9,607.9
	<b>53,558.2</b>	<b>2,139.3</b>	<b>8,912.9</b>	<b>8,690.6</b>	<b>20,932.1</b>	<b>94,233.1</b>
<b>As at 31 December 2021</b>						
<b>Financial assets at FVOCI</b>						
Equity securities	-	-	-	-	2,202.4	2,202.4
<b>Financial assets at FVTPL</b>						
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	-	-	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
	<b>52,637.1</b>	<b>2,276.4</b>	<b>9,630.5</b>	<b>9,621.1</b>	<b>25,118.0</b>	<b>99,283.1</b>

The Company's financial assets are not material.

## 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 the PD, LGD and EAD for each individual exposure. The ECLs are first determined by the product of these three components, which are then adjusted to take into account 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.

## 33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### **Market and Credit Risk** (continued)

#### (h) **Credit risk.** (continued)

##### **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 assessed 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 changes in 12M PDs and other 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.

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.

## 33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### *Market and Credit Risk (continued)*

#### (h) **Credit risk.** *(continued)*

##### **Definition of default** (continued)

The Group considers a financial asset to be in default by assessing the following criteria (continued):

##### 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.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment 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 the respective scenario attributes are reviewed at each reporting date. At 31 December 2022, 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 judgment, taking into account the range of possible outcomes presented by the chosen scenarios. The assessment of significant increase in credit risk is performed using the 12M PD under each scenarios multiplied by the associated scenario weights. This determines whether the 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 2022.

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 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)	31 December 2022			Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
<b>Loans and other receivables at amortised cost</b>				
Balance at the beginning of the year	0.9	9.5	2.3	12.7
Net remeasurement of loss allowance	-	-	34.4	34.4
New financial assets purchased	0.6	3.7	-	4.3
Financial assets that have been derecognised	(0.7)	(4.2)	-	(4.9)
Changes in models/risk parameters	(0.2)	(2.5)	-	(2.7)
Foreign exchange and other movements	-	(0.6)	-	(0.6)
Balance at the end of the year	0.6	5.9	36.7	43.2
<b>Debt securities at amortised cost</b>				
Balance at the beginning of the year	1.7	-	-	1.7
Net remeasurement of loss allowance	0.1	-	-	0.1
New financial assets purchased	0.6	-	-	0.6
Financial assets that have been derecognised	(1.2)	-	-	(1.2)
Changes in models/risk parameters	0.1	-	-	0.1
Foreign exchange and other movements	(0.2)	-	-	(0.2)
Balance at the end of the year	1.1	-	-	1.1
<b>Debt securities at FVOCI</b>				
Balance at the beginning of the year	7.2	4.4	2.8	14.4
Net remeasurement of loss allowance	0.1	(0.1)	-	-
New financial assets purchased	4.0	2.4	-	6.4
Financial assets that have been derecognised	(3.3)	(3.1)	-	(6.4)
Changes in models/risk parameters	(0.7)	(0.9)	-	(1.6)
Foreign exchange and other movements	-	(0.2)	-	(0.2)
Balance at the end of the year	7.3	2.5	2.8	12.6
(Decrease)/increase in provision for impairment of financial assets for the year	(0.6)	(4.7)	34.4	29.1

## 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)	31 December 2021			Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
<u>Loans and other receivables at amortised cost</u>				
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	0.9	9.5	2.3	12.7
<u>Debt securities at amortised cost</u>				
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
<u>Debt securities at FVOCI</u>				
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 loss 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
(Decrease)/increase in provision for impairment of financial assets for the year	(3.7)	9.2	(4.0)	1.5

The carrying amount of outstanding premiums as at 31 December 2022 is \$983.9 million (31 December 2021: \$663.3 million). The ECL relating to outstanding premiums as at 31 December 2022 was \$9.1 million (2021: \$8.0 million) for the Group. The changes in credit loss recognised in the Profit or Loss Statement during the period was \$1.1 million (31 December 2021: \$0.5 million).

The changes in risk parameters may consist of management overlays, including but not limited to, the application of judgment 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.

