

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:

Unaudited Financial Statements of GEH Group for Half Year Ended 30 June 2021

For half year ended 30 June 2021, profit attributable to shareholders was \$669.9 million. Details are attached as follows:

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 Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2021.

Unaudited Supplementary Information

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

Record Date and Payment Date for Interim Dividend

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of GEH be closed on 23 August 2021 for the purpose of determining the entitlement of members to the interim one-tier tax exempt dividend of 10 cents per ordinary share in respect of the financial year ending 31 December 2021. 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 20 August 2021 will be registered to determine members’ entitlements to the interim 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 20 August 2021 will be entitled to the interim one-tier tax exempt dividend.

The interim one-tier tax exempt dividend will be paid on 31 August 2021.

By Order of the Board

Jennifer Wong Pakshong
Company Secretary
2 August 2021

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

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

FINANCIAL RESULTS FOR FIRST HALF ENDED 30 JUNE 2021

1. GROUP PROFIT OR LOSS STATEMENTS

| in Singapore Dollars (millions) | Note | 1st Half 2021 | 1st Half 2020 | % + / (-) |
|---|------|------------------|------------------|--------------|
| Income | | | | |
| Gross premiums | 6.2 | 9,116.7 | 6,477.5 | 41 |
| Premiums ceded to reinsurers | | (376.6) | (293.3) | (28) |
| Increase in premium liabilities | | (1.8) | (3.0) | 40 |
| Net premiums | | 8,738.3 | 6,181.2 | 41 |
| Commissions received from reinsurers | | 61.1 | 43.0 | 42 |
| Investment income, net | 6.3 | 1,316.7 | 1,316.1 | nm |
| Rental income, net | | 16.0 | 13.9 | 15 |
| Fees and other income | | 15.1 | 12.4 | 22 |
| (Loss)/gain on sale of investments and changes in fair value | 6.4 | (340.4) | 5.1 | nm |
| Change in third-party interests in consolidated investment funds | | - | 6.2 | (100) |
| Gain on disposal of interest in associate | | - | 1.4 | (100) |
| Gain on exchange differences | 6.5 | 37.7 | 109.9 | (66) |
| Total income | | 9,844.5 | 7,689.2 | 28 |
| less: Expenses | | | | |
| Gross claims, maturities, surrenders and annuities | 6.6 | 4,263.1 | 3,612.8 | 18 |
| Claims, maturities, surrenders and annuities recovered from reinsurers | | (261.4) | (146.4) | (79) |
| Commissions and distribution expenses | 6.7 | 680.0 | 539.2 | 26 |
| Increase in provision for impairment of assets | | 6.1 | 5.2 | 17 |
| Management and other expenses | 6.8 | 296.4 | 1,047.6 | (72) |
| Interest expense | | 0.2 | 9.2 | (98) |
| Increase in provision for agents' retirement benefits | | 14.1 | 4.2 | 236 |
| Depreciation and amortisation expenses | | 37.6 | 37.2 | 1 |
| Gross change in insurance contract liabilities | 6.9 | 3,874.3 | 2,992.1 | 29 |
| Change in insurance contract liabilities ceded to reinsurer | | (138.7) | (578.5) | 76 |
| Total expenses | | 8,771.7 | 7,522.6 | 17 |
| Profit before income tax | | 1,072.8 | 166.6 | 544 |
| Income tax (expense)/credit attributable to policyholders' returns | 6.10 | (258.8) | 254.6 | (202) |
| Profit before tax attributable to shareholders' profits | | 814.0 | 421.2 | 93 |
| Income tax (expense)/credit | | (390.7) | 173.3 | (325) |
| less: Income tax expense/(credit) attributable to policyholders' returns | | 258.8 | (254.6) | 202 |
| Income tax expense attributable to shareholders' profits | 6.11 | (131.9) | (81.3) | (62) |
| Profit after income tax | | 682.1 | 339.9 | 101 |
| Attributable to: | | | | |
| Shareholders | 6.1 | 669.9 | 331.4 | 102 |
| Non-controlling interests | | 12.2 | 8.5 | 44 |
| | | 682.1 | 339.9 | 101 |
| Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars) | | 1.42 | 0.70 | 103 |
| Return on Equity (Average Shareholders' Fund) (%) (not annualised) | | 7.0% | 3.9% | 3.1 pp |

nm – not meaningful / exceeding 1000%

2. GROUP STATEMENT OF COMPREHENSIVE INCOME

| in Singapore Dollars (millions) | 1st Half 2021 | 1st Half 2020 | % + / (-) |
|--|------------------|------------------|--------------|
| Profit after income tax for the period | 682.1 | 339.9 | 101 |
| 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 |
| Revaluation gains/(losses) on equity instruments at fair value through other comprehensive income | 153.9 | (198.0) | 178 |
| Income tax related to the above | (26.1) | 32.4 | (181) |
| Items that may be reclassified subsequently to the Profit or Loss Statement: | | | |
| Exchange differences arising on translation of overseas entities | (26.3) | (11.2) | (135) |
| Debt instruments at fair value through other comprehensive income: | | | |
| Changes in fair value | (193.6) | 249.8 | (178) |
| Changes in allowance for expected credit losses | 4.2 | 6.1 | (31) |
| Reclassification of realised gain on disposal of investments to the Profit or Loss Statement | (48.4) | (254.4) | 81 |
| Income tax related to the above | 39.5 | (1.3) | nm |
| Other comprehensive loss for the period, after tax | (97.0) | (176.6) | 45 |
| Total comprehensive income for the period | 585.1 | 163.3 | 258 |
| Total comprehensive income attributable to: | | | |
| Shareholders | 573.1 | 154.8 | 270 |
| Non-controlling interests | 12.0 | 8.5 | 41 |
| | 585.1 | 163.3 | 258 |

