

GREAT EASTERN HOLDINGS LIMITED

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



To Our Shareholders

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

Financial statements of GEH Group for the Second Half and Audited Financial Statements for the Year ended 31 December 2021

For second half and year ended 31 December 2021, profit attributable to shareholders was \$443.1 million and \$1,113.0 million respectively.

The details are attached as follows:

- (a) Section A – Review of the Group’s Performance and Other Information Required by Listing Rule Appendix 7.2; and
- (b) Section B – The Condensed Consolidated Financial Statements for the six months and full year ended 31 December 2021; and
- (c) Section C – Independent Auditor’s Report to the Members of Great Eastern Holdings Limited.

Unaudited Supplementary Information

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

Final Dividend

The Board of Directors is pleased to recommend a final one-tier tax exempt dividend of 55 cents per ordinary share in respect of the financial year ended 31 December 2021 (2020: final one-tier tax exempt dividend of 50 cents per ordinary share). Including the interim one-tier tax exempt dividend of 10 cents per ordinary share paid in August 2021, total dividends in respect of the financial year ended 31 December 2021 would amount to 65 cents per ordinary share, subject to members’ approval at GEH’s Annual General Meeting (2020: 60 cents per ordinary share).

Record Date and Payment Date for Dividend

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of GEH be closed on 27 April 2022 for the purpose of determining the entitlement of members to the recommended final one-tier tax exempt dividend of 55 cents per ordinary share. Duly completed registrable transfers of shares received by GEH’s Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 26 April 2022 will be registered to determine members’ entitlements to the recommended final one-tier tax exempt dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 26 April 2022 will be entitled to the recommended final one-tier tax exempt dividend.

The final one-tier tax exempt dividend, if approved by members, will be paid on 5 May 2022.

By Order of the Board

Jennifer Wong Pakshong
Company Secretary
22 February 2022

The Group financial statements are also available on GEH’s website at www.greateasternlife.com.

CONTENTS	PAGE
Section A - Review of the Group's Performance and Other Information Required by Listing Rule Appendix 7.2	1
Group profit or loss statements	1
Group statement of comprehensive income	2
Group balance sheet	3
Company balance sheet	4
Gross premiums and profit attributable to shareholders for first half and second half of 2021	4
Selected income and management expenses	4
Other information required by listing rule Appendix 7.2	5
Section B - The Condensed Consolidated Financial Statements for the six months and full year ended 31 December 2021	8
Condensed consolidated profit or loss statement	9
Condensed consolidated statement of comprehensive income	10
Condensed balance sheets	11
Condensed statements of changes in equity	12
Condensed consolidated statement of cash flows	15
Notes to the condensed consolidated financial statements	17
Section C – Independent Auditor's Report to the Members of Great Eastern Holdings Limited	43

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

FINANCIAL RESULTS FOR SECOND HALF AND YEAR ENDED 31 DECEMBER 2021

1. GROUP PROFIT OR LOSS STATEMENTS

in Singapore Dollars (millions)	Note	Year ended 2021 ^(a)	Year ended 2020 ^(a)	% +/-	2nd Half 2021 ^(b)	2nd Half 2020 ^(b)	% +/-	1st Half 2021 ^(b)	% +/-
Income									
Gross premiums	6.2	18,956.3	15,507.1	22	9,839.6	9,029.6	9	9,116.7	8
Premiums ceded to reinsurers		(766.9)	(706.3)	(9)	(390.3)	(413.0)	5	(376.6)	(4)
Decrease/(increase) in premium liabilities		0.2	(1.3)	115	2.0	1.7	18	(1.8)	211
Net premiums		18,189.6	14,799.5	23	9,451.3	8,618.3	10	8,738.3	8
Commissions received from reinsurers		51.4	136.9	(62)	(9.7)	93.9	(110)	61.1	(116)
Investment income, net	6.3	2,699.5	2,594.9	4	1,382.8	1,278.8	8	1,316.7	5
Rental income, net		27.8	23.9	16	11.8	10.0	18	16.0	(26)
Fees and other income		39.7	27.9	42	24.6	15.5	59	15.1	63
(Loss)/gain on sale of investments and changes in fair value	6.4	(1,080.3)	3,898.6	(128)	(739.9)	3,893.5	(119)	(340.4)	(117)
Change in third-party interests in consolidated investment funds		-	(14.3)	100	-	(20.5)	100	-	nm
Gain on disposal of interest in associate		-	1.4	(100)	-	-	nm	-	nm
Gain on disposal of subsidiary		-	8.4	(100)	-	8.4	(100)	-	nm
Gain/(loss) on exchange differences	6.5	36.7	0.5	nm	(1.0)	(109.4)	(99)	37.7	(103)
Total income		19,964.4	21,477.7	(7)	10,119.9	13,788.5	(27)	9,844.5	3
less: Expenses									
Gross claims, maturities, surrenders and annuities	6.6	11,388.2	10,371.9	10	7,125.1	6,759.1	5	4,263.1	67
Claims, maturities, surrenders and annuities recovered from reinsurers		(530.7)	(696.2)	24	(269.3)	(549.8)	51	(261.4)	(3)
Commissions and distribution expenses	6.7	1,489.7	1,301.8	14	809.7	762.6	6	680.0	19
Increase/(decrease) in provision for impairment of assets		1.5	4.8	(69)	(4.6)	(0.4)	nm	6.1	(175)
Management and other expenses	6.8	665.0	1,403.8	(53)	368.6	356.2	3	296.4	24
Interest expense		0.2	18.3	(99)	-	9.1	-	0.2	(100)
Increase in provision for agents' retirement benefits		19.7	25.9	(24)	5.6	21.7	(74)	14.1	(60)
Depreciation and amortisation expenses		79.4	78.1	2	41.8	40.9	2	37.6	11
Gross change in insurance contract liabilities	6.9	2,605.2	8,416.4	(69)	(1,269.1)	5,424.3	(123)	3,874.3	(133)
Change in insurance contract liabilities ceded to reinsurer		1,597.7	(185.8)	960	1,736.4	392.7	342	(138.7)	nm
Total expenses		17,315.9	20,739.0	(17)	8,544.2	13,216.4	(35)	8,771.7	(3)
Profit before income tax		2,648.5	738.7	259	1,575.7	572.1	175	1,072.8	47
Income tax (expense)/credit attributable to policyholders' returns	6.10	(1,294.0)	216.9	(697)	(1,035.2)	(37.7)	nm	(258.8)	(300)
Profit before tax attributable to shareholders' profits		1,354.5	955.6	42	540.5	534.4	1	814.0	(34)
Income tax (expense)/credit		(1,151.1)	249.7	(707)	(1,124.4)	76.4	nm	(390.7)	(188)
less: Income tax expense/(credit) attributable to policyholders' returns		1,294.0	(216.9)	697	1,035.2	37.7	nm	258.8	300
Income tax (expense)/credit attributable to shareholders' profits	6.11	(221.1)	32.8	(774)	(89.2)	114.1	(178)	(131.9)	32
Profit after income tax		1,133.4	988.4	15	451.3	648.5	(30)	682.1	(34)
Attributable to:									
Shareholders	6.1	1,113.0	960.6	16	443.1	629.2	(30)	669.9	(34)
Non-controlling interests		20.4	27.8	(27)	8.2	19.3	(58)	12.2	(33)
		1,133.4	988.4	15	451.3	648.5	(30)	682.1	(34)
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)		2.35	2.03	16	0.93	1.33	(30)	1.42	(34)
Return on Equity (Average Shareholders' Fund) (%)		11.5%	10.7%	0.8 pp	4.5%	7.0%	-2.5 pp	7.0%	-2.5 pp

^(a) Extracted from audited consolidated financial statements

^(b) Unaudited and unreviewed

nm – not meaningful / exceeding 1000%

2. GROUP STATEMENT OF COMPREHENSIVE INCOME

in Singapore Dollars (millions)	Year ended 2021 ^(a)	Year ended 2020 ^(a)	% + / (-)	2nd Half 2021 ^(b)	2nd Half 2020 ^(b)	% + / (-)	1st Half 2021 ^(b)	% + / (-)
Profit after income tax for the year	1,133.4	988.4	15	451.3	648.5	(30)	682.1	(34)
Other comprehensive (loss)/income:								
Items that will not be reclassified to the Profit or Loss Statement:								
Exchange differences arising on translation of overseas entities attributable to non-controlling interests	(0.2)	-	nm	-	-	nm	(0.2)	100
Revaluation gains/(losses) on equity instruments at fair value through other comprehensive income	139.2	32.6	327	(14.7)	230.6	(106)	153.9	(110)
Income tax related to the above	(23.6)	(7.3)	(223)	2.5	(39.7)	106	(26.1)	110
Items that may be reclassified subsequently to the Profit or Loss Statement:								
Exchange differences arising on translation of overseas entities	(23.7)	(1.8)	nm	2.6	9.4	(72)	(26.3)	110
Debt instruments at fair value through other comprehensive income:								
Changes in fair value	(253.2)	393.6	(164)	(59.6)	143.8	(141)	(193.6)	69
Changes in allowance for expected credit losses	(0.4)	4.6	(109)	(4.6)	(1.5)	(207)	4.2	(210)
Reclassification of realised gain on disposal of investments to the Profit or Loss Statement	(49.3)	(335.6)	85	(0.9)	(81.2)	99	(48.4)	98
Income tax related to the above	50.6	(12.2)	515	11.1	(10.9)	202	39.5	(72)
Other comprehensive (loss)/income for the year, after tax	(160.6)	73.9	(317)	(63.6)	250.5	(125)	(97.0)	34
Total comprehensive income for the year	972.8	1,062.3	(8)	387.7	899.0	(57)	585.1	(34)
Total comprehensive income attributable to:								
Shareholders	952.6	1,034.5	(8)	379.5	879.7	(57)	573.1	(34)
Non-controlling interests	20.2	27.8	(27)	8.2	19.3	(58)	12.0	(32)
	972.8	1,062.3	(8)	387.7	899.0	(57)	585.1	(34)