### 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	
	2022	2021	2022	2021
<b>Change in variables:</b>				
(a) <b>Interest rate</b>				
+ 100 basis points	<b>188.5</b>	81.4	<b>(197.8)</b>	(386.7)
- 100 basis points	<b>(313.4)</b>	(312.4)	<b>121.3</b>	230.8
(b) <b>Foreign currency</b>				
5% increase in market value of RM denominated assets	<b>0.1</b>	0.1	<b>0.1</b>	0.1
5% decrease in market value of RM denominated assets	<b>(0.1)</b>	(0.1)	<b>(0.1)</b>	(0.1)
5% increase in market value of USD denominated assets	<b>12.1</b>	0.7	<b>12.1</b>	0.7
5% decrease in market value of USD denominated assets	<b>(12.1)</b>	(0.7)	<b>(12.1)</b>	(0.7)
(c) <b>Equity</b>				
20% increase in market indices:				
-STI	<b>31.2</b>	51.3	<b>68.8</b>	129.9
-KLCI	<b>2.4</b>	-	<b>39.1</b>	34.6
20% decrease in market indices:				
-STI	<b>(31.2)</b>	(51.3)	<b>(68.8)</b>	(129.9)
-KLCI	<b>(2.4)</b>	-	<b>(39.1)</b>	(34.6)



## 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	
	2022	2021	2022	2021
<b>Change in variables: (continued)</b>				
(d) <b>Credit</b>				
Spread + 100 basis points	<b>(72.7)</b>	(165.2)	<b>(315.8)</b>	(487.3)
Spread – 100 basis points	<b>79.0</b>	208.4	<b>352.5</b>	583.6
(e) <b>Alternative investments<sup>(1)</sup></b>				
10% increase in market value of all alternative investments	<b>71.0</b>	72.1	<b>72.6</b>	73.9
10% decrease in market value of all alternative investments	<b>(71.0)</b>	(72.1)	<b>(72.6)</b>	(73.9)

<sup>(1)</sup> 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 the Group;
- foreign laws, regulations and rules that have extraterritorial jurisdiction over the Group's licensed activities;
- codes of practice promoted by industry associations of which the Group are members of; and
- any other applicable regulations which do not specifically govern the licensed activities undertaken by the Group 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.

## 33 ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### **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).

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.

The Group adopts a risk-based approach in managing technology, risks relating to IT disruption, cyber threats, data loss and third parties. 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 on the adequacy and effectiveness of the technology risk controls.

### **Sustainability Risk**

Sustainability risk is defined as any environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and enterprise value. The Group has integrated ESG considerations into the investment and underwriting activities.

At present, the Group manages social and governance-related risk through existing frameworks and policies. In order to build resilience as the world transits to a low-carbon economy, the Group has formalised the Group Environmental Risk Management Policy which sets forth guiding principles and minimum standards in managing environmental risk within the Group. Environmental risk arises from the potential adverse impact of changes in the environment on economic activities and human well-being. Environmental issues that are of concern include climate change, loss of biodiversity, pollution and changes in land use. Environmental risk can manifest in three dimensions of risk as follows:

- Physical risk – impact of weather events and long-term or widespread environmental changes. It arises from acute (event-driven) and chronic (long term shift) climate-related events that damage property, reduce productivity and disrupt trade.
- Transition risk – arises from the process of adjustment to an environmentally sustainable economy, including change in public policies, disruptive technological developments, and shifts in consumer and investor preferences.
- Liability risk – arises from legal risk and claims on damages and losses incurred from inaction or lack of action that results in the effects of physical and transition risks.

The Group's risk assessment considers the financial and non-financial impacts from physical and transition risks arising from climate change. With this, the Group organisation has put in place processes, methodology, and both qualitative and quantitative tools to identify and assess environmental risk for investment and underwriting portfolios.

For underwriting portfolio, risk transfer tool such as reinsurance is used to assist in managing environmental risk. For investment portfolio, the objective is to build resilient investment portfolios whilst striking a balance between ESG considerations, impact and financial returns.

The Group has made its first disclosures on climate-related risks aligned to the Task Force on Climate-related Financial Disclosures ("TCFD") in May 2021 as part of GEH Sustainability Report 2021. The report provides some insights into the Group's governance approach, strategy and risk management, as well as key metrics and targets for climate-related financial risks.