nm – not meaningful / exceeding 1000%

3. GROUP BALANCE SHEET

| in Singapore Dollars (millions) | Note | Group | | |
|--|--------|------------------|----------------|--------------|
| | | 30 Jun 2021 | 31 Dec 2020 | % + / (-) |
| Share capital | | 152.7 | 152.7 | - |
| Reserves | | | | |
| Currency translation reserve | | (19.7) | 6.6 | (398) |
| Fair value reserve | 6.12.1 | 372.3 | 464.9 | (20) |
| Retained earnings | | 9,192.1 | 8,736.8 | 5 |
| SHAREHOLDERS' EQUITY | | 9,697.4 | 9,361.0 | 4 |
| NON-CONTROLLING INTERESTS | | 98.6 | 113.5 | (13) |
| TOTAL EQUITY | | 9,796.0 | 9,474.5 | 3 |
| | | | | |
| LIABILITIES | | | | |
| Insurance payables | | 6,175.2 | 5,841.7 | 6 |
| Other creditors | | 2,858.6 | 2,705.4 | 6 |
| Debt issued | 6.12.2 | - | 400.0 | (100) |
| Income tax payable | | 312.6 | 225.5 | 39 |
| Derivative financial liabilities | | 236.3 | 273.2 | (14) |
| Provision for agents' retirement benefits | | 295.5 | 295.5 | - |
| Deferred tax | | 1,632.3 | 1,484.6 | 10 |
| Insurance contract liabilities | | 89,681.2 | 86,227.3 | 4 |
| TOTAL EQUITY AND LIABILITIES | | 110,987.7 | 106,927.7 | 4 |
| | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | | 12,701.7 | 9,649.8 | 32 |
| Other debtors | | 1,042.0 | 1,028.4 | 1 |
| Insurance receivables | | 3,324.1 | 3,072.9 | 8 |
| Reinsurers' share of insurance contract liabilities | | 2,619.1 | 2,487.6 | 5 |
| Loans | | 723.2 | 890.5 | (19) |
| Derivative financial assets | | 249.9 | 764.2 | (67) |
| Investments | 6.12.3 | 87,686.5 | 86,407.2 | 1 |
| Investment in associates | | 95.2 | 96.9 | (2) |
| Intangible assets | | 30.6 | 31.2 | (2) |
| Investment properties | | 1,760.6 | 1,767.2 | nm |
| Property, plant and equipment | | 754.8 | 731.8 | 3 |
| TOTAL ASSETS | | 110,987.7 | 106,927.7 | 4 |
| | | | | |
| Net Asset Value per share (in Singapore Dollars) | | 20.49 | 19.78 | 4 |

nm – not meaningful / exceeding 1000%

4. COMPANY BALANCE SHEET

| in Singapore Dollars (millions) | Company | | |
|--|----------------|----------------|--------------|
| | 30 Jun 2021 | 31 Dec 2020 | % + / (-) |
| Share capital | 152.7 | 152.7 | - |
| Reserves | | | |
| Merger reserve | 419.2 | 419.2 | - |
| Retained earnings | 3,171.3 | 3,130.7 | 1 |
| TOTAL EQUITY | 3,743.2 | 3,702.6 | 1 |
| LIABILITIES | | | |
| Other creditors | 6.5 | 7.9 | (18) |
| TOTAL EQUITY AND LIABILITIES | 3,749.7 | 3,710.5 | 1 |
| ASSETS | | | |
| Cash and cash equivalents | 18.6 | 19.3 | (4) |
| Other debtors | 0.5 | 0.3 | 67 |
| Amounts due from subsidiaries | 2,732.5 | 2,692.8 | 1 |
| Subsidiaries | 998.0 | 998.0 | - |
| Property, plant and equipment | 0.1 | 0.1 | - |
| TOTAL ASSETS | 3,749.7 | 3,710.5 | 1 |
| Net Asset Value per share (in Singapore Dollars) | 7.91 | 7.82 | 1 |

nm – not meaningful / exceeding 1000%

5. SELECTED INCOME AND MANAGEMENT EXPENSES

| in Singapore Dollars (millions) | Group | |
|---|------------------|------------------|
| | 1st Half 2021 | 1st Half 2020 |
| Expenses | | |
| 1. Staff costs and related expenses | 181.5 | 153.0 |
| 2. Depreciation and amortisation expenses | 37.6 | 37.2 |

6. REVIEW OF RESULTS

The Group Financial Statements for the half-year ended 30 June 2021 ("1H-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 \$669.9 million for 1H-21 (1H-20: \$331.4 million).

6.2 GROSS PREMIUMS

Gross premiums increased 41% to \$9,116.7 million in 1H-21 (1H-20: \$6,477.5 million) due to higher single premium sales in Singapore.

6.3 INVESTMENT INCOME, NET

Net investment income was relatively stable at \$1,316.7 million for 1H-21 (1H-20: \$1,316.1 million).

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

Sale of investments and changes in fair value was a loss of S\$340.4 million in 1H-21 (1H-20 gain of \$5.1 million). The loss in 1H-21 was mainly due to mark-to-market loss arising from unfavourable financial market conditions in Malaysia.

6.5 GAIN ON EXCHANGE DIFFERENCES

Exchange differences resulted in a decrease in gain to \$37.7 million in 1H-21 (1H-20: \$109.9 million). The decrease in gain arose mainly due to lower realised gain from USD denominated assets.

6.6 GROSS CLAIMS, MATURITIES, SURRENDERS AND ANNUITIES

Gross claims, maturities, surrenders and annuities increased to \$4,263.1 million for 1H-21 (1H-20: \$3,612.8 million) largely due to higher policy maturities and surrenders.

6.7 COMMISSIONS AND DISTRIBUTION EXPENSES

Commissions and distribution expenses increased to \$680.0 million for 1H-21 (1H-20: \$539.2 million), which is in line with higher sales.