^(a) Extracted from audited consolidated financial statements

^(b) Unaudited and unreviewed

nm – not meaningful / exceeding 1000%

3. GROUP BALANCE SHEET

in Singapore Dollars (millions)	Note	Group		
		31 Dec 2021 ^(a)	31 Dec 2020 ^(a)	% +/-
Share capital		152.7	152.7	-
Reserves				
Currency translation reserve		(17.1)	6.6	(359)
Fair value reserve	6.12.1	281.7	464.9	(39)
Retained earnings		9,612.3	8,736.8	10
SHAREHOLDERS' EQUITY		10,029.6	9,361.0	7
NON-CONTROLLING INTERESTS		106.8	113.5	(6)
TOTAL EQUITY		10,136.4	9,474.5	7
LIABILITIES				
Insurance payables		6,620.6	5,841.7	13
Other creditors		1,924.3	2,705.4	(29)
Debt issued	6.12.2	-	400.0	(100)
Income tax payable		328.6	225.5	46
Derivative financial liabilities		111.4	273.2	(59)
Provision for agents' retirement benefits		291.3	295.5	(1)
Deferred tax		2,579.0	1,484.6	74
Insurance contract liabilities		88,398.5	86,227.3	3
TOTAL EQUITY AND LIABILITIES		110,390.1	106,927.7	3
ASSETS				
Cash and cash equivalents		9,117.7	9,649.8	(6)
Other debtors		904.5	1,028.4	(12)
Insurance receivables		3,335.6	3,072.9	9
Reinsurers' share of insurance contract liabilities		886.7	2,487.6	(64)
Loans		592.2	890.5	(33)
Derivative financial assets		369.9	764.2	(52)
Investments	6.12.3	92,462.4	86,407.2	7
Investment in associate		95.2	96.9	(2)
Intangible assets		195.0	31.2	525
Investment properties		1,883.9	1,767.2	7
Property, plant and equipment		547.0	731.8	(25)
TOTAL ASSETS		110,390.1	106,927.7	3
Net Asset Value per share (in Singapore Dollars)		21.19	19.78	7

^(a) Extracted from audited consolidated financial statements

nm – not meaningful / exceeding 1000%

4. COMPANY BALANCE SHEET

in Singapore Dollars (millions)	Company		
	31 Dec 2021 ^(a)	31 Dec 2020 ^(a)	% + / (-)
Share capital	152.7	152.7	-
Reserves			
Merger reserve	419.2	419.2	-
Retained earnings	3,121.7	3,130.7	(0)
TOTAL EQUITY	3,693.6	3,702.6	(0)
LIABILITIES			
Other creditors	8.1	7.9	3
TOTAL EQUITY AND LIABILITIES	3,701.7	3,710.5	(0)
ASSETS			
Cash and cash equivalents	19.8	19.3	3
Other debtors	0.4	0.3	33
Amounts due from subsidiaries	2,674.3	2,692.8	(1)
Subsidiaries	1,007.1	998.0	1
Property, plant and equipment	0.1	0.1	-
TOTAL ASSETS	3,701.7	3,710.5	(0)
Net Asset Value per share (in Singapore Dollars)	7.80	7.82	(0)

nm – not meaningful / exceeding 1000%

5.1 GROSS PREMIUMS AND PROFIT ATTRIBUTABLE TO SHAREHOLDERS FOR FIRST AND SECOND HALF OF 2021

in Singapore Dollars (millions)	Group					
	First Half			Second Half		
	2021 ^(b)	2020 ^(b)	% + / (-)	2021 ^(b)	2020 ^(b)	% + / (-)
Gross premiums	9,116.7	6,477.5	41	9,839.6	9,029.6	9
Profit attributable to shareholders	669.9	331.4	102	443.1	629.2	(30)

5.2 SELECTED INCOME AND MANAGEMENT EXPENSES

in Singapore Dollars (millions)	Group				
	Year ended 2021 ^(a)	Year ended 2020 ^(a)	2nd Half 2021 ^(b)	2nd Half 2020 ^(b)	1st Half 2021 ^(b)
Expenses					
1. Staff costs and related expenses	401.0	372.3	219.5	219.3	181.5
2. Depreciation and amortisation expenses	79.4	78.1	41.8	40.9	37.6

^(a) Extracted from audited consolidated financial statements

^(b) Unaudited and unreviewed

6. REVIEW OF GROUP'S PERFORMANCE

The Group Financial Statements for the second half-year ended 31 December 2021 ("2H-21") and for the year ended 31 December 2021 ("FY-21") were prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations.

6.1 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The Group's profit attributable to shareholders was \$443.1 million for 2H-21 and \$1,113.0 million for FY-21 (2H-20: \$629.2 million, FY-20: \$960.6 million).

6.2 GROSS PREMIUMS

2H-21 gross premiums increased 9% compared with the same period last year to \$9,839.6 million (2H-20: \$9,029.6 million) and FY-21 gross premiums increased 22% compared with last year to \$18,956.3 million (FY-20: \$15,507.1 million) due to higher sales in single premium/annuity products.

6.3 INVESTMENT INCOME, NET

Net investment income increased to \$1,382.8 million for 2H-21 and \$2,699.5 million for FY-21 (2H-20: \$1,278.8 million, FY-20: \$2,594.9 million) mainly from higher dividend income.

6.4 (LOSS)/GAIN ON SALE OF INVESTMENTS AND CHANGES IN FAIR VALUE

Sale of investments and changes in fair value resulted in a loss of \$739.9 million in 2H-21 and \$1,080.3 million in FY-21 (2H-20: gain of \$3,893.5 million, FY-20: gain of \$3,898.6 million). The loss in 2H-21 was mainly due to unrealised fair value loss as a result of unfavourable market conditions.

6.5 GAIN/(LOSS) ON EXCHANGE DIFFERENCES

Exchange differences resulted in a loss of \$1.0 million in 2H-21 and gain of \$36.7 million in FY-21 (2H-20: loss of \$109.4 million, FY-20: gain of \$0.5 million). The 2H-21 loss arose mainly from US Dollar denominated investments.

6.6 GROSS CLAIMS, MATURITIES, SURRENDERS AND ANNUITIES

Gross claims, maturities, surrenders and annuities increased to \$7,125.1 million for 2H-21 and \$11,388.2 million for FY-21 (2H-20: \$6,759.1 million, FY-20: \$10,371.9 million) largely due to higher policy maturities.

6.7 COMMISSIONS AND DISTRIBUTION EXPENSES

Commissions and distribution expenses increased to \$809.7 million for 2H-21 and \$1,489.7 million for FY-21 (2H-20: \$762.6 million, FY-20: \$1,301.8 million), in line with higher sales.

6.8 MANAGEMENT AND OTHER EXPENSES

Management and other expenses increased to \$368.6 million for 2H-21 and decreased to \$665.0 million in FY-21 (2H-20: \$356.2 million, FY-20: \$1,403.8 million). The decrease in FY-21 is mainly due to contribution of RM2.37 billion (approximately \$785.3 million) to the National B40 Protection Trust Fund in satisfaction and in lieu of the local shareholder requirement imposed on its subsidiary, Great Eastern Life Assurance (Malaysia) Berhad in FY-20.

6.9 CHANGE IN INSURANCE CONTRACT LIABILITIES

Gross change in insurance contract liabilities was -\$1,269.1 million for 2H-21 and \$2,605.2 million for FY-21 (2H-20: \$5,424.3 million, FY-20: \$8,416.4 million). For FY-21, the decrease is mainly due to lower market-to-market valuation impact on insurance contract liabilities and derecognition of insurance contract liabilities upon the transfer of Eldersshield Portfolio to Ministry of Health ("MOH") in Q4-21.

Similarly, the transfer of Eldersshield Portfolio to MOH resulted in a corresponding reversal of the insurance contract liabilities ceded to reinsurer in the Group profit or loss statements.

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

Income tax attributable to policyholders' returns was an expense of \$1,035.2 million in 2H-21 and \$1,294.0 million in FY-21 (2H-20: tax expense of \$37.7 million, FY-20: tax credit of \$216.9 million). Higher expense for 2H-21 and FY-21 is mainly due to higher provision for deferred tax as a result of a change in estimation basis for future policyholders' distribution.

6.11 INCOME TAX (EXPENSE)/CREDIT ATTRIBUTABLE TO SHAREHOLDERS' PROFITS

Tax expense of \$89.2 million in 2H-21 and \$221.1 million in FY-21 (2H-20: tax credit of \$114.1 million, FY-20: tax credit of \$32.8 million) is mainly due to one-off tax credit in FY-20.

6.12 BALANCE SHEET

6.12.1 Fair Value Reserve

As at 31 December 2021, fair value reserve was \$281.7 million, compared with \$464.9 million as at 31 December 2020. The decrease in fair value reserve was due to unrealised fair value loss from investments.

6.12.2 Debt Issued

in Singapore Dollars (millions)	31 December 2021	31 December 2020
Subordinated fixed rate notes (unsecured)		
-payable within one year	-	400.0

The Great Eastern Life Assurance Company Limited has issued a Notice of Redemption to the holders of \$400,000,000 4.6 per cent Subordinated Fixed Rate Notes due 2026 callable in 2021 comprised in Series 001 (ISIN No. SG7Z25966556) (the "Notes"). All outstanding Notes have been fully redeemed on 19 January 2021.

6.12.3 Investments

Investments increased to \$92,462.4 million as at 31 December 2021 (31 December 2020: \$86,407.2 million). The split of investment assets was as follows:

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

	Investments			
	FVTPL ⁽¹⁾	FVOCI ⁽²⁾	AC ⁽³⁾	Total
Par and Unit Linked Fund	66,315.7	27.7	-	66,343.4
Other Funds	11,345.0	8,545.9	172.9	20,063.8
Balance at 31 Dec 2020	77,660.7	8,573.6	172.9	86,407.2

⁽¹⁾ FVTPL - Fair Value Through Profit or Loss

⁽²⁾ FVOCI - Fair Value Through Other Comprehensive Income

⁽³⁾ AC - Amortised Cost

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

	SINGAPORE		MALAYSIA	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Fixed income & debt securities	61%	63%	61%	61%
Equities	24%	21%	28%	30%
Real estate & others	5%	5%	6%	5%
Cash & money market instruments	10%	11%	5%	4%
Market Value of Assets (in SGD billions)	66.6	61.5	25.4	25.6

6.13 REGULATORY CAPITAL

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

7. SHARE CAPITAL

The Company's issued and paid up share capital as at 31 December 2021 was unchanged at \$152.7 million compared with 31 December 2020. Total number of shares issued as at 31 December 2021 also remained unchanged at 473,319,069 compared with 31 December 2020.

8. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those for audited financial statements as at 31 December 2020. The adoption of the new SFRS(I)s and amendments and interpretations of SFRS(I) which came into effect on 1 January 2021 did not have any material financial impact on the Group's results for 2H-21 and FY-21.

9. AUDIT OR REVIEW

The consolidated profit or loss statement and consolidated statement of comprehensive income of the Group for the six-month period ended 31 December 2021 and certain explanatory notes as presented in this announcement have not been audited or reviewed.

The Group has prepared a separate set of financial statements for the year ended 31 December 2021 in accordance with Singapore Financial Reporting Standards (International), on which a separate auditor's report dated 21 February 2022 has been issued. A copy of this auditor's report is attached in Section C to this announcement.

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

Underlying headwinds from the COVID-19 pandemic are expected to persist as the timing of its eradication remains uncertain. Major central banks' anticipated tightening of monetary policy, growing inflation concerns and geopolitical tensions are key factors which may impact the performance of the Group. We expect continued volatility in the financial markets, resulting in fluctuations in the mark-to-market valuation of our assets and liabilities, which will impact our profit. Notable indicators are the direction of interest rates, credit spreads and equity prices. However, our bonds are mostly investment grade, the default risk is likely to be low.

11. INTERESTED PERSON TRANSACTIONS

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

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

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

13. Rule 704(13) of the Listing Manual

As at the financial year ended 31 December 2021, there were no persons occupying a managerial position in GEH or in any of its principal subsidiaries who are relatives of a director, chief executive officer or substantial shareholder of GEH.

Issued: 22 February 2022

**SECTION B – THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021**

GREAT EASTERN HOLDINGS LIMITED

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

Condensed Consolidated Financial Statements

31 December 2021

GREAT EASTERN HOLDINGS LIMITED

CONDENSED CONSOLIDATED PROFIT OR LOSS STATEMENT

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(b)	Full year ended 31 December 2020 ^(b)
Income					
Gross premiums		9,839.6	9,029.6	18,956.3	15,507.1
Premiums ceded to reinsurers		(390.3)	(413.0)	(766.9)	(706.3)
Decrease/(increase) in premium liabilities	9	2.0	1.7	0.2	(1.3)
Net premiums		9,451.3	8,618.3	18,189.6	14,799.5
Commissions (paid to)/received from reinsurers		(9.7)	93.9	51.4	136.9
Investment income, net	4	1,382.8	1,278.8	2,699.5	2,594.9
Rental income, net		11.8	10.0	27.8	23.9
Fees and other income		24.6	15.5	39.7	27.9
(Loss)/gain on sale of investments and changes in fair value	5	(739.9)	3,893.5	(1,080.3)	3,898.6
Change in third-party interests in consolidated investment funds		-	(20.5)	-	(14.3)
Gain on disposal of interest in associate		-	-	-	1.4
Gain on disposal of subsidiary		-	8.4	-	8.4
(Loss)/gain on exchange differences		(1.0)	(109.4)	36.7	0.5
Total income		10,119.9	13,788.5	19,964.4	21,477.7
less: Expenses					
Gross claims, maturities, surrenders and annuities		7,125.1	6,759.1	11,388.2	10,371.9
Claims, maturities, surrenders and annuities recovered from reinsurers		(269.3)	(549.8)	(530.7)	(696.2)
Commissions and distribution expenses		809.7	762.6	1,489.7	1,301.8
(Decrease)/increase in provision for impairment of assets	6	(4.6)	(0.4)	1.5	4.8
Management and other expenses		368.6	356.2	665.0	1,403.8
Interest expense		-	9.1	0.2	18.3
Increase in provision for agents' retirement benefits		5.6	21.7	19.7	25.9
Depreciation and amortisation expenses	6	41.8	40.9	79.4	78.1
Gross change in insurance contract liabilities	9	(1,269.1)	5,424.3	2,605.2	8,416.4
Change in insurance contract liabilities ceded to reinsurers	9	1,736.4	392.7	1,597.7	(185.8)
Total expenses		8,544.2	13,216.4	17,315.9	20,739.0
Profit before income tax		1,575.7	572.1	2,648.5	738.7
Income tax (expense)/credit attributable to policyholders' returns	7	(1,035.2)	(37.7)	(1,294.0)	216.9
Profit before tax attributable to shareholders' profits		540.5	534.4	1,354.5	955.6
Income tax (expense)/credit		(1,124.4)	76.4	(1,515.1)	249.7
less: Income tax expense/(credit) attributable to policyholders' returns		1,035.2	37.7	1,294.0	(216.9)
Income tax (expense)/credit attributable to shareholders' profits	7	(89.2)	114.1	(221.1)	32.8
Profit after income tax		451.3	648.5	1,133.4	988.4
Attributable to:					
Shareholders		443.1	629.2	1,113.0	960.6
Non-controlling interests		8.2	19.3	20.4	27.8
		451.3	648.5	1,133.4	988.4
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)		\$0.93	\$1.33	\$2.35	\$2.03

(a) Unaudited and unreviewed

(b) Extracted from audited consolidated financial statements

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

GREAT EASTERN HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Group			
	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(b)	Full year ended 31 December 2020 ^(b)
in Singapore Dollars (millions)				
Profit after income tax for the year	451.3	648.5	1,133.4	988.4
Other comprehensive (loss)/income:				
Items that will not be reclassified to the Profit or Loss Statement:				
Exchange differences arising on translation of overseas entities attributable to non-controlling interests	-	-	(0.2)	-
Revaluation (loss)/gain on equity instruments at fair value through other comprehensive income	(14.7)	230.6	139.2	32.6
Income tax related to the above	2.5	(39.7)	(23.6)	(7.3)
Items that may be reclassified subsequently to the Profit or Loss Statement:				
Exchange differences arising on translation of overseas entities	2.6	9.4	(23.7)	(1.8)
Debt instruments at fair value through other comprehensive income:				
Changes in fair value	(59.6)	143.8	(253.2)	393.6
Changes in allowance for expected credit losses	(4.6)	(1.5)	(0.4)	4.6
Reclassification of realised gain on disposal of investments to the Profit or Loss Statement	(0.9)	(81.2)	(49.3)	(335.6)
Income tax related to the above	11.1	(10.9)	50.6	(12.2)
Other comprehensive (loss)/income for the year, after tax	(63.6)	250.5	(160.6)	73.9
Total comprehensive income for the year	387.7	899.0	972.8	1,062.3
Total comprehensive income attributable to:				
Shareholders	379.5	879.7	952.6	1,034.5
Non-controlling interests	8.2	19.3	20.2	27.8
	387.7	899.0	972.8	1,062.3

^(a) Unaudited and unreviewed

^(b) Extracted from audited consolidated financial statements

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

GREAT EASTERN HOLDINGS LIMITED

CONDENSED BALANCE SHEETS

As at 31 December 2021

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

^(a) Extracted from audited consolidated financial statements

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

GREAT EASTERN HOLDINGS LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	Attributable to shareholders of the Company ^(a)				Total	Non-Controlling Interests ^(a)	Total Equity ^(a)
		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
Other comprehensive (loss)/income								
Exchange differences arising on translation of overseas entities		-	(23.7)	-	-	(23.7)	(0.2)	(23.9)
Net revaluation gain on equity instruments at fair value through other comprehensive income		-	-	115.6	-	115.6	-	115.6
Debt instruments at FVOCI:								
Changes in fair value		-	-	(253.2)	-	(253.2)	-	(253.2)
Changes in allowance for expected credit losses		-	-	(0.4)	-	(0.4)	-	(0.4)
Reclassification of net realised gain on disposal of investments to the Profit or Loss Statement	5	-	-	(49.3)	-	(49.3)	-	(49.3)
Income tax related to the above		-	-	50.6	-	50.6	-	50.6
Other comprehensive loss for the year, after tax		-	(23.7)	(136.7)	-	(160.4)	(0.2)	(160.6)
Total comprehensive (loss)/income for the year		-	(23.7)	(136.7)	1,113.0	952.6	20.2	972.8
Reclassification of net change in fair value of equity instruments upon derecognition		-	-	(46.5)	46.5	-	-	-
Distributions to shareholders								
Dividends paid during the year:								
Final one-tier tax exempt dividend for the previous year	17	-	-	-	(236.7)	(236.7)	-	(236.7)
Interim one-tier tax exempt dividend	17	-	-	-	(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

(a) Extracted from audited consolidated financial statements

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

GREAT EASTERN HOLDINGS LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Attributable to shareholders of the Company ^(a)						Non-Controlling Interests ^(a)	Total Equity ^(a)
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Other Reserve	Retained Earnings	Total		
Balance at 1 January 2020	152.7	8.4	338.3	0.2	8,111.1	8,610.7	90.9	8,701.6
Profit for the year	-	-	-	-	960.6	960.6	27.8	988.4
<u>Other comprehensive (loss)/income</u>								
Exchange differences arising on translation of overseas entities	-	(1.8)	-	-	-	(1.8)	-	(1.8)
Net revaluation gain on equity instruments at fair value	-	-	25.3	-	-	25.3	-	25.3
Debt instruments at FVOCI:								
Changes in fair value	-	-	393.6	-	-	393.6	-	393.6
Changes in allowance for expected credit losses	-	-	4.6	-	-	4.6	-	4.6
Reclassification of net realised gain on disposal of investments to the Profit or Loss Statement	5	-	(335.6)	-	-	(335.6)	-	(335.6)
Income tax related to the above	-	-	(12.2)	-	-	(12.2)	-	(12.2)
Other comprehensive income for the year, after tax	-	(1.8)	75.7	-	-	73.9	-	73.9
Total comprehensive income for the year	-	(1.8)	75.7	-	960.6	1,034.5	27.8	1,062.3
Reclassification of net change in fair value of equity instruments upon derecognition	-	-	50.9	-	(50.9)	-	-	-
<u>Distributions to shareholders</u>								
Dividends paid during the year:								
Final one-tier tax exempt dividend for the previous year	17	-	-	-	(236.7)	(236.7)	-	(236.7)
Interim one-tier tax exempt dividend	17	-	-	-	(47.3)	(47.3)	-	(47.3)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(9.1)	(9.1)
Total distributions to shareholders	-	-	-	-	(284.0)	(284.0)	(9.1)	(293.1)
<u>Changes in ownership interests in subsidiaries</u>								
Disposal of subsidiary	-	-	-	(0.2)	-	(0.2)	-	(0.2)
Transaction with non-controlling interests without a change in control	-	-	-	-	-	-	3.9	3.9
Total changes in ownership interests in subsidiaries	-	-	-	(0.2)	-	(0.2)	3.9	3.7
Total transactions with shareholders in their capacity as shareholders	-	-	-	(0.2)	(284.0)	(284.2)	(5.2)	(289.4)
Balance at 31 December 2020	152.7	6.6	464.9	-	8,736.8	9,361.0	113.5	9,474.5