## 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.

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 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			Total
	2022			
	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)	
<b>As at 31 December 2022</b>				
<b>Recurring Fair Value Measurements</b>				
<b>FINANCIAL ASSETS</b>				
<b>Derivative financial assets</b>				
Foreign exchange				
Forwards	–	510.6	–	510.6
Currency swaps	–	182.9	–	182.9
Options	–	12.0	–	12.0
Interest rates				
Swaps	–	9.0	–	9.0
Exchange traded futures	2.2	–	–	2.2
Equity				
Swaps	–	0.2	–	0.2
Futures	3.4	–	–	3.4
Options	6.3	32.9	–	39.2
Credit				
Swaps	–	1.9	–	1.9
Bond				
Forwards	–	0.3	–	0.3
	11.9	749.8	–	761.7
<b>Financial assets at FVOCI</b>				
Equity securities	1,639.3	–	22.7	1,662.0
Debt securities	3,896.9	4,522.2	74.3	8,493.4
	5,536.2	4,522.2	97.0	10,155.4
<b>Financial assets at FVTPL</b>				
Equity securities	11,469.0	0.2	21.8	11,491.0
Debt securities	34,975.2	15,538.0	571.6	51,084.8
Other investments	6,869.6	4,514.9	2,842.2	14,226.7
	53,313.8	20,053.1	3,435.6	76,802.5
<b>Financial assets as at 31 December 2022</b>	<b>58,861.9</b>	<b>25,325.1</b>	<b>3,532.6</b>	<b>87,719.6</b>

# Notes to the Financial Statements

ANNUAL REPORT 2022

## 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			Total
	2022			
	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)	
<b>As at 31 December 2022</b>				
<b>Recurring Fair Value</b>				
<b>Measurements</b>				
<b>NON-FINANCIAL ASSETS</b>				
Investment properties	-	-	1,881.2	1,881.2
Investment in associate	-	-	122.5	122.5
Asset held for sale	-	-	72.6	72.6
<b>Non-financial assets as at 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>2,076.3</b>	<b>2,076.3</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Derivative financial liabilities</b>				
Foreign exchange				
Forwards	-	152.2	-	152.2
Currency swaps	-	6.8	-	6.8
Interest rates				
Swaps	-	64.5	-	64.5
Exchange traded futures	17.2	-	-	17.2
Equity				
Swaps	-	35.6	-	35.6
Futures	0.1	-	-	0.1
Options	2.3	4.8	-	7.1
Credit				
Swaps	-	3.7	-	3.7
Bond				
Forwards	-	4.8	-	4.8
<b>Financial liabilities as at 31 December 2022</b>	<b>19.6</b>	<b>272.4</b>	<b>-</b>	<b>292.0</b>

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

## 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			Total
	2021			
	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 2021</u>				
<u>Recurring Fair Value Measurements</u>				
<u>FINANCIAL ASSETS</u>				
Derivative financial assets				
Foreign exchange				
Forwards	-	182.4	-	182.4
Currency swaps	-	84.8	-	84.8
Options	-	0.8	-	0.8
Interest rates				
Swaps	-	44.9	-	44.9
Exchange traded futures	3.8	-	-	3.8
Equity				
Swaps	-	7.4	-	7.4
Futures	0.4	-	-	0.4
Options	-	43.7	-	43.7
Bond				
Forwards	-	1.7	-	1.7
	4.2	365.7	-	369.9
Financial assets at FVOCI				
Equity securities	2,175.4	-	27.0	2,202.4
Debt securities	5,930.5	1,562.7	-	7,493.2
	8,105.9	1,562.7	27.0	9,695.6
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