6.8 MANAGEMENT AND OTHER EXPENSES

Management and other expenses decreased to \$296.4 million for 1H-21 (1H-20: \$1,047.6 million) 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 1H-20.

6.9 GROSS CHANGE IN INSURANCE CONTRACT LIABILITIES

Change in insurance contract liabilities was \$3,874.3 million for 1H-21 (1H-20: \$2,992.1 million). The increase in 1H-21 was mainly due to higher mark-to-market valuation impact on insurance contract liabilities and release of unallocated surplus in Malaysia for 1H-20.

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

Income tax attributable to policyholders' returns was an expense of \$258.8 million in 1H-21 (1H-20: tax credit of \$254.6 million). The higher expense in 1H-21 was in line with an increase in insurance contract liabilities compared to a decrease in 1H-20.

6.11 INCOME TAX EXPENSE ATTRIBUTABLE TO SHAREHOLDERS' PROFITS

Tax expense of \$131.9 million in 1H-21 (1H-20: tax expense of \$81.3 million) was mainly due to increase in profit.

6. REVIEW OF RESULTS (continued)

6.12 BALANCE SHEET

6.12.1 Fair Value Reserve

As at 30 June 2021, fair value reserve was \$372.3 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 fixed income portfolio across all entities as a result of rising interest rates.

6.12.2 Debt Issued

| in Singapore Dollars (millions) | 30 June 2021 | 31 December 2020 |
|---|--------------|------------------|
| Subordinated fixed rate notes (unsecured) | | |
| - payable after 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 \$87,686.5 million as at 30 June 2021 (31 December 2020: \$86,407.2 million). The split of investment assets was as follows:

| | Investments | | | Total |
|--------------------------------|----------------------|----------------------|-------------------|-----------------|
| | FVTPL ⁽¹⁾ | FVOCI ⁽²⁾ | AC ⁽³⁾ | |
| Par and Unit Linked Fund | 67,599.2 | 26.3 | - | 67,625.5 |
| Other Funds | 11,221.5 | 8,624.8 | 214.7 | 20,061.0 |
| Balance at 30 June 2021 | 78,820.7 | 8,651.1 | 214.7 | 87,686.5 |

| | Investments | | | Total |
|-------------------------------|----------------------|----------------------|-------------------|-----------------|
| | FVTPL ⁽¹⁾ | FVOCI ⁽²⁾ | AC ⁽³⁾ | |
| 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 | |
|--|--------------|------------------|--------------|------------------|
| | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 |
| Fixed income & debt securities | 59% | 63% | 62% | 61% |
| Equities | 22% | 21% | 28% | 30% |
| Real estate & others | 4% | 5% | 6% | 5% |
| Cash & money market instruments | 15% | 11% | 4% | 4% |
| Market Value of Assets (in SGD billions) | 66.1 | 61.5 | 25.0 | 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 30 June 2021 was unchanged at \$152.7 million compared with 31 December 2020. Total number of shares issued as at 30 June 2021 also remained unchanged at 473,319,069 compared with 31 December 2020.

8. UNAUDITED RESULTS

The consolidated Group's financial results for half-year ended 30 June 2021 have not been audited or reviewed by the Group's auditor.

9. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the 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 1H-21.

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

Regionally, South-East Asia has seen a resurgence in COVID-19 cases, with the emergence of more virulent strains, prompting governments to re-impose strict social distancing measures. Our Singapore business remains relatively resilient owing to our early efforts to build our distribution channels' digital capabilities. In Malaysia and Indonesia, new business volume may be impacted amid weakened demand and stricter movement control measures. Further, sales from the Bancassurance channel may be more significantly impacted as activity is largely at bank branches. At present, we do not observe any significant worsening of morbidity and mortality risks, and do not expect any material impact on our operating profit related to these risks.

We expect volatility in the financial markets to continue, resulting in fluctuations in the mark-to-market valuation of our assets and liabilities, which will impact our profit. Key factors are the direction of interest rates, credit spreads and equity prices. As 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. CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

Pursuant to Rule 705(5) of the Listing Manual, the Board of Directors of GEH confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements of GEH and of the Group for the half year ended 30 June 2021 to be false or misleading in any material aspect.

Issued: 2 August 2021

**SECTION B – THE UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021**

GREAT EASTERN HOLDINGS LIMITED

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

Unaudited Interim Condensed Consolidated Financial Statements

30 June 2021

GREAT EASTERN HOLDINGS LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED PROFIT OR LOSS STATEMENT

For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | Note | 2021 | 2020 |
|---|------|----------------|----------------|
| Income | | | |
| Gross premiums | | 9,116.7 | 6,477.5 |
| Premiums ceded to reinsurers | | (376.6) | (293.3) |
| Increase in premium liabilities | 9 | (1.8) | (3.0) |
| Net premiums | | 8,738.3 | 6,181.2 |
| Commissions received from reinsurers | | 61.1 | 43.0 |
| Investment income, net | 4 | 1,316.7 | 1,316.1 |
| Rental income, net | | 16.0 | 13.9 |
| Fees and other income | | 15.1 | 12.4 |
| (Loss)/Gain on sale of investments and changes in fair value | 5 | (340.4) | 5.1 |
| Change in third-party interests in consolidated investment funds | | - | 6.2 |
| Gain on disposal of interest in associate | | - | 1.4 |
| Gain on exchange differences | | 37.7 | 109.9 |
| Total income | | 9,844.5 | 7,689.2 |
| /less: Expenses | | | |
| Gross claims, maturities, surrenders and annuities | | 4,263.1 | 3,612.8 |
| Claims, maturities, surrenders and annuities recovered from reinsurers | | (261.4) | (146.4) |
| Commissions and distribution expenses | | 680.0 | 539.2 |
| Increase in provision for impairment of assets | 6 | 6.1 | 5.2 |
| Management and other expenses | | 296.4 | 1,047.6 |
| Interest expense | | 0.2 | 9.2 |
| Increase in provision for agents' retirement benefits | | 14.1 | 4.2 |
| Depreciation and amortisation expenses | 6 | 37.6 | 37.2 |
| Gross change in insurance contract liabilities | 9 | 3,874.3 | 2,992.1 |
| Change in insurance contract liabilities ceded to reinsurers | 9 | (138.7) | (578.5) |
| Total expenses | | 8,771.7 | 7,522.6 |
| Profit before income tax | | 1,072.8 | 166.6 |
| Income tax (expense)/credit attributable to policyholders' returns | 7 | (258.8) | 254.6 |
| Profit before tax attributable to shareholders' profits | | 814.0 | 421.2 |
| Income tax (expense)/credit | | (390.7) | 173.3 |
| /less: Income tax expense/(credit) attributable to policyholders' returns | | 258.8 | (254.6) |
| Income tax expense attributable to shareholders' profits | 7 | (131.9) | (81.3) |
| Profit after income tax | | 682.1 | 339.9 |
| Attributable to: | | | |
| Shareholders | | 669.9 | 331.4 |
| Non-controlling interests | | 12.2 | 8.5 |
| | | 682.1 | 339.9 |
| Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars) | | \$1.42 | \$0.70 |