^(a) Extracted from audited consolidated financial statements

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

GREAT EASTERN HOLDINGS LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY - COMPANY

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	Share Capital ^(a)	Merger Reserve ^(a)	Retained Earnings ^(a)	Total Equity ^(a)
Balance at 1 January 2021		152.7	419.2	3,130.7	3,702.6
Profit for the year		-	-	275.0	275.0
Total comprehensive income for the year		-	-	275.0	275.0
<u>Distributions to shareholders</u>					
Dividends paid during the year:					
Final one-tier tax exempt dividend for the previous year	17	-	-	(236.7)	(236.7)
Interim one-tier tax exempt dividend	17	-	-	(47.3)	(47.3)
Total distributions to shareholders		-	-	(284.0)	(284.0)
Total transactions with shareholders in their capacity as shareholders		-	-	(284.0)	(284.0)
Balance at 31 December 2021		152.7	419.2	3,121.7	3,693.6
 Balance at 1 January 2020		 152.7	 419.2	 3,337.6	 3,909.5
Profit for the year		-	-	77.1	77.1
Total comprehensive income for the year		-	-	77.1	77.1
<u>Distributions to shareholders</u>					
Dividends paid during the year:					
Final one-tier tax exempt dividend for the previous year	17	-	-	(236.7)	(236.7)
Interim one-tier tax exempt dividend	17	-	-	(47.3)	(47.3)
Total distributions to shareholders		-	-	(284.0)	(284.0)
Total transactions with shareholders in their capacity as shareholders		-	-	(284.0)	(284.0)
Balance at 31 December 2020		152.7	419.2	3,130.7	3,702.6

^(a) Extracted from audited consolidated financial statements

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

GREAT EASTERN HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		2,648.5	738.7
<i>Adjustments for non-cash items:</i>			
Loss/(gain) on sale of investments and changes in fair value	5	1,080.3	(3,898.6)
Gain on disposal of subsidiary		-	(8.4)
Gain on disposal of interest in associate		-	(1.4)
Increase in provision for impairment of assets	6	1.5	4.8
Increase in provision for agents' retirement benefits		19.7	25.9
Loss on disposal of property, plant and equipment		-	0.1
Depreciation and amortisation expenses	6	79.4	78.1
Unrealised gain on exchange differences		(36.7)	(0.5)
Gross change in insurance contract liabilities	9	2,605.2	8,416.4
Change in insurance contract liabilities ceded to reinsurers	9	1,597.7	(185.8)
Change in premium liabilities	9	(0.2)	1.3
Dividend income	4	(668.8)	(579.5)
Interest income	4	(2,165.9)	(2,216.6)
Interest expense		0.2	18.3
Interest expense on policy benefits and lease liabilities	6	201.0	211.0
Share-based payments		7.1	6.6
Others		-	(0.3)
		5,369.0	2,610.1
<i>Changes in working capital:</i>			
Insurance receivables		(318.3)	(212.2)
Other debtors		93.4	62.5
Insurance payables		595.0	645.9
Other creditors		(945.9)	(1,165.7)
Cash generated from operations		4,793.2	1,940.6
Income tax paid		(299.9)	(172.5)
Interest paid on policy benefits and lease liabilities		(201.0)	(211.0)
Agents' retirement benefits paid		(18.7)	(25.0)
Net cash flows generated from operating activities		4,273.6	1,532.1

^(a) Extracted from audited consolidated financial statements

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

GREAT EASTERN HOLDINGS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities and sale of investments		36,754.2	42,029.0
Purchase of investments		(43,589.0)	(42,479.8)
Net cash outflow from acquisition of associate		-	(93.4)
Net cash inflow from disposal of subsidiary		-	32.5
Proceeds from sale of property, plant and equipment		3.0	0.1
Purchase of property, plant and equipment and investment properties		(41.1)	(99.1)
Acquisition of intangible assets		(63.3)	-
Interest income received		2,178.1	2,262.9
Interest expense paid		(9.3)	(18.4)
Dividends received		686.5	566.8
Net cash flows (used in)/provided by investing activities		(4,080.9)	2,204.1
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	17	(284.0)	(284.0)
Dividends paid to non-controlling interests		(26.9)	(9.1)
Changes in non-controlling interests		-	3.9
Principal element of lease payments		(13.9)	(13.1)
Redemption of debt issued		(400.0)	-
Net cash flows used in financing activities		(724.8)	(302.3)
Net (decrease)/ increase in cash and cash equivalents		(532.1)	3,433.9
Cash and cash equivalents at the beginning of the year		9,649.8	6,215.9
Cash and cash equivalents at the end of the year		9,117.7	9,649.8
Cash and cash equivalents comprise:			
Cash and bank balances		2,544.0	1,764.5
Cash on deposit		2,623.9	3,504.8
Short term instruments		3,949.8	4,380.5
		9,117.7	9,649.8

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

^(a) Extracted from audited consolidated financial statements

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

The condensed consolidated financial statements were authorised by the Board of Directors on 21 February 2022.

1 GENERAL

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

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

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

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

2.1 Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*, and do not include all of the information and disclosures required in the annual financial statements. These condensed interim consolidated financial statements are to be read in conjunction with the Group's financial statements for the year ended 31 December 2020.

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

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

2.2 Changes in Accounting Policies

The following new/revised financial reporting standards and interpretations were applied from 1 January 2021:

SFRS(I)	Title
SFRS(I) 9, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16(Amendments)	Interest Rate Benchmark Reform- Phase 2

The initial application of the above standards (including their consequential amendments) and interpretations did not have any material impact on the Group's financial statements.

2.3 Use of Estimates and Judgements

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

Underlying headwinds from the COVID-19 pandemic are expected to persist as the timing of its eradication remains uncertain. Major central banks' anticipated tightening of monetary policy, growing inflation concerns and geopolitical tensions are key factors which may impact the performance of the Group. We expect continued volatility in the financial markets, resulting in fluctuations in the mark-to-market valuation of our assets and liabilities, which will impact our profit. Notable indicators are the direction of interest rates, credit spreads and equity prices. However, our bonds are mostly investment grade, the default risk is likely to be low.

in Singapore Dollars (millions)

	Group			
	6 months ended 31 December 2021^(a)	6 months ended 31 December 2020 ^(a)	Full year ended 31 December 2021^(b)	Full year ended 31 December 2020 ^(b)
4 INVESTMENT INCOME, NET				
Dividend income				
- Investments				
Financial assets measured at fair value through other comprehensive income (FVOCI)	46.8	39.7	81.3	71.3
Financial assets mandatorily measured at fair value through profit or loss	301.0	222.5	587.5	508.2
	347.8	262.2	668.8	579.5
Interest income				
- Investments				
Financial assets measured at FVOCI	97.6	114.9	192.2	246.7
Financial assets mandatorily measured at FVTPL	104.9	97.0	211.9	170.4
Financial assets designated as FVTPL	757.3	737.2	1,478.3	1,507.7
- Financial assets at amortised cost	142.9	140.6	283.5	291.8
	1,102.7	1,089.7	2,165.9	2,216.6
	1,450.5	1,351.9	2,834.7	2,796.1
less: Investment related expenses	(67.7)	(73.1)	(135.2)	(201.2)
	1,382.8	1,278.8	2,699.5	2,594.9
5 (LOSS)/GAIN ON SALE OF INVESTMENTS AND CHANGES IN FAIR VALUE				
Changes in fair value of investment properties	84.3	(19.1)	84.3	(19.1)
Net gain on sale of debt securities measured at FVOCI	1.2	82.6	49.6	337.0
Changes in fair value of investments				
- mandatorily measured at FVTPL	(10.1)	3,640.3	1,202.3	1,709.3
- designated as FVTPL	(815.3)	189.7	(2,416.5)	1,871.4
	(825.4)	3,830.0	(1,214.2)	3,580.7
	(739.9)	3,893.5	(1,080.3)	3,898.6
6 ADDITIONAL PROFIT OR LOSS DISCLOSURES				
Staff costs and related expenses	219.5	219.3	401.0	372.3
Fee income	22.3	14.3	37.4	26.7
Depreciation and amortisation expenses	41.8	40.9	79.4	78.1
Depreciation	8.0	40.8	44.2	77.6
Amortisation	33.8	0.1	35.2	0.5
Interest expense	99.5	107.2	201.0	211.0
On policy benefits	98.5	105.8	198.8	207.4
On lease liability	1.0	1.4	2.2	3.6
Provision for impairment of assets	(4.6)	(0.4)	1.5	4.8
Financial assets	(4.6)	(0.4)	1.5	4.8
Donation to the National B40 Protection Trust Fund	-	-	-	785.3

^(a) Unaudited and unreviewed^(b) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Group			
	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(b)	Full year ended 31 December 2020 ^(b)

7 INCOME TAX

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

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

Current income tax:

- Current income taxation	81.1	87.6	165.0	159.7
- Over provision in respect of previous years	0.1	(230.3)	(1.0)	(230.3)
	81.2	(142.7)	164.0	(70.6)

Deferred income tax:

- Origination and reversal of temporary differences	954.0	180.4	1,130.0	(146.3)
	954.0	180.4	1,130.0	(146.3)

	1,035.2	37.7	1,294.0	(216.9)
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(b) Income tax expense/(credit) attributable to shareholders' profits

Current income tax:

- Current income taxation	84.6	20.5	240.2	108.3
- Over provision in respect of previous years	(6.3)	(188.0)	(24.3)	(188.0)
	78.3	(167.5)	215.9	(79.7)

Deferred income tax:

- Origination and reversal of temporary differences	10.9	53.4	5.2	46.9
	10.9	53.4	5.2	46.9
	89.2	(114.1)	221.1	(32.8)

in Singapore Dollars (millions)	Issue Date	Maturity Date	Group	
			31 Dec 2021 ^(b)	31 Dec 2020 ^(b)

8 DEBT ISSUED

Issued by The Great Eastern Life**Assurance Company Limited:**

\$400.0 million 4.6% subordinated fixed rate notes	19 Jan 2011	19 Jan 2026	-	400.0
			-	400.0

On 19 January 2011, one of the Group's subsidiaries issued \$400.0 million subordinated fixed rate notes ("Notes") due 2026 callable in 2021. The Notes will initially bear interest at the rate of 4.6% per annum, payable semi-annually on 19 January and 19 July each year up to 19 January 2021. If the Notes are not redeemed or purchased and cancelled on 19 January 2021, the interest rate from that date will be reset at a fixed rate per annum equal to the aggregate of the then prevailing 5-year SGD Swap Offer Rate and 1.35%, payable semi-annually in arrears. The subordinated notes qualify as Tier 2 capital for the Group.