ANNUAL REPORT 2022

## 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			Total
	2021			
	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 2021</u>				
<u>Recurring Fair Value Measurements</u>				
<u>NON-FINANCIAL ASSETS</u>				
Investment properties	-	-	1,883.9	1,883.9
Investment in associate	-	-	95.2	95.2
Non-financial assets as at 31 December 2021	-	-	1,979.1	1,979.1
<u>FINANCIAL LIABILITIES</u>				
<u>Foreign exchange</u>				
Forwards	-	49.0	-	49.0
Currency swaps	-	41.9	-	41.9
Options	-	0.3	-	0.3
<u>Interest rates</u>				
Swaps	-	12.9	-	12.9
Exchange traded futures	2.1	-	-	2.1
<u>Equity</u>				
Swaps	-	2.8	-	2.8
Futures	0.5	-	-	0.5
Options	0.2	-	-	0.2
<u>Credit</u>				
Swaps	-	0.3	-	0.3
<u>Bond</u>				
Forwards	-	1.4	-	1.4
Financial liabilities as at 31 December 2021	2.8	108.6	-	111.4

# Notes to the Financial Statements

GREAT EASTERN HOLDINGS LIMITED

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



# Notes to the Financial Statements

ANNUAL REPORT 2022

## 34 FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### 34.3 Level 3 Fair Value Measurements (continued)

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

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

Description	Fair value as at 31 December 2021	Valuation techniques	Unobservable inputs	Range (weighted average)
Investment properties	1,883.9	Income approach	Rental 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	\$11 to \$5,848
Investment in associate	95.2	Income approach	Discount rate	30% to 40%
Investments				
Unquoted equities	51.5	Net asset value <sup>(1)</sup>	not applicable	not applicable
Collective Investment Schemes	2,680.5	Net asset value <sup>(1)</sup>	not applicable	not applicable

<sup>(1)</sup> 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

GREAT EASTERN HOLDINGS LIMITED

## 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 approach and the capitalisation approach. The major inputs of the valuation of investment properties are reviewed by management. The property management department also held discussions with external valuers on any significant fluctuation noted from the independent valuation reports. The valuations conducted by the external valuers are verified and assessed for reasonableness by management against property values of other comparable properties.

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

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

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

# Notes to the Financial Statements

ANNUAL REPORT 2022

## 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 2021				
	Investments		Investment in associate	Investment Properties	Total
Unquoted equities	Collective Investment Schemes				
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					
– (Loss)/gain 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

GREAT EASTERN HOLDINGS LIMITED

## 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				
	31 December 2022				
	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)	Total	Carrying Amount
<b>Assets</b>					
Debt securities at amortised cost	1,358.8	105.6	–	1,464.4	1,802.5
Loans	–	485.3	–	485.3	480.5
Freehold land, leasehold land and buildings	–	–	846.6	846.6	381.6
in Singapore Dollars (millions)	Group				
	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)	Total	Carrying Amount
<b>Assets</b>					
Debt securities at amortised cost	266.3	–	–	266.3	242.3
Loans	–	604.1	–	604.1	592.2
Freehold land, leasehold land and buildings	–	–	844.6	844.6	398.8

# Notes to the Financial Statements

ANNUAL REPORT 2022

## 35 DIVIDENDS

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

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

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

## 36 AUTHORISATION OF FINANCIAL STATEMENTS

At the Board of Directors' Meeting held on 21 February 2023, 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

GREAT EASTERN HOLDINGS LIMITED

Location	Tenure	Site Area (sq m)	Gross Floor Area (sq m)	Purpose
<b>SINGAPORE PROPERTIES – 100% HELD BY THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED:</b>				
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)
<b>MALAYSIA PROPERTIES – 100% HELD BY GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD:</b>				
Menara Great Eastern/ Great Eastern Mall 303, Jalan Ampang, Kuala Lumpur	Freehold	25,600	149,464	Commercial – Retail & Offices
Seri Hening Residence 28, Jalan Ampang Hilir, Kuala Lumpur	Freehold	20,026	53,111	Residential – Condominiums
Menara Weld/The Weld 76, Jalan Raja Chulan, Kuala Lumpur	Freehold <sup>1</sup>	6,404	75,126	Commercial – 30-storey building with a 4-level basement, 5 levels of shopping & 26 floors of office
Equatorial Plaza Jalan Sultan Ismail, Kuala Lumpur	Freehold	strata title	51,873	Commercial – Offices
<b>INDONESIA PROPERTIES – 100% HELD BY P.T. GREAT EASTERN LIFE INDONESIA:</b>				
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