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

GREAT EASTERN HOLDINGS LIMITED**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | Note | Group | |
|--|------|----------------|---------|
| | | 2021 | 2020 |
| Profit after income tax for the period | | 682.1 | 339.9 |
| Other comprehensive income: | | | |
| Items that will not be reclassified to the Profit or Loss Statement: | | | |
| Exchange differences arising on translation of overseas entities attributable to non-controlling interests | | (0.2) | - |
| Revaluation gain/(loss) on equity instruments at fair value through other comprehensive income | | 153.9 | (198.0) |
| Income tax related to the above | | (26.1) | 32.4 |
| Items that may be reclassified subsequently to the Profit or Loss Statement: | | | |
| Exchange differences arising on translation of overseas entities | | (26.3) | (11.2) |
| Debt instruments at fair value through other comprehensive income: | | | |
| Changes in fair value | | (193.6) | 249.8 |
| Changes in allowance for expected credit losses | | 4.2 | 6.1 |
| Reclassification of realised gain on disposal of investments to the Profit or Loss Statement | 5 | (48.4) | (254.4) |
| Income tax related to the above | | 39.5 | (1.3) |
| Other comprehensive loss for the period, after tax | | (97.0) | (176.6) |
| Total comprehensive income for the period | | 585.1 | 163.3 |
| Total comprehensive income attributable to: | | | |
| Shareholders | | 573.1 | 154.8 |
| Non-controlling interests | | 12.0 | 8.5 |
| | | 585.1 | 163.3 |

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

GREAT EASTERN HOLDINGS LIMITED

UNAUDITED INTERIM CONDENSED BALANCE SHEETS

As at 30 June and 31 December

| in Singapore Dollars (millions) | Note | Group | | Company | |
|--|------|------------------|----------------|----------------|----------------|
| | | 30 Jun 2021 | 31 Dec 2020 | 30 Jun 2021 | 31 Dec 2020 |
| Share capital | | 152.7 | 152.7 | 152.7 | 152.7 |
| Reserves | | | | | |
| Merger reserve | | - | - | 419.2 | 419.2 |
| Currency translation reserve | | (19.7) | 6.6 | - | - |
| Fair value reserve | | 372.3 | 464.9 | - | - |
| Retained earnings | | 9,192.1 | 8,736.8 | 3,171.3 | 3,130.7 |
| SHAREHOLDERS' EQUITY | | 9,697.4 | 9,361.0 | 3,743.2 | 3,702.6 |
| NON-CONTROLLING INTERESTS | | 98.6 | 113.5 | - | - |
| TOTAL EQUITY | | 9,796.0 | 9,474.5 | 3,743.2 | 3,702.6 |
| LIABILITIES | | | | | |
| Insurance payables | | 6,175.2 | 5,841.7 | - | - |
| Other creditors | | 2,858.6 | 2,705.4 | 6.5 | 7.9 |
| Debt issued | 8 | - | 400.0 | - | - |
| Income tax payable | | 312.6 | 225.5 | - | - |
| Derivative financial liabilities | 10 | 236.3 | 273.2 | - | - |
| Provision for agents' retirement benefits | | 295.5 | 295.5 | - | - |
| Deferred tax | | 1,632.3 | 1,484.6 | - | - |
| Insurance contract liabilities | 9 | 89,681.2 | 86,227.3 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 110,987.7 | 106,927.7 | 3,749.7 | 3,710.5 |
| ASSETS | | | | | |
| Cash and cash equivalents | | 12,701.7 | 9,649.8 | 18.6 | 19.3 |
| Other debtors | | 1,042.0 | 1,028.4 | 0.5 | 0.3 |
| Insurance receivables | | 3,324.1 | 3,072.9 | - | - |
| Reinsurers' share of insurance contract liabilities | 9 | 2,619.1 | 2,487.6 | - | - |
| Amount due from subsidiaries | | - | - | 2,732.5 | 2,692.8 |
| Loans | | 723.2 | 890.5 | - | - |
| Derivative financial assets | 10 | 249.9 | 764.2 | - | - |
| Investments | 11 | 87,686.5 | 86,407.2 | - | - |
| Investment in associates | | 95.2 | 96.9 | - | - |
| Investment in subsidiaries | | - | - | 998.0 | 998.0 |
| Intangible assets | | 30.6 | 31.2 | - | - |
| Investment properties | | 1,760.6 | 1,767.2 | - | - |
| Property, plant and equipment | 12 | 754.8 | 731.8 | 0.1 | 0.1 |
| TOTAL ASSETS | | 110,987.7 | 106,927.7 | 3,749.7 | 3,710.5 |