The Group's subsidiary has issued a Notice of Redemption on 19 January 2021, to the holders of the Notes. All outstanding Notes have been fully redeemed on 19 January 2021.

(a) Unaudited and unreviewed

(b) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Note	Group		
9 INSURANCE CONTRACT LIABILITIES				
		Gross	Reinsurance	Net
31 December 2021^(a)				
Life insurance contracts	9.1	87,718.3	(472.5)	87,245.8
Non-life insurance contracts	9.2	680.2	(414.2)	266.0
		88,398.5	(886.7)	87,511.8
		Gross	Reinsurance	Net
31 December 2020^(a)				
Life insurance contracts		85,687.8	(2,209.0)	83,478.8
Non-life insurance contracts		539.5	(278.6)	260.9
		86,227.3	(2,487.6)	83,739.7
9.1 Life insurance contracts				
		Gross	Reinsurance	Net
31 December 2021^(a)				
Life insurance contract liabilities		86,958.4	(472.5)	86,485.9
Unallocated surplus		759.9	-	759.9
		87,718.3	(472.5)	87,245.8
		Gross	Reinsurance	Net
31 December 2020^(a)				
Life insurance contract liabilities		82,906.1	(2,209.0)	80,697.1
Unallocated surplus		2,781.7	-	2,781.7
		85,687.8	(2,209.0)	83,478.8

^(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9 INSURANCE CONTRACT LIABILITIES (continued)**9.1 Life insurance contracts (continued)**

in Singapore Dollars (millions)

Group

9.1.1 <u>Movement in life insurance contract liabilities^(a)</u>	Gross	Reinsurance	Net
Balance at 1 July 2021	89,032.9	(2,230.4)	86,802.5
Currency translation reserve adjustment	(7.8)	(0.2)	(8.0)
Change in life insurance contract liabilities			
- Due to assumptions change	(537.0)	73.5	(463.5)
- Due to change in discount rate	(187.7)	16.6	(171.1)
- Due to movement during the period	1,750.1	1,668.0	3,418.1
Provision for deferred tax on future			
policyholders' returns	(1,041.4)	-	(1,041.4)
Unallocated surplus	(1,282.6)	-	(1,282.6)
Derecognition of ESH transferring	-	-	-
Others	(8.2)	-	(8.2)
Balance at 31 December 2021	87,718.3	(472.5)	87,245.8
	Gross	Reinsurance	Net
Balance at 1 July 2020	80,089.1	(2,667.8)	77,421.3
Currency translation reserve adjustment	236.6	(3.1)	233.5
Change in life insurance contract liabilities			
- Due to assumptions change	1,841.5	0.3	1,841.8
- Due to change in discount rate	2,665.1	24.7	2,689.8
- Due to movement during the period	1,670.2	436.9	2,107.1
Provision for deferred tax on future			
policyholders' returns	(223.0)	-	(223.0)
Unallocated surplus	(592.2)	-	(592.2)
Others	0.5	-	0.5
Balance at 31 December 2020	85,687.8	(2,209.0)	83,478.8

^(a) Unaudited and unreviewed

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9 INSURANCE CONTRACT LIABILITIES (continued)**9.1 Life insurance contracts (continued)**

in Singapore Dollars (millions)

Group

9.1.2 Movement in life insurance contract liabilities^(a)	Gross	Reinsurance	Net
Balance at 1 January 2021	85,687.8	(2,209.0)	83,478.8
Currency translation reserve adjustment	(418.1)	2.3	(415.8)
Change in life insurance contract liabilities			
- Due to assumptions change	(524.5)	71.1	(453.4)
- Due to change in discount rate	(769.0)	51.8	(717.2)
- Due to movement during the year	6,948.7	1,611.3	8,560.0
Provision for deferred tax on future policyholders' returns	(1,209.0)	-	(1,209.0)
Unallocated surplus	(1,984.8)	-	(1,984.8)
Others	(12.8)	-	(12.8)
Balance at 31 December 2021	87,718.3	(472.5)	87,245.8
	Gross	Reinsurance	Net
Balance at 1 January 2020	77,301.7	(2,097.3)	75,204.4
Currency translation reserve adjustment	41.5	(0.3)	41.2
Change in life insurance contract liabilities			
- Due to assumptions change	(30.9)	(2.9)	(33.8)
- Due to change in discount rate	3,369.7	2.3	3,372.0
- Due to movement during the year	5,323.1	(110.8)	5,212.3
Provision for deferred tax on future policyholders' returns	62.8	-	62.8
Unallocated surplus	(379.9)	-	(379.9)
Others	(0.2)	-	(0.2)
Balance at 31 December 2020	85,687.8	(2,209.0)	83,478.8

(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9 INSURANCE CONTRACT LIABILITIES (continued)**9.1 Life insurance contracts (continued)**

Life insurance contract liabilities comprised the following:

in Singapore Dollars (millions)	Group		
	Gross	Reinsurance	Net
31 December 2021^(a)			
Contracts with Discretionary Participating Features ("DPF")	63,333.9	10.3	63,344.2
Contracts without Discretionary Participating Features ("DPF")	13,931.3	(466.3)	13,465.0
Investment-linked contracts	9,693.2	(16.5)	9,676.7
	86,958.4	(472.5)	86,485.9
	Gross	Reinsurance	Net
31 December 2020^(a)			
Contracts with Discretionary Participating Features ("DPF")	59,829.5	(51.9)	59,777.6
Contracts without Discretionary Participating Features ("DPF")	14,248.6	(2,142.8)	12,105.8
Investment-linked contracts	8,828.0	(14.3)	8,813.7
	82,906.1	(2,209.0)	80,697.1
9.2 Non-life insurance contracts	Gross	Reinsurance	Net
31 December 2021^(a)			
Claim Liabilities	491.1	(340.5)	150.6
Premium liabilities	189.1	(73.7)	115.4
Total	680.2	(414.2)	266.0
	Gross	Reinsurance	Net
31 December 2020^(a)			
Claim Liabilities	351.0	(206.5)	144.5
Premium liabilities	188.5	(72.1)	116.4
Total	539.5	(278.6)	260.9

(a) Extracted from audited consolidated financial statements

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9 INSURANCE CONTRACT LIABILITIES (continued)

9.2 Non-life insurance contracts (continued)

in Singapore Dollars (millions)

	Group		
	Gross	Reinsurance	Net
9.2.1	<u>Movement in claims liabilities^(a)</u>		
Balance at 1 July 2021	461.1	(318.7)	142.4
Currency translation reserve adjustment	0.5	(0.1)	0.4
Movement during the period	29.5	(21.7)	7.8
Balance at 31 December 2021	491.1	(340.5)	150.6
Balance at 1 July 2020	288.6	(137.4)	151.2
Currency translation reserve adjustment	(0.3)	0.1	(0.2)
Movement during the period	62.7	(69.2)	(6.5)
Balance at 31 December 2020	351.0	(206.5)	144.5
9.2.2	<u>Movement in claims liabilities^(b)</u>		
Balance at 1 January 2021	351.0	(206.5)	144.5
Currency translation reserve adjustment	(3.7)	2.5	(1.2)
Movement during the year	143.8	(136.5)	7.3
Balance at 31 December 2021	491.1	(340.5)	150.6
Balance at 1 January 2020	280.2	(132.0)	148.2
Currency translation reserve adjustment	(0.8)	(0.1)	(0.9)
Movement during the year	71.6	(74.4)	(2.8)
Balance at 31 December 2020	351.0	(206.5)	144.5
9.2.3	<u>Movement in premium liabilities^(a)</u>		
Balance at 1 July 2021	187.2	(70.0)	117.2
Currency translation reserve adjustment	0.5	(0.3)	0.2
Movement during the period	1.4	(3.4)	(2.0)
Balance at 31 December 2021	189.1	(73.7)	115.4
Balance at 1 July 2020	186.0	(68.1)	117.9
Currency translation reserve adjustment	0.8	(0.6)	0.2
Movement during the period	1.7	(3.4)	(1.7)
Balance at 31 December 2020	188.5	(72.1)	116.4
9.2.4	<u>Movement in premium liabilities^(b)</u>		
Balance at 1 January 2021	188.5	(72.1)	116.4
Currency translation reserve adjustment	(1.2)	0.4	(0.8)
Movement during the period	1.8	(2.0)	(0.2)
Balance at 31 December 2021	189.1	(73.7)	115.4
Balance at 1 January 2020	179.0	(63.7)	115.3
Currency translation reserve adjustment	0.2	(0.4)	(0.2)
Movement during the period	9.3	(8.0)	1.3
Balance at 31 December 2020	188.5	(72.1)	116.4

(a) Unaudited and unreviewed

(b) Extracted from audited consolidated financial statements

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

in Singapore Dollars (millions)	Notional Principal	Derivative Financial Assets	Derivative Financial Liabilities
10 DERIVATIVE FINANCIAL INSTRUMENTS			
31 December 2021^(a)			
Foreign exchange:			
Forwards	29,578.6	182.4	(49.0)
Currency swaps	4,214.7	84.8	(41.9)
Options	882.9	0.8	(0.3)
Interest rates:			
Swaps	1,514.3	44.9	(12.9)
Exchange traded futures	696.8	3.8	(2.1)
Equity:			
Swap	320.6	7.4	(2.8)
Futures	194.8	0.4	(0.5)
Options	259.1	43.7	(0.2)
Credit:			
Swaps	33.7	-	(0.3)
Bond:			
Forwards	265.4	1.7	(1.4)
	37,960.9	369.9	(111.4)
31 December 2020^(a)			
Foreign exchange:			
Forwards	25,442.2	311.3	(155.9)
Currency swaps	5,127.1	78.7	(102.9)
Options	2,094.3	14.2	(6.3)
Interest rates:			
Swaps	1,740.1	91.6	(0.5)
Exchange traded futures	438.2	1.0	(0.2)
Equity:			
Swap	1,123.5	233.6	(2.2)
Futures	655.8	6.2	(5.2)
Options	149.0	27.6	-
	36,770.2	764.2	(273.2)