<sup>1</sup> Held for sale

# Additional Information

ANNUAL REPORT 2022

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
<b>Oversea-Chinese Banking Corporation Limited ("OCBC"):</b>	Controlling shareholder of GEH		
• Cyber security operation centre and maintenance services		1.170	NA
• Marketing expenses for product launches		0.295	NA
• Subsidy fee payment to OCBC for agency		0.769	NA
<b>OCBC Group of Companies</b>			
- E2 Power Pte. Ltd.:	Each interested person is an associate of GEH's controlling shareholder, OCBC		
• Data analytics services and data centre facilities		7.127	NA
- E2 Power Sdn. Bhd.:			
• Data centre facilities, IT equipment and professional services		0.825	NA
- OCBC Property Services Private Limited:			
• Lease of premises at OCBC Centre		1.271	NA
- OCBC Wing Hang Bank (China) Limited:			
• Security monitoring for IT infrastructure systems		0.141	NA

## 2. MATERIAL CONTRACTS

Since the end of the previous financial year, no material contract involving the interest of the Chief Executive Officer, any Director 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 2022, save as disclosed above, in the Directors' Statement and in the financial statements for FY2022.

# Shareholding Statistics

GREAT EASTERN HOLDINGS LIMITED

As at 1 March 2023

## 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	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
1 – 99	40	1.24	718	0.00
100 – 1,000	1,836	57.14	1,134,789	0.24
1,001 – 10,000	1,061	33.02	3,624,284	0.77
10,001 – 1,000,000	266	8.28	20,310,937	4.29
1,000,001 and above	10	0.31	448,248,341	94.70
<b>Total</b>	<b>3,213</b>	<b>100.00</b>	<b>473,319,069</b>	<b>100.00</b>

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

shares and subsidiary holdings held against the total number of issued shares

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	% <sup>(1)</sup>
1	Citibank Nominees Singapore Pte Ltd	420,572,254	88.86
2	HSBC (Singapore) Nominees Pte Ltd	11,640,196	2.46
3	Wong Hong Sun	3,211,500	0.68
4	Kuchai Development Berhad	3,032,000	0.64
5	DBS Nominees (Private) Limited	2,801,074	0.59
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	Shaw Vee Foong	1,036,800	0.22
10	Raffles Nominees (Pte.) Limited	1,007,529	0.21
11	Maybank Securities Pte. Ltd.	810,400	0.17
12	Thia Cheng Song	800,000	0.17
13	OCBC Securities Private Limited	740,102	0.16
14	Lee Hak Heng	728,150	0.15
15	United Overseas Bank Nominees (Private) Limited	654,664	0.14
16	Yeo Kok Seng	608,300	0.13
17	Yeo Wei Yan	492,400	0.10
18	Yeap Holdings (Pte.) Limited	487,238	0.10
19	Phillip Securities Pte Ltd	485,894	0.10
20	Svasti Daniel Yoke Kwong Patanadej	469,540	0.10
<b>Total</b>		<b>454,525,029</b>	<b>96.02</b>

Note:

(1) Based on 473,319,069 issued shares as at 1 March 2023.



# Shareholding Statistics

ANNUAL REPORT 2022

As at 1 March 2023

Substantial Shareholder	Direct Interest No. of Shares	Deemed Interest No. of Shares	Total Interest No. of Shares	% of Issued Shares <sup>(1)</sup>
Oversea-Chinese Banking Corporation Limited	416,010,959 <sup>(2)</sup>	67,000 <sup>(3)</sup>	416,077,959	87.91

Notes:

(1) Based on 473,319,069 issued shares as at 1 March 2023.