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

GREAT EASTERN HOLDINGS LIMITED

UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | Note | Attributable to shareholders of the Company | | | | | Total | Non-Controlling Interests | Total Equity |
|--|------|---|------------------------------|--------------------|---------------|-------------------|---------|---------------------------|--------------|
| | | Share Capital | Currency Translation Reserve | Fair Value Reserve | Other Reserve | Retained Earnings | | | |
| Balance at 1 January 2021 | | 152.7 | 6.6 | 464.9 | - | 8,736.8 | 9,361.0 | 113.5 | 9,474.5 |
| Profit for the period | | - | - | - | - | 669.9 | 669.9 | 12.2 | 682.1 |
| Other comprehensive (loss)/income | | | | | | | | | |
| Exchange differences arising on translation of overseas entities | | - | (26.3) | - | - | - | (26.3) | (0.2) | (26.5) |
| Net revaluation gain on equity instruments at fair value through other comprehensive income | | - | - | 127.8 | - | - | 127.8 | - | 127.8 |
| Debt instruments at FVOCI: | | | | | | | | | |
| Changes in fair value | | - | - | (193.6) | - | - | (193.6) | - | (193.6) |
| Changes in allowance for expected credit losses | | - | - | 4.2 | - | - | 4.2 | - | 4.2 |
| Reclassification of realised gain on disposal of investments to the Profit or Loss Statement | 5 | - | - | (48.4) | - | - | (48.4) | - | (48.4) |
| Income tax related to the above | | - | - | 39.5 | - | - | 39.5 | - | 39.5 |
| Other comprehensive loss for the period, after tax | | - | (26.3) | (70.5) | - | - | (96.8) | (0.2) | (97.0) |
| Total comprehensive (loss)/income for the period | | - | (26.3) | (70.5) | - | 669.9 | 573.1 | 12.0 | 585.1 |
| Reclassification of net change in fair value of equity instruments upon derecognition | | - | - | (22.1) | - | 22.1 | - | - | - |
| Distributions to shareholders | | | | | | | | | |
| Dividends paid during the period: | | | | | | | | | |
| Final one-tier tax exempt dividend for the previous year | 17 | - | - | - | - | (236.7) | (236.7) | - | (236.7) |
| Dividends paid to non-controlling interests | | - | - | - | - | - | - | (26.9) | (26.9) |
| Total distributions to shareholders | | - | - | - | - | (236.7) | (236.7) | (26.9) | (263.6) |
| Total transactions with shareholders in their capacity as shareholders | | - | - | - | - | (236.7) | (236.7) | (26.9) | (263.6) |
| Balance at 30 June 2021 | | 152.7 | (19.7) | 372.3 | - | 9,192.1 | 9,697.4 | 98.6 | 9,796.0 |

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

GREAT EASTERN HOLDINGS LIMITED

UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | Attributable to shareholders of the Company | | | | | Total | Non-Controlling Interests | Total Equity |
|--|---|------------------------------|--------------------|---------------|-------------------|---------|---------------------------|--------------|
| | Share Capital | Currency Translation Reserve | Fair Value Reserve | Other Reserve | Retained Earnings | | | |
| Balance at 1 January 2020 | 152.7 | 8.4 | 338.3 | 0.2 | 8,111.1 | 8,610.7 | 90.9 | 8,701.6 |
| Profit for the period | - | - | - | - | 331.4 | 331.4 | 8.5 | 339.9 |
| <u>Other comprehensive (loss)/income</u> | | | | | | | | |
| Exchange differences arising on translation of overseas entities | - | (11.2) | - | - | - | (11.2) | - | (11.2) |
| Net revaluation gain on equity instruments at fair value | - | - | (165.6) | - | - | (165.6) | - | (165.6) |
| <u>Debt instruments at FVOCI:</u> | | | | | | | | |
| Changes in fair value | - | - | 249.8 | - | - | 249.8 | - | 249.8 |
| Changes in allowance for expected credit losses | - | - | 6.1 | - | - | 6.1 | - | 6.1 |
| Reclassification of realised gain on disposal of investments to the Profit or Loss Statement | 5 | - | (254.4) | - | - | (254.4) | - | (254.4) |
| Income tax related to the above | - | - | (1.3) | - | - | (1.3) | - | (1.3) |
| Other comprehensive loss for the period, after tax | - | (11.2) | (165.4) | - | - | (176.6) | - | (176.6) |
| Total comprehensive (loss)/income for the period | - | (11.2) | (165.4) | - | 331.4 | 154.8 | 8.5 | 163.3 |
| Reclassification of net change in fair value of equity instruments upon derecognition | - | - | 40.5 | - | (40.5) | - | - | - |
| <u>Distributions to shareholders</u> | | | | | | | | |
| Dividends paid during the period: | | | | | | | | |
| Final one-tier tax exempt dividend for the previous year | 17 | - | - | - | (236.7) | (236.7) | - | (236.7) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | (9.1) | (9.1) |
| Total distributions to shareholders | - | - | - | - | (236.7) | (236.7) | (9.1) | (245.8) |
| <u>Changes in ownership interests in subsidiaries</u> | | | | | | | | |
| Transaction with non-controlling interests without a change in control | | | | | | | | |
| Total changes in ownership interests in subsidiaries | - | - | - | - | - | - | 3.9 | 3.9 |
| Total transactions with shareholders in their capacity as shareholders | - | - | - | - | (236.7) | (236.7) | (5.2) | (241.9) |
| Balance at 30 June 2020 | 152.7 | (2.8) | 213.4 | 0.2 | 8,165.3 | 8,528.8 | 94.2 | 8,623.0 |