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

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

(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

in Singapore Dollars (millions)		Group	
		31 Dec 2021 ^(a)	31 Dec 2020 ^(a)
11	INVESTMENTS		
11.1	Financial assets at FVOCI		
	Equity securities designated at FVOCI		
(i)	Quoted equity securities	2,175.4	1,993.5
	- Singapore Exchange	477.0	389.5
	- Hong Kong Stock Exchange	305.1	322.9
	- Australian Stock Exchange	222.0	224.8
	- Taiwan Stock Exchange	285.2	297.8
	- Bursa Malaysia	219.8	276.6
	- New York Stock Exchange	215.4	112.3
	- Korea Exchange	161.1	200.3
	- Others	289.8	169.3
(ii)	Unquoted equity securities	27.0	28.8
		2,202.4	2,022.3
	Debt securities		
(iii)	Quoted debt securities ⁽¹⁾	5,697.5	4,840.5
(iv)	Unquoted debt securities	1,795.7	1,710.8
		7,493.2	6,551.3
	Total securities measured at FVOCI	9,695.6	8,573.6
11.2	Financial assets at FVTPL		
	<u>Mandatorily measured at FVTPL</u>		
	Equity securities		
(i)	Quoted equity securities	13,651.1	13,494.8
(ii)	Unquoted equity securities	24.5	145.1
		13,675.6	13,639.9
	Debt securities		
(iii)	Quoted debt securities	3,409.3	3,458.8
(iv)	Unquoted debt securities	2,178.5	2,173.3
		5,587.8	5,632.1
	Other investments		
(v)	Collective investment schemes ⁽²⁾	16,685.3	13,898.8
	Total financial assets mandatorily measured at FVTPL	35,948.7	33,170.8
	<u>Designated as FVTPL</u>		
	Debt securities		
(i)	Quoted debt securities	31,585.7	29,307.5
(ii)	Unquoted debt securities	14,990.1	15,182.4
	Total financial assets designated at FVTPL ⁽³⁾	46,575.8	44,489.9
	Total financial assets at FVTPL	82,524.5	77,660.7

(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

in Singapore Dollars (millions)		Group	
		31 Dec	31 Dec
		2021^(a)	2020 ^(a)
11	INVESTMENTS (continued)		
11.3	Financial assets at Amortised Cost		
	Debt securities		
(i)	Quoted debt securities	<u>242.3</u>	172.9
	Total financial assets measured at Amortised Cost ⁽⁴⁾	<u>242.3</u>	172.9
	TOTAL INVESTMENTS	<u>92,462.4</u>	86,407.2

(1) Included in quoted debt securities are quoted government securities amounting to \$26.1 million (31 December 2020: \$20.4 million) which are lodged with the regulator as statutory deposits.

(2) Collective investment schemes include but are not limited to unit trusts, hedge funds and real estate investment funds.

(3) These securities are designated as fair value through Profit or Loss Statement on initial recognition.

(4) If these financial assets are measured using market value, the carrying amount would be as follows:

in Singapore Dollars (millions)		Group	
		2021^(a)	2020 ^(a)
	Quoted Debt Securities	<u>266.3</u>	202.1

12 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2021, the Group acquired assets amounting to \$38.2 million (31 December 2020: \$25.2 million,) and disposed of assets amounting to \$9.1 million (31 December 2020: \$0.4 million). The Group has also reclassified assets amounting to \$444.8 million to intangible assets and \$38.8 million to investment properties during the six months ended 31 December 2021.

During the full year ended 31 December 2021, the Group acquired assets amounting to \$40.9 million (31 December 2020: \$102.9 million) and disposed of assets amounting to \$9.4 million (31 December 2020: \$3.6 million).

13 COMMITMENTS AND CONTINGENCIES**13.1 Capital commitments**

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

in Singapore Dollars (millions)		Group	
		31 Dec	31 Dec
		2021^(a)	2020 ^(a)
	Commitments for capital expenditure not provided for in the financial statements:		
	- investment properties	<u>2.0</u>	14.8
	- property, plant and equipment	<u>83.9</u>	94.2
		<u>85.9</u>	109.0

(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14 RELATED PARTY TRANSACTIONS

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

14.1 Significant related party transactions

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

in Singapore Dollars (millions)	Group			
	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(b)	Full year ended 31 December 2020 ^(b)
Fees and commission and other income received from:				
- holding company	0.3	2.8	4.8	8.2
- related parties of the holding company	8.6	8.9	23.5	21.2
Premiums received from key management personnel	0.1	8.8	0.4	9.4
Fees and commission expense paid to:				
- holding company	131.9	113.3	253.0	181.6
- related parties of the holding company	31.3	35.8	61.5	65.1
Interest income received from:				
- holding company	0.1	0.1	0.2	0.6
- related parties of the holding company	3.8	10.2	9.0	25.5
Rental income received from:				
- related parties of the holding company	0.2	0.2	0.3	0.3
Other expenses paid to:				
- holding company	5.8	3.1	17.8	6.1
- related parties of the holding company	9.9	8.7	18.3	15.3

14.2 Balance sheet balances with related parties

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

in Singapore Dollars (millions)	Group		Company	
	31 Dec 2021 ^(b)	31 Dec 2020 ^(b)	31 Dec 2021 ^(b)	31 Dec 2020 ^(b)
Cash and cash equivalents held with:				
- holding company	742.8	633.8	19.8	19.3
- related parties of the holding company	608.4	302.0	-	-
Amount due to holding company	11.1	200.4	-	-
Investments in debt securities of:				
- related parties of the holding company	97.3	78.1	-	-
Derivative financial assets held with:				
- holding company	151.8	315.7	-	-
- related parties of the holding company	-	2.9	-	-
Derivative financial liabilities held with:				
- holding company	34.2	83.3	-	-

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

In relation to the related party balances, there was no provision for doubtful debts at the balance sheet date and no bad debt expense for the period (31 December 2020: nil).

^(a) Unaudited and unreviewed

^(b) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15 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 segment, the Group caters to the protection needs of individuals and businesses 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.

c. Shareholders Segment

The Shareholders segment comprises activities not related to the insurance business segments, and includes investment returns as well as general corporate income and expense items attributable to Shareholders.

The Shareholders segment also includes 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 of the asset management business include Singapore statutory boards, government-linked corporations, public and private companies, insurance companies and charity organisations.

Geographical Segments

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

Segment Accounting Policies, Allocation Basis and Transfer Pricing

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

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15 SEGMENTAL INFORMATION (continued)

(1) By Business Segments

in Singapore Dollars (millions)	Group									
	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations ⁽¹⁾		Consolidated	
	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)
Net premiums	-	-	103.6	103.1	9,347.8	8,515.4	(0.1)	(0.2)	9,451.3	8,618.3
Commissions received from/(paid to) reinsurers	-	-	17.4	13.4	(27.1)	80.5	-	-	(9.7)	93.9
Investment income, net	65.6	75.7	6.9	6.6	1,271.0	1,158.9	39.3	37.6	1,382.8	1,278.8
Rental income, net	-	-	-	-	26.4	24.5	(14.6)	(14.5)	11.8	10.0
Fees and other income	290.2	53.3	-	-	-	-	(265.6)	(37.8)	24.6	15.5
(Loss)/gain on sale of investments and changes in fair value	(84.2)	128.0	(1.3)	0.7	(654.4)	3,764.8	-	-	(739.9)	3,893.5
Change in third-party interests in consolidated investment funds	-	(20.5)	-	-	-	-	-	-	-	(20.5)
Gain on disposal of subsidiary	-	8.4	-	-	-	-	-	-	-	8.4
(Loss)/gain on exchange differences	(1.4)	(0.3)	0.2	(0.9)	0.2	(108.2)	-	-	(1.0)	(109.4)
Total income	270.2	244.6	126.8	122.9	9,963.9	13,435.9	(241.0)	(14.9)	10,119.9	13,788.5
Gross claims, maturities, surrenders and annuities	-	(1.7)	97.6	98.3	7,027.5	6,662.5	-	-	7,125.1	6,759.1
Gross claims, maturities, surrenders and annuities recovered from reinsurers	-	-	(54.9)	(44.7)	(214.4)	(505.1)	-	-	(269.3)	(549.8)
Commissions and distribution expenses	248.9	24.3	32.7	29.8	759.1	711.5	(231.0)	(3.0)	809.7	762.6
(Decrease)/Increase in provision for impairment of assets	(3.1)	(1.8)	(0.3)	-	(1.2)	1.4	-	-	(4.6)	(0.4)
Management and other expenses	49.6	36.7	29.8	32.0	297.9	299.4	(8.7)	(11.9)	368.6	356.2
Interest expense	-	9.1	-	-	-	-	-	-	-	9.1
Increase in provision for agents' retirement benefits	-	-	-	-	5.6	21.7	-	-	5.6	21.7
Depreciation and amortisation expenses	2.5	2.5	2.0	1.8	37.3	36.6	-	-	41.8	40.9
Gross change in insurance contract liabilities	-	-	29.5	62.7	(1,298.6)	5,361.6	-	(0.0)	(1,269.1)	5,424.3
Change in insurance contract liabilities ceded to reinsurers	-	-	(21.6)	(69.2)	1,758.0	461.9	-	-	1,736.4	392.7
Total expenses	297.9	69.1	114.8	110.7	8,371.2	13,051.5	(239.7)	(14.9)	8,544.2	13,216.4
Profit before income tax	(27.7)	175.5	12.0	12.2	1,592.7	384.4	(1.3)	-	1,575.7	572.1
Tax expense attributable to policyholders' returns	-	-	-	-	(1,035.2)	(37.7)	-	-	(1,035.2)	(37.7)
(Loss)/profit before tax attributable to shareholders' profits	(27.7)	175.5	12.0	12.2	557.5	346.7	(1.3)	-	540.5	534.4
Income tax (expense)/credit	(0.6)	85.8	(2.7)	1.4	(1,121.1)	(10.8)	-	-	(1,124.4)	76.4
less: Income tax expense attributable to policyholders' returns	-	-	-	-	1,035.2	37.7	-	-	1,035.2	37.7
Income tax (expense)/credit attributable to shareholders' profits	(0.6)	85.8	(2.7)	1.4	(85.9)	26.9	-	-	(89.2)	114.1
(Loss)/profit after income tax	(28.3)	261.3	9.3	13.6	471.6	373.6	(1.3)	-	451.3	648.5