(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 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 2023, approximately 12% of the issued ordinary shares of the Company are held by the public, and therefore Listing Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

# Management Team

GREAT EASTERN HOLDINGS LIMITED

## 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

Colin Chan  
Managing Director, Group Marketing

Chua Keng Hong  
Group Chief Investment Officer  
Appointed from December 2022

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

Zhao Jingyuan  
Group Chief Data Officer

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

Alexis Jong  
Chief Investment Officer

Koh Ken Yong  
Chief Agency Distribution Officer

Audra Chung  
Chief Internal Auditor

Chan Chee Wei  
Division Head, Bancassurance

Chan Chia Khaw  
Appointed Actuary

Vincent Chin  
Division Head, Information Technology

Liza Hanim Binti Zainal Abidin  
Division Head, Company Secretary  
and Legal

Dennis Tan  
Division Head, Human Capital

Teo Chun Seng  
Division Head, Risk Management

Helen Quat  
Division Head, Compliance

# Management Team

ANNUAL REPORT 2022

## Great Eastern General Insurance (Malaysia) Berhad

Ng Kok Kheng  
Chief Executive Officer

Khoo Sook Hooi  
Chief Financial Officer

Steven Tai Miow Chong  
Division Head, Corporate Distribution

Eileen Yap Ai Ling  
Division Head, Claims Management

Chew Han Wah  
Appointed Actuary

William Tan Wee Leng  
Division 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

R. Daniel Herjun Putranto  
Head, Group Insurance and Affinity Division

Suryati  
Head, Operations Division

Roy Hendrata Gozalie  
Head, Marketing Division

### 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

## 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](http://www.greateasternlife.com)  
E-mail: [wecare-sg@greateasternlife.com](mailto:wecare-sg@greateasternlife.com)  
Website: [www.greateasterngeneral.com](http://www.greateasterngeneral.com)  
E-mail: [gicare-sg@greateasterngeneral.com](mailto: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](mailto: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](http://www.greateasternfa.com.sg)  
E-mail: [contact\\_us@greateasternfa.com.sg](mailto: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](http://www.lionglobalinvestors.com)  
E-mail: [contactus@lionglobalinvestors.com](mailto: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](http://www.greateasternlife.com/my)  
E-mail: [wecare-my@greateasternlife.com](mailto:wecare-my@greateasternlife.com)

### **Branch Offices**

#### **Alor Setar**

No. 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

**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](http://www.greateasterngeneral.com/my)  
E-mail: [gicare-my@greateasterngeneral.com](mailto: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

**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.greateastertakaful.com](http://www.greateastertakaful.com)  
E-mail: [i-greatcare@greateastertakaful.com](mailto:i-greatcare@greateastertakaful.com)

**Agency Synergy Stations****Alor Setar**

No. 18D-1 & 18D-2,  
Lebuhraya Darul Aman,  
05100 Alor Setar, Kedah

**Kota Bharu**

Lot 360 Tingkat 1  
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](http://www.greateasternlife.com/id)  
E-mail: [wecare-ID@greateasternlife.com](mailto: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](http://www.greateasterngeneral.com/id)  
E-mail: [wecare-id@greateasterngeneral.com](mailto: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**

Jalan Jaya Giri Nomor 9B Renon,  
Dangin Puri Kelod, Denpasar Timur,  
Denpasar 80234  
Tel: +62 361 229894  
Fax: +62 361 255150

**Batam**

Ruko Orchard Park Blok B No. 9  
Jalan Orchard Boulevard, Belian  
Batam 29464  
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

## BRUNEI

### **The Great Eastern Life Assurance Company Limited**

Unit 17/18, Block B  
Bangunan Habza  
Spg 150, Kpg. Kiarong  
Bandar Seri Begawan BE1318  
Negara Brunei Darussalam  
Tel: +673 223 3118  
Fax: +673 223 8118  
Website: [www.greasternlife.com/bn](http://www.greasternlife.com/bn)  
E-mail: [wecare-bn@greasternlife.com](mailto:wecare-bn@greasternlife.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)  
Suite No #06-05A  
Level 6, Junction City Tower  
No. 3/A, Corner of Bogyoke Aung San  
Road and 27th Street  
Pabedan Township, Yangon  
The Republic of Union of Myanmar  
Tel: +95 9254054093

# Notice of Annual General Meeting

GREAT EASTERN HOLDINGS LIMITED

## GREAT EASTERN HOLDINGS LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)  
(COMPANY REGISTRATION NO. 199903008M)