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

GREAT EASTERN HOLDINGS LIMITED

UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY - COMPANY

For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | Note | Share Capital | Merger Reserve | Retained Earnings | Total Equity |
|---|------|------------------|-------------------|----------------------|-----------------|
| Balance at 1 January 2021 | | 152.7 | 419.2 | 3,130.7 | 3,702.6 |
| Profit for the period | | - | - | 277.3 | 277.3 |
| Total comprehensive income for the period | | - | - | 277.3 | 277.3 |
| <u>Distributions to shareholders</u> | | | | | |
| Dividends paid during the period: | | | | | |
| Final one-tier tax exempt dividend for the previous year | 17 | - | - | (236.7) | (236.7) |
| Total distributions to shareholders | | - | - | (236.7) | (236.7) |
| Total transactions with shareholders in their capacity as shareholders | | - | - | (236.7) | (236.7) |
| Balance at 30 June 2021 | | 152.7 | 419.2 | 3,171.3 | 3,743.2 |
| Balance at 1 January 2020 | | 152.7 | 419.2 | 3,337.6 | 3,909.5 |
| Profit for the period | | - | - | 79.0 | 79.0 |
| Total comprehensive income for the period | | - | - | 79.0 | 79.0 |
| <u>Distributions to shareholders</u> | | | | | |
| Dividends paid during the period: | | | | | |
| Final one-tier tax exempt dividend for the previous year | 17 | - | - | (236.7) | (236.7) |
| Total distributions to shareholders | | - | - | (236.7) | (236.7) |
| Balance at 30 June 2020 | | 152.7 | 419.2 | 3,179.9 | 3,751.8 |

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

GREAT EASTERN HOLDINGS LIMITED**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | Note | 2021 | 2020 |
|---|------|------------------|-----------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before income tax | | 1,072.8 | 166.6 |
| <i>Adjustments for non-cash items:</i> | | | |
| Gain on sale of investments and changes in fair value | 5 | 340.4 | (5.1) |
| Gain on disposal of interest in associate | | - | (1.4) |
| Increase in provision for impairment of assets | 6 | 6.1 | 5.2 |
| Increase in provision for agents' retirement benefits | | 14.1 | 4.2 |
| Loss on disposal of property, plant and equipment | | - | 0.1 |
| Depreciation and amortisation expenses | 6 | 37.6 | 37.2 |
| Unrealised gain on exchange differences | | (37.7) | (109.9) |
| Gross change in insurance contract liabilities | 9 | 3,874.3 | 2,992.1 |
| Change in insurance contract liabilities ceded to reinsurers | 9 | (138.7) | (578.5) |
| Change in premium liabilities | 9 | 1.8 | 3.0 |
| Amortisation of capitalised transaction fees | | - | 0.1 |
| Dividend income | 4 | (321.0) | (317.3) |
| Interest income | 4 | (1,063.2) | (1,126.9) |
| Interest expense | | 0.2 | 9.2 |
| Interest expense on policy benefits and lease liabilities | 6 | 101.5 | 103.8 |
| Share-based payments | | 2.7 | 3.0 |
| | | 3,890.9 | 1,185.4 |
| <i>Changes in working capital:</i> | | | |
| Insurance receivables | | (255.2) | (201.1) |
| Other debtors | | (19.1) | (79.6) |
| Insurance payables | | (90.8) | 199.0 |
| Other creditors | | 158.3 | (959.0) |
| Cash generated from operations | | 3,684.1 | 144.7 |
| Income tax paid | | (142.5) | (53.1) |
| Interest paid on policy benefits and lease liabilities | | (101.5) | (103.8) |
| Agents' retirement benefits paid | | (9.0) | (10.7) |
| Net cash flows generated from/(used in) operating activities | | 3,431.1 | (22.9) |

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

GREAT EASTERN HOLDINGS LIMITED**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | Note | 2021 | 2020 |
|---|------|-----------------|----------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from maturities and sale of investments | | 22,129.1 | 25,141.7 |
| Purchase of investments | | (23,167.5) | (25,301.9) |
| Proceeds from sale of property, plant and equipment | | 0.2 | 0.6 |
| Purchase of property, plant and equipment and investment properties | | (63.7) | (40.7) |
| Interest income received | | 1,077.7 | 1,154.0 |
| Interest expense paid | | (9.3) | (9.3) |
| Dividends received | | 324.1 | 309.6 |
| Net cash flows provided by investing activities | | 290.6 | 1,254.0 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividends paid | 17 | (236.7) | (236.7) |
| Dividends paid to non-controlling interests | | (26.9) | (9.1) |
| Changes in non-controlling interests | | - | 3.9 |
| Principal element of lease payments | | (6.2) | (6.3) |
| Redemption of debt issued | | (400.0) | - |
| Net cash flows used in financing activities | | (669.8) | (248.2) |
| Net increase in cash and cash equivalents | | 3,051.9 | 982.9 |
| Cash and cash equivalents at the beginning of the period | | 9,649.8 | 6,215.9 |
| Cash and cash equivalents at the end of the period | | 12,701.7 | 7,198.8 |
| Cash and cash equivalents comprise: | | | |
| Cash and bank balances | | 2,176.8 | 1,993.3 |
| Cash on deposit | | 3,559.6 | 2,919.0 |
| Short term instruments | | 6,965.3 | 2,286.5 |
| | | 12,701.7 | 7,198.8 |

Included in the cash and cash equivalents are bank deposits amounting to \$8.3 million (30 June 2020: \$8.7 million) which are lodged with the regulator as statutory deposits, which are not available for use by the Group.

The changes in liabilities arising from financing activities for the period ended 30 June 2021 and 30 June 2020 were not material.

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

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 2021

The unaudited interim condensed consolidated financial statements were authorised by the Board of Directors on 30 July 2021.

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 unaudited interim 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 unaudited interim condensed consolidated financial statements are to be read in conjunction with the Group's financial statements for the year ended 31 December 2020.