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

^(a) Unaudited and unreviewed

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15 SEGMENTAL INFORMATION (continued)

(1) By Business Segments (continued)

in Singapore Dollars (millions)	Group									
	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations ⁽¹⁾		Consolidated	
	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)
Other material items:										
Interest income	42.7	51.1	7.3	7.0	1,052.7	1,031.6	-	-	1,102.7	1,089.7
Staff costs and related expenses	23.4	20.4	19.2	20.6	176.5	177.4	0.4	0.9	219.5	219.3
Rental expense	1.4	1.0	0.7	0.8	13.0	14.3	(12.8)	(14.2)	2.3	1.9
Interest expense	0.1	9.2	-	-	-	-	-	-	0.1	9.2
Interest expense on policy benefits	-	-	-	-	98.5	105.8	-	-	98.5	105.8
Non-cash items:										
Changes in fair value of investments:										
- through the Profit or Loss Statement	(83.8)	105.4	(1.0)	(0.4)	(740.6)	3,725.0	-	-	(825.4)	3,830.0
- through equity	(31.9)	170.9	(5.0)	3.1	(37.4)	200.4	-	-	(74.3)	374.4

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

^(a) Unaudited and unreviewed

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15 SEGMENTAL INFORMATION (continued)

(1) By Business Segments

in Singapore Dollars (millions)	Group									
	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations ⁽¹⁾		Consolidated	
	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)
Net premiums	-	-	204.4	208.3	17,986.5	14,592.4	(1.3)	(1.2)	18,189.6	14,799.5
Commissions received from reinsurers	-	-	34.8	31.2	16.6	105.7	-	-	51.4	136.9
Investment income, net	129.3	153.8	12.6	16.0	2,479.6	2,352.8	78.0	72.3	2,699.5	2,594.9
Rental income, net	-	-	-	-	55.8	52.0	(28.0)	(28.1)	27.8	23.9
Fees and other income	493.6	100.4	-	-	-	-	(453.9)	(72.5)	39.7	27.9
(Loss)/gain on sale of investments and changes in fair value	(14.0)	97.3	(0.1)	3.2	(1,066.2)	3,798.1	-	-	(1,080.3)	3,898.6
Change in third-party interests in consolidated investment funds	-	(14.3)	-	-	-	-	-	-	-	(14.3)
Gain on disposal of interest in associate	-	-	-	-	-	1.4	-	-	-	1.4
Gain on disposal of subsidiary	-	8.4	-	-	-	-	-	-	-	8.4
(Loss)/gain on exchange differences	(1.2)	9.9	0.5	(0.5)	37.4	(8.9)	-	-	36.7	0.5
Total income	607.7	355.5	252.2	258.2	19,509.7	20,893.5	(405.2)	(29.5)	19,964.4	21,477.7
Gross claims, maturities, surrenders and annuities	-	(1.7)	173.7	203.9	11,214.5	10,169.7	-	-	11,388.2	10,371.9
Gross claims, maturities, surrenders and annuities recovered from reinsurers	-	-	(87.9)	(100.3)	(442.8)	(595.9)	-	-	(530.7)	(696.2)
Commissions and distribution expenses	411.9	37.5	63.9	60.0	1,401.1	1,209.9	(387.2)	(5.6)	1,489.7	1,301.8
(Decrease)/Increase in provision for impairment of assets	(1.2)	1.4	0.3	0.1	2.4	3.3	-	-	1.5	4.8
Management and other expenses	92.9	847.2	57.0	58.7	531.8	521.8	(16.7)	(23.9)	665.0	1,403.8
Interest expense	0.2	18.3	-	-	-	-	-	-	0.2	18.3
Increase in provision for agents' retirement benefits	-	-	-	-	19.7	25.9	-	-	19.7	25.9
Depreciation and amortisation expenses	4.8	4.8	3.8	3.3	70.8	70.0	-	-	79.4	78.1
Gross change in insurance contract liabilities	-	(785.3)	143.8	71.6	2,461.4	9,130.1	-	(0.0)	2,605.2	8,416.4
Change in insurance contract liabilities ceded to reinsurers	-	-	(136.6)	(74.4)	1,734.3	(111.4)	-	-	1,597.7	(185.8)
Total expenses	508.6	122.2	218.0	222.9	16,993.2	20,423.4	(403.9)	(29.5)	17,315.9	20,739.0
Profit before income tax	99.1	233.3	34.2	35.3	2,516.5	470.1	(1.3)	-	2,648.5	738.7
Tax (expense)/credit attributable to policyholders' returns	-	-	-	-	(1,294.0)	216.9	-	-	(1,294.0)	216.9
Profit before tax attributable to shareholders' profits	99.1	233.3	34.2	35.3	1,222.5	687.0	(1.3)	-	1,354.5	955.6
Income tax (expense)/credit	(21.1)	74.9	(8.0)	(3.4)	(1,486.0)	178.2	-	-	(1,515.1)	249.7
less: Income tax expense/(credit) attributable to policyholders' returns	-	-	-	-	1,294.0	(216.9)	-	-	1,294.0	(216.9)
Income tax (expense)/credit attributable to shareholders' profits	(21.1)	74.9	(8.0)	(3.4)	(192.0)	(38.7)	-	-	(221.1)	32.8
Profit after income tax	78.0	308.2	26.2	31.9	1,030.5	648.3	(1.3)	-	1,133.4	988.4

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

^(a) Extracted from audited consolidated financial statements

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15 SEGMENTAL INFORMATION (continued)

(1) By Business Segments (continued)

in Singapore Dollars (millions)	Group									
	Shareholders		Non-life Insurance		Life Insurance		Adjustments and Eliminations ⁽¹⁾		Consolidated	
	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)	Full year ended 31 December 2021 ^(a)	Full year ended 31 December 2020 ^(a)
Other material items:										
Interest income	85.1	109.2	13.4	16.8	2,067.4	2,090.6	-	-	2,165.9	2,216.6
Staff costs and related expenses	43.8	28.5	36.5	37.6	320.1	305.0	0.6	1.2	401.0	372.3
Rental expense	2.4	2.2	1.1	2.1	24.4	23.7	(24.0)	(23.2)	3.9	4.8
Interest expense	0.2	18.3	-	-	-	-	-	-	0.2	18.3
Interest expense on policy benefits	-	-	-	-	198.8	207.4	-	-	198.8	207.4
Non-cash items:										
Changes in fair value of investments:										
- through the Profit or Loss Statement	(22.6)	62.0	(1.2)	0.5	(1,190.4)	3,518.2	-	-	(1,214.2)	3,580.7
- through equity	(20.6)	118.7	(13.6)	10.5	(79.8)	297.0	-	-	(114.0)	426.2
Assets and liabilities:										
Segment assets	10,537.9	10,279.1	1,080.5	896.9	103,003.9	99,289.3	(4,327.4)	(3,634.5)	110,294.9	106,830.8
Investments in associate	95.2	96.9	-	-	-	-	-	-	95.2	96.9
Total assets	10,633.1	10,376.0	1,080.5	896.9	103,003.9	99,289.3	(4,327.4)	(3,634.5)	110,390.1	106,927.7
Segment liabilities	76.6	495.2	1,094.1	903.8	100,501.4	97,978.6	(4,326.0)	(3,634.5)	97,346.1	95,743.1
Income tax and deferred tax liabilities	255.9	274.4	(3.3)	(0.8)	2,655.0	1,436.5	-	-	2,907.6	1,710.1
Total liabilities	332.5	769.6	1,090.8	903.0	103,156.4	99,415.1	(4,326.0)	(3,634.5)	100,253.7	97,453.2
Other segment information:										
Additions to non-current assets										
- property, plant and equipment	2.3	6.5	1.1	7.8	37.5	88.6	-	-	40.9	102.9
- investment properties	-	-	-	-	0.2	-	-	-	0.2	-
- goodwill and intangible assets	1.2	-	5.7	-	56.4	-	-	-	63.3	-

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

^(a) Extracted from audited consolidated financial statements

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15 SEGMENTAL INFORMATION (continued)

(2) By Geographical Segments

in Singapore Dollars (millions)	Group									
	Singapore		Malaysia		Other Asia		Adjustments and Eliminations ⁽¹⁾		Consolidated	
	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)	6 months ended 31 December 2021 ^(a)	6 months ended 31 December 2020 ^(a)
Total revenue from external customers	8,215.9	10,412.8	1,978.3	3,169.5	164.0	216.7	(238.3)	(10.5)	10,119.9	13,788.5
Dividend from subsidiaries	113.1	-	-	-	-	-	(113.1)	-	-	-
Total revenue	8,329.0	10,412.8	1,978.3	3,169.5	164.0	216.7	(351.4)	(10.5)	10,119.9	13,788.5
Profit after income tax	368.6	447.6	143.6	137.6	2.9	3.7	(63.8)	59.6	451.3	648.5

in Singapore Dollars (millions)	Group									
	Singapore		Malaysia		Other Asia		Adjustments and Eliminations ⁽¹⁾		Consolidated	
	Full year ended 31 December 2021 ^(b)	Full year ended 31 December 2020 ^(b)	Full year ended 31 December 2021 ^(b)	Full year ended 31 December 2020 ^(b)	Full year ended 31 December 2021 ^(b)	Full year ended 31 December 2020 ^(b)	Full year ended 31 December 2021 ^(b)	Full year ended 31 December 2020 ^(b)	Full year ended 31 December 2021 ^(b)	Full year ended 31 December 2020 ^(b)
Total revenue from external customers	16,688.5	16,401.6	3,389.7	4,823.1	286.2	275.2	(400.0)	(22.2)	19,964.4	21,477.7
Dividend from subsidiaries	163.4	60.2	-	-	-	-	(163.4)	(60.2)	-	-
Total revenue	16,851.9	16,461.8	3,389.7	4,823.1	286.2	275.2	(563.4)	(82.4)	19,964.4	21,477.7
Profit after income tax	877.0	607.2	411.9	423.1	5.9	5.4	(161.4)	(47.3)	1,133.4	988.4
Non-current assets	2,046.1	1,943.0	574.9	579.4	4.9	7.8	-	-	2,625.9	2,530.2

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

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

^(a) Unaudited and unreviewed

^(b) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16 FAIR VALUE OF ASSETS AND LIABILITIES

16.1 Fair Value Hierarchy

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2021.