NOTICE IS HEREBY GIVEN that the Twenty-Fourth Annual General Meeting (“AGM”) of Great Eastern Holdings Limited (the “Company”) will be held at 1 Pickering Street, #02-02 Great Eastern Centre, Singapore 048659 on Friday, 21 April 2023 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 2022 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 2022.
- 3 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 Lee Fook Sun
  - (ii) Mr Soon Tit Koon
  - (iii) Mrs Teoh Lian Ee

Mr Thean Nam Yew will also be retiring by rotation under Article 97 of the Company’s Constitution at the AGM but will not be offering himself for re-election.
- 4 To approve Directors’ fees of S\$2,457,000 for the financial year ended 31 December 2022 (2021: S\$2,517,000).
- 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  
30 March 2023

# Notice of Annual General Meeting

GREAT EASTERN HOLDINGS LIMITED

## EXPLANATORY NOTES

### Resolutions 3(i), (ii) and (iii)

Resolutions 3(i), (ii) and (iii) are to re-elect Directors who are retiring by rotation under Article 97 of the Company's Constitution.

Mr Lee Fook Sun will, upon re-election, continue to serve as Chairman of the Nominating Committee and the Remuneration Committee, and a Member of the Executive Committee.

Mr Soon Tit Koon will, upon re-election, continue to serve as Chairman of the Sustainability Committee and a Member of the Risk Management Committee.

Mrs Teoh Lian Ee will, upon re-election, continue to serve as a Member of the Audit Committee and the Sustainability 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 2022 ("FY2022 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 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.

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 2023, 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.

# Notice of Annual General Meeting

ANNUAL REPORT 2022

## Notes:

1. The AGM will be held, in a wholly physical format, at 1 Pickering Street, #02-02 Great Eastern Centre, Singapore 048659 on Friday, 21 April 2023 at 3.00 p.m. (Singapore time), 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. **There will be no option for shareholders to participate virtually.** This Notice and the accompanying proxy form will be sent to members by electronic means via publication on the Company's website at the URL <https://www.greatasteernlife.com/sg/en/about-us/investor-relations/agm-and-egm.html> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of these documents will also be sent by post to members.
2. Arrangements relating to attendance at the AGM by shareholders, including Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") investors, submission of questions to the Chairman of the Meeting by shareholders, including CPF and SRS investors, in advance of, or at, the AGM, addressing of substantial and relevant questions in advance of, or at, the AGM and voting at the AGM by shareholders, including CPF and SRS investors, or (where applicable) duly appointed proxy(ies), are set out in the accompanying Company's announcement dated 30 March 2023. This announcement may be accessed at the Company's website at the URL <https://www.greatasteernlife.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. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.  
  
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.  
  
A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.  
  
CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 11 April 2023 (Singapore time).
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy(ies) 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@greatasteernlife.com](mailto:GEH_AGM@greatasteernlife.com).in either case, by **3.00 p.m. on 18 April 2023 (Singapore time)**, being 72 hours before the time appointed for holding the AGM.
6. The FY2022 Annual Report may be accessed at the Company's website at the URL <https://www.greatasteernlife.com/sg/en/about-us/investor-relations/annual-reports.html> by clicking on the image for "FY2022 Annual Report" and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copies of the FY2022 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

GREAT EASTERN HOLDINGS LIMITED

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) 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 proxies and representatives appointed 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 (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## 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 28 April 2023 for the purpose of determining the entitlement of members to the recommended final one-tier tax exempt dividend of 55 cents per ordinary share. Duly completed registrable transfers of shares received by 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 27 April 2023 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 27 April 2023 will be entitled to the proposed dividend.