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

The unaudited interim 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 UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 2021

3 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

Regionally, South-East Asia has seen a resurgence in COVID-19 cases, with the emergence of more virulent strains, prompting governments to re-impose strict social distancing measures. Our Singapore business remains relatively resilient owing to our early efforts to build our distribution channels' digital capabilities. In Malaysia and Indonesia, new business volume may be impacted amid weakened demand and stricter movement control measures. Further, sales from the Bancassurance channel may be more significantly impacted as activity is largely at bank branches. At present, we do not observe any significant worsening of morbidity and mortality risks, and do not expect any material impact on our operating profit related to these risks.

We expect volatility in the financial markets to continue, resulting in fluctuations in the mark-to-market valuation of our assets and liabilities, which will impact our profit. Key factors are the direction of interest rates, credit spreads and equity prices. As our bonds are mostly investment grade, the default risk is likely to be low.

| in Singapore Dollars (millions) | Group | |
|---|--------------------------|------------------|
| | 6 Months 2021 | 6 Months 2020 |
| 4 INVESTMENT INCOME, NET | | |
| Dividend income | | |
| - Investments | | |
| Financial assets measured at fair value through other comprehensive income (FVOCI) | 34.5 | 31.6 |
| Financial assets mandatorily measured at fair value through profit or loss (FVTPL) | 286.5 | 285.7 |
| | 321.0 | 317.3 |
| Interest income | | |
| - Investments | | |
| Financial assets measured at FVOCI | 94.6 | 131.8 |
| Financial assets mandatorily measured at FVTPL | 107.0 | 73.4 |
| Financial assets designated as FVTPL | 721.0 | 770.5 |
| - Financial assets at amortised cost | 140.6 | 151.2 |
| | 1,063.2 | 1,126.9 |
| | 1,384.2 | 1,444.2 |
| <i>less:</i> Investment related expenses | (67.5) | (128.1) |
| | 1,316.7 | 1,316.1 |

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | | Group | |
|---------------------------------|---|-----------------|-----------|
| | | 6 Months | 6 Months |
| | | 2021 | 2020 |
| 5 | (LOSS)/GAIN ON SALE OF INVESTMENTS AND CHANGES IN FAIR VALUE | | |
| | Net gain on sale of debt securities measured at FVOCI | 48.4 | 254.4 |
| | Changes in fair value of investments | | |
| | - mandatorily measured at FVTPL | 1,212.4 | (1,931.0) |
| | - designated as FVTPL | (1,601.2) | 1,681.7 |
| | | (388.8) | (249.3) |
| | | (340.4) | 5.1 |
| 6 | ADDITIONAL PROFIT OR LOSS DISCLOSURES | | |
| | Staff costs and related expenses | 181.5 | 153.0 |
| | Fee income | 15.1 | 12.4 |
| | Depreciation and amortisation expenses | 37.6 | 37.2 |
| | Depreciation | 36.2 | 36.8 |
| | Amortisation | 1.4 | 0.4 |
| | Interest expense | 101.5 | 103.8 |
| | On policy benefits | 100.3 | 101.6 |
| | On lease liability | 1.2 | 2.2 |
| | Provision for impairment of assets | 6.1 | 5.2 |
| | Financial assets | 6.1 | 5.2 |
| | Donation to the National B40 Protection Trust Fund | - | 785.3 |

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | | Group | |
|---------------------------------|---|-----------------|----------------|
| | | 6 Months | 6 Months |
| | | 2021 | 2020 |
| 7 | INCOME TAX | | |
| | Major components of income tax expense | | |
| | The major components of income tax expense for the periods ended 30 June 2021 and 30 June 2020 are: | | |
| (a) | Income tax expense/(credit) attributable to policyholders' returns | | |
| | Current income tax: | | |
| | - Current income taxation | 83.9 | 72.1 |
| | - Over provision in respect of previous years | (1.1) | - |
| | | 82.8 | 72.1 |
| | Deferred income tax: | | |
| | - Origination and reversal of temporary differences | 176.0 | (326.7) |
| | | 176.0 | (326.7) |
| | | 258.8 | (254.6) |
| (b) | Income tax expense/(credit) attributable to shareholders' profits | | |
| | Current income tax: | | |
| | - Current income taxation | 155.6 | 87.8 |
| | - Over provision in respect of previous years | (18.0) | - |
| | | 137.6 | 87.8 |
| | Deferred income tax: | | |
| | - Origination and reversal of temporary differences | (5.7) | (6.5) |
| | | (5.7) | (6.5) |
| | | 131.9 | 81.3 |

| in Singapore Dollars (millions) | | Issue Date | Maturity Date | Group | |
|---------------------------------|--|-------------|---------------|---------------|--------------|
| | | | | 30 Jun | 31 Dec |
| | | | | 2021 | 2020 |
| 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.

GREAT EASTERN HOLDINGS LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | Note | Group | | |
|---|------|-----------------|--------------------|-----------------|
| 9 INSURANCE CONTRACT LIABILITIES | | | | |
| 30 June 2021 | | | | |
| | | Gross | Reinsurance | Net |
| Life insurance contracts | 9.1 | 89,032.9 | (2,230.4) | 86,802.5 |
| Non-life insurance contracts | 9.2 | 648.3 | (388.7) | 259.6 |
| | | 89,681.2 | (2,619.1) | 87,062.1 |
| 31 December 2020 | | | | |
| | | Gross | Reinsurance | Net |
| 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 | | | | |
| 30 June 2021 | | | | |
| | | Gross | Reinsurance | Net |
| Life insurance contract liabilities | | 86,987.2 | (2,230.4) | 84,756.8 |
| Unallocated surplus | | 2,045.7 | - | 2,045.7 |
| | | 89,032.9 | (2,230.4) | 86,802.5 |
| 31 December 2020 | | | | |
| | | Gross | Reinsurance | Net |
| 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 |