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. The valuation techniques that use market parameters as inputs include, but are not limited to: yield curves, volatilities and foreign exchange rate; and

Level 3 - Unobservable inputs for the asset or liability.

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

Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers. Investment in associate is transferred out of Level 2 to Level 3 during financial year ended 31 December 2021 as the valuation inputs were not based on market observable inputs.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

16.2 Assets and Liabilities Measured at Fair Value

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

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

(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16 FAIR VALUE OF ASSETS AND LIABILITIES (continued)**16.2 Assets and Liabilities Measured at Fair Value (continued)**

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

	Group			Total
	31 December 2021 ^(a)			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical assets (Level 1)	Significant inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
in Singapore Dollars (millions)				
FINANCIAL ASSETS				
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
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,883.9	1,883.9
Investment in associate	-	-	95.2	95.2
Non-financial assets as at 31 December 2021	-	-	1,979.1	1,979.1
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	-	49.0	-	49.0
Currency swaps	-	41.9	-	41.9
Options	-	0.3	-	0.3
Interest rates				
Swaps	-	12.9	-	12.9
Exchange traded futures	2.1	-	-	2.1
Equity				
Swap	-	2.8	-	2.8
Futures	0.5	-	-	0.5
Options	0.2	-	-	0.2
Credit				
Swaps	-	0.3	-	0.3
Bond				
Forwards	-	1.4	-	1.4
Financial liabilities as at 31 December 2021	2.8	108.6	-	111.4

(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

16.2 Assets and Liabilities Measured at Fair Value (continued)

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

	Group			Total
	31 December 2020 ^(a)			
	Fair value measurements at the end of the reporting period 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)	
in Singapore Dollars (millions)				
<u>Recurring Fair Value Measurements</u>				
<u>FINANCIAL ASSETS</u>				
Derivative financial assets				
Foreign exchange				
Forwards	-	311.3	-	311.3
Currency swaps	-	78.7	-	78.7
Options	-	14.2	-	14.2
Interest rates				
Swaps	-	91.6	-	91.6
Exchange traded futures	1.0	-	-	1.0
Equity				
Swaps	-	233.6	-	233.6
Futures	6.2	-	-	6.2
Options	-	27.6	-	27.6
	7.2	757.0	-	764.2
Financial assets at FVOCI				
Equity securities	1,993.5	-	28.8	2,022.3
Debt securities	4,256.3	2,295.0	-	6,551.3
	6,249.8	2,295.0	28.8	8,573.6

^(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

16.2 Assets and Liabilities Measured at Fair Value (continued)

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

	Group			Total
	31 December 2020 ^(a)			
	Fair value measurements at the end of the reporting period using			
in Singapore Dollars (millions)	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets at FVTPL				
Equity securities	13,494.8	4.2	140.9	13,639.9
Debt securities	27,883.7	22,238.3	-	50,122.0
Other investments				
Collective investment schemes	7,926.1	3,907.6	2,065.1	13,898.8
	49,304.6	26,150.1	2,206.0	77,660.7
Financial assets as at 31 December 2020	55,561.6	29,202.1	2,234.8	86,998.5
NON-FINANCIAL ASSETS				
Investment properties	-	-	1,767.2	1,767.2
Investment in associate	-	96.9	-	96.9
Non-financial assets as at 31 December 2020	-	96.9	1,767.2	1,864.1
FINANCIAL LIABILITIES				
Derivative financial liabilities				
Foreign exchange				
Forwards	-	155.9	-	155.9
Currency swaps	-	102.9	-	102.9
Options	-	6.3	-	6.3
Interest rates				
Swaps	-	0.5	-	0.5
Exchange traded futures	0.2	-	-	0.2
Equity				
Swaps	-	2.2	-	2.2
Futures	5.2	-	-	5.2
Financial liabilities as at 31 December 2020	5.4	267.8	-	273.2

(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

16.3 Level 3 Fair Value Measurements

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

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

Description	Fair value as at 31 December 2021 ^(a)	Valuation techniques ^(a)	Unobservable inputs ^(a)	Range (weighted average) ^(a)
Investment properties	1,883.9	Income approach	Rental per square foot per month Rental growth rate Long-term vacancy rate Discount rate	\$0.81 to \$1.75 0.0% 12.5% 5.75% to 6.00%
		Comparison approach	Estimated psf	\$11 to \$5,848
Investment in associate	95.2	Income approach	Discount rate	30% to 40%
Investments Unquoted equities	51.5	Net asset value ⁽¹⁾	not applicable	not applicable
Collective Investment Schemes	2,680.5	Net asset value ⁽¹⁾	not applicable	not applicable
Description	Fair value as at 31 December 2020 ^(a)	Valuation techniques ^(a)	Unobservable inputs ^(a)	Range (weighted average) ^(a)
Investment properties	1,767.2	Income approach	Rental per square foot per month Rental growth rate Long-term vacancy rate Discount rate	\$0.77 to \$1.91 12.50% 7.5% 6.00% to 6.25%
		Comparison approach	Estimated psf	\$11 to \$4,806
Investments Unquoted equities	169.7	Net asset value ⁽¹⁾	not applicable	not applicable
Collective Investment Schemes	2,065.1	Net asset value ⁽¹⁾	not applicable	not applicable

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

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

^(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16 FAIR VALUE OF ASSETS AND LIABILITIES (continued)**16.3 Level 3 Fair Value Measurements (continued)****(ii) Valuation process:**

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

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

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

	Group				
	Fair value measurements using significant unobservable inputs (Level 3)				
	31 December 2021^(a)				
	Investments				
	Unquoted equities	Collective Investment Schemes	Investment in associate	Investment Properties	Total
in Singapore Dollars (millions)					
Opening balance	169.7	2,065.1	96.9	1,767.2	4,098.9
Total gain/(loss) for the period:					
Included in Profit or Loss Statement					
- (Loss)/gain on sale of investments and changes in fair value	(116.4)	80.8	(1.7)	84.3	47.0
Included in other comprehensive loss					
- 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

^(a) Extracted from audited consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16 FAIR VALUE OF ASSETS AND LIABILITIES (continued)**16.3 Level 3 Fair Value Measurements (continued)**

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

in Singapore Dollars (millions)	Group			
	Fair value measurements using significant unobservable inputs (Level 3)			
	31 December 2020 ^(a)			
	Investments			
	Unquoted equities	Collective Investment Schemes	Investment Properties	Total
Opening balance	143.0	1,844.3	1,785.5	3,772.8
Total gain/(loss) for the year:				
Included in Profit or Loss Statement				
- Gain/(loss) on sale of investments and changes in fair value	32.5	45.7	(19.1)	59.1
- Changes in fair value	(5.7)	-	-	(5.7)
Purchases and sales for the year:				
Purchases	-	292.2	-	292.2
Sales	(0.1)	(117.1)	-	(117.2)
Reclassification from property, plant and equipment	-	-	0.1	0.1
Currency translation reserve adjustment	-	-	0.7	0.7
Closing balance	169.7	2,065.1	1,767.2	4,002.0

17 DIVIDENDS

in Singapore Dollars (millions)	Group and Company	
	31 Dec 2021 ^(a)	31 Dec 2020 ^(a)
Final one-tier tax exempt dividend for the previous year of 50 cents per ordinary share (2020: 50 cents per ordinary share)	236.7	236.7
Interim one-tier tax exempt dividend of 10 cents per ordinary share (2020: 10 cents per ordinary share)	47.3	47.3
	284.0	284.0

The Directors proposed a final one-tier tax exempt dividend of 55 cents per ordinary share amounting to \$260.3 million (2020: \$236.7 million) be paid in respect of the financial year ended 31 December 2021. This has not been recognised as distributions to shareholders.

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

^(a) Extracted from audited consolidated financial statements

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

The auditor's report dated 21 February 2022, as extracted from the financial statements of Great Eastern Holdings Limited and its subsidiaries for the year ended 31 December 2021, which have been prepared in accordance with Singapore Financial Reporting Standards (International), is as follows:

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

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Great Eastern Holdings Limited ("the Company") and its subsidiaries ("the Group"), the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated profit or loss statement of the Group for the year ended 31 December 2021;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2021;
- the statements of changes in equity of the Group and of the Company for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

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

Report on the Audit of the Financial Statements (continued)

Our Audit Approach (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of life insurance contract liabilities</p> <p>Refer to the following notes in the consolidated financial statements: Note 2.10.3 <i>Life Insurance Contract Liabilities</i>, Note 2.30(a) <i>Critical accounting estimates and judgments on liabilities of insurance business</i>, Note 15.1 <i>Life Insurance Contracts</i> and Note 33 <i>Insurance Risk</i>.</p> <p>As at 31 December 2021, the Group has life insurance contract liabilities of S\$87,718.3 million representing approximately 87% of the Group's total liabilities.</p> <p>Management's valuation of life insurance contract liabilities uses complex actuarial methods and models. The valuation process involves significant judgment about the assumptions of uncertain future events, including: mortality, morbidity, expense, lapse, surrender and interest rates.</p> <p>In addition to historical experience, management judgment is involved in the application of these assumptions. Changes in these assumptions used could result in a material impact to the valuation of the life insurance contract liabilities and the related movements in the consolidated profit or loss statement of the Group.</p>	<p>We performed the following audit procedures to address this matter:</p> <ul style="list-style-type: none"> • We understood the actuarial valuation process, including model changes and assumptions setting; • We tested the design and operating effectiveness of controls over the accuracy and completeness of the data used; • We understood the valuation methodologies used, identified changes in methodologies from the previous valuation and assessed the reasonableness and impact for material changes identified. We carried out these procedures by applying our industry knowledge and experience and assessed whether the methodologies and changes to those methodologies are consistent with recognised actuarial practices and expectations derived from market experience; • We performed an independent review of model points on a sample basis to assess that the methodologies and assumptions have been applied appropriately; • We assessed the reasonableness of the key assumptions used by management including: mortality, morbidity, expense, lapse, surrender and interest rates, by comparing against the Group's historical experiences and market observable data, where applicable;

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

Report on the Audit of the Financial Statements (continued)

Our Audit Approach (continued)

Key Audit Matters (continued)

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

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

Report on the Audit of the Financial Statements (continued)

Other Information

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

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

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

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.

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

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

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

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



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