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

**IMPORTANT:****Arrangements for Twenty-Fourth Annual General Meeting (“AGM”)**

- The AGM of Great Eastern Holdings Limited (the “Company”) will be held, in a wholly physical format, at 1 Pickering Street, #02-02 Great Eastern Centre, Singapore 048659 on Friday, 21 April 2023 at 3.00 p.m. (Singapore time), 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. **There will be no option for shareholders to participate virtually.** The Notice of AGM dated 30 March 2023 and this proxy form will 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/aggm-and-egm.html> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of these documents will also be sent by post to members.
- Arrangements relating to attendance at the AGM by shareholders, including Central Provident Fund (“CPF”) and Supplementary Retirement Scheme (“SRS”) investors, submission of questions to the Chairman of the Meeting by shareholders, including CPF and SRS investors, in advance of, or at, the AGM, addressing of substantial and relevant questions in advance of, or at, the AGM and voting at the AGM by shareholders, including CPF and SRS investors, or (where applicable) duly appointed proxy(ies), are set out in the accompanying Company’s announcement dated 30 March 2023. This announcement may be accessed at the Company’s website at the URL <https://www.greasternlife.com/sg/en/about-us/investor-relations/aggm-and-egm.html> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).

**CPF and SRS Investors**

- This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 11 April 2023 (Singapore time).

**Personal Data**

- By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 30 March 2023.

# 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 \_\_\_\_\_

Name	Address	NRIC/ Passport No.	No. of Shares Represented	Proportion of Shareholdings (%)

and/or (delete as appropriate)

--	--	--	--	--

or, failing whom, the Chairman of the Meeting as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Twenty-Fourth Annual General Meeting of the Company (“AGM”) to be held at 1 Pickering Street, #02-02 Great Eastern Centre, Singapore 048659, on Friday, 21 April 2023 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 my/our proxy/proxies to vote, or to abstain from voting.

No.	Ordinary Resolutions:	For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1	Adoption of Directors’ Statement, 2022 audited Financial Statements and Auditor’s Report			
2	Approval of a final one-tier tax exempt dividend of 55 cents per ordinary share			
3(i)	Re-election of Mr Lee Fook Sun			
3(ii)	Re-election of Mr Soon Tit Koon			
3(iii)	Re-election of Mrs Teoh Lian Ee			
4	Approval of Directors’ fees of S\$2,457,000			
5	Re-appointment of PricewaterhouseCoopers LLP as Auditor and authorisation for Directors to fix their remuneration			
<b>SPECIAL BUSINESS</b>				
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 your proxy/proxies 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 your proxy/proxies 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 shares that your proxy/proxies is directed to abstain from voting in the “Abstain” box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

**Total Number of Shares Held**

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF.**

**NOTES TO PROXY FORM:**

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.  
  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.  
  
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.  
  
A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
2. The instrument appointing a proxy(ies) 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
  - (a) if submitted electronically, be submitted via email to the Company at [GEH\\_AGM@greateasternlife.com](mailto:GEH_AGM@greateasternlife.com),  
  
in either case, by **3.00 p.m. on 18 April 2023 (Singapore time)**, being 72 hours before the time appointed for holding the AGM.
3. A proxy need not be a member of the Company.

1<sup>st</sup> fold here

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. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) 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.
7. Where an instrument appointing a proxy(ies) 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 is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.
9. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

2<sup>nd</sup> fold here

**Proxy Form  
Annual Report 2022**

**BUSINESS REPLY SERVICE  
PERMIT NO. 01008**



**THE COMPANY SECRETARY**  
Great Eastern Holdings Limited  
c/o The Great Eastern Life Assurance Company Limited  
1 Pickering Street  
#01-01 Great Eastern Centre  
Singapore 048659

Postage  
will be paid by  
addressee.  
For posting in  
Singapore only.

3<sup>rd</sup> fold and glue overleaf. Do not staple.

3<sup>rd</sup> fold and glue overleaf. Do not staple.

3<sup>rd</sup> fold and glue overleaf. Do not staple.

# Corporate Information

As at 1 March 2023

## 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](http://www.greasternlife.com)  
Email: [wecare-sg@greasternlife.com](mailto: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)



This annual report has been produced by a printer certified according to the standards from the Forest Stewardship Council™ (FSC™), and has been printed on environmentally-friendly paper in accordance to the FSC™ standard.



GREAT EASTERN HOLDINGS LIMITED  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 199903008M)

1 Pickering Street #01-01  
Great Eastern Centre  
Singapore 048659  
Tel: +65 6248 2888  
Website: [www.greateasternlife.com](http://www.greateasternlife.com)  
E-mail: [wecare-sg@greateasternlife.com](mailto:wecare-sg@greateasternlife.com)