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 2021

9 INSURANCE CONTRACT LIABILITIES (continued)

9.1 Life insurance contracts (continued)

in Singapore Dollars (millions)

| | Group | | |
|---|-----------------|------------------|-----------------|
| | Gross | Reinsurance | Net |
| <u>Movement in life insurance contract liabilities</u> | | | |
| Balance at 1 January 2021 | 85,687.8 | (2,209.0) | 83,478.8 |
| Currency translation reserve adjustment | (410.3) | 2.5 | (407.8) |
| Change in life insurance contract liabilities | | | |
| - Due to assumptions change | 12.5 | (2.4) | 10.1 |
| - Due to change in discount rate | (581.3) | 35.2 | (546.1) |
| - Due to movement during the period | 5,198.6 | (56.7) | 5,141.9 |
| Provision for deferred tax on future policyholders' returns | (167.6) | - | (167.6) |
| Unallocated surplus | (702.2) | - | (702.2) |
| Others | (4.6) | - | (4.6) |
| Balance at 30 June 2021 | 89,032.9 | (2,230.4) | 86,802.5 |
| | 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 period | 5,323.1 | (110.8) | 5,212.3 |
| Provision for deferred tax on future policyholders' bonus | 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 |

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 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 |
| 30 June 2021 | | | |
| Contracts with Discretionary Participating Features ("DPF") | 61,391.9 | 11.8 | 61,403.7 |
| Contracts without Discretionary Participating Features ("DPF") | 16,320.7 | (2,228.4) | 14,092.3 |
| Investment-linked contracts | 9,274.6 | (13.8) | 9,260.8 |
| | 86,987.2 | (2,230.4) | 84,756.8 |
| | Gross | Reinsurance | Net |
| 31 December 2020 | | | |
| Contracts with Discretionary Participating Features ("DPF") | 59,829.5 | (51.9) | 59,777.6 |
| Contracts without Discretionary Participating Features ("DPF") | 14,248.6 | (2,142.8) | 12,105.8 |
| Investment-linked contracts | 8,828.0 | (14.3) | 8,813.7 |
| | 82,906.1 | (2,209.0) | 80,697.1 |
| 9.2 Non-life insurance contracts | | | |
| | Gross | Reinsurance | Net |
| 30 June 2021 | | | |
| Claim Liabilities | 461.1 | (318.7) | 142.4 |
| Premium liabilities | 187.2 | (70.0) | 117.2 |
| Total | 648.3 | (388.7) | 259.6 |
| | Gross | Reinsurance | Net |
| 31 December 2020 | | | |
| Claim Liabilities | 351.0 | (206.5) | 144.5 |
| Premium liabilities | 188.5 | (72.1) | 116.4 |
| Total | 539.5 | (278.6) | 260.9 |

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 2021

9 INSURANCE CONTRACT LIABILITIES (continued)

9.2 Non-life insurance contracts (continued)

in Singapore Dollars (millions)

| | Group | | |
|---|--------------|----------------|--------------|
| | Gross | Reinsurance | Net |
| <u>Movement in claims liabilities</u> | | | |
| Balance at 1 January 2021 | 351.0 | (206.5) | 144.5 |
| Currency translation reserve adjustment | (4.2) | 2.6 | (1.6) |
| Movement during the period | 114.3 | (114.8) | (0.5) |
| Balance at 30 June 2021 | 461.1 | (318.7) | 142.4 |
| | Gross | Reinsurance | Net |
| Balance at 1 January 2020 | 280.2 | (132.0) | 148.2 |
| Currency translation reserve adjustment | (0.8) | (0.1) | (0.9) |
| Movement during the period | 71.6 | (74.4) | (2.8) |
| Balance at 31 December 2020 | 351.0 | (206.5) | 144.5 |
| | Gross | Reinsurance | Net |
| <u>Movement in premium liabilities</u> | | | |
| Balance at 1 January 2021 | 188.5 | (72.1) | 116.4 |
| Currency translation reserve adjustment | (1.7) | 0.7 | (1.0) |
| Movement during the period | 0.4 | 1.4 | 1.8 |
| Balance at 30 June 2021 | 187.2 | (70.0) | 117.2 |
| | Gross | Reinsurance | Net |
| 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 |

GREAT EASTERN HOLDINGS LIMITED

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For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | Notional Principal | Derivative Financial Assets | Derivative Financial Liabilities |
|--|-----------------------|-----------------------------------|--|
| 10 DERIVATIVE FINANCIAL INSTRUMENTS | | | |
| 30 June 2021 | | | |
| Foreign exchange: | | | |
| Forwards | 28,312.5 | 87.4 | (128.6) |
| Currency swaps | 4,647.3 | 48.5 | (94.4) |
| Options | 1,219.9 | 3.9 | (2.0) |
| Interest rates: | | | |
| Swaps | 2,921.4 | 62.9 | (6.7) |
| Exchange traded futures | 493.2 | 1.3 | (1.8) |
| Equity: | | | |
| Swap | 278.0 | 7.0 | (0.4) |
| Futures | 374.2 | 2.1 | (0.7) |
| Options | 241.7 | 35.8 | - |
| Credit: | | | |
| Swaps | 100.8 | - | (0.8) |
| Bond: | | | |
| Forwards | 16.2 | 0.1 | (0.2) |
| Options | 0.4 | 0.9 | (0.7) |
| | 38,605.6 | 249.9 | (236.3) |
| 31 December 2020 | | | |
| Foreign exchange: | | | |
| Forwards | 25,442.2 | 311.3 | (155.9) |
| Currency swaps | 5,127.1 | 78.7 | (102.9) |
| Options | 2,094.3 | 14.2 | (6.3) |
| Interest rates: | | | |
| Swaps | 1,740.1 | 91.6 | (0.5) |
| Exchange traded futures | 438.2 | 1.0 | (0.2) |
| Equity: | | | |
| 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.

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| in Singapore Dollars (millions) | | Group | |
|---------------------------------|---|------------------------|------------------------|
| | | 30 Jun 2021 | 31 Dec 2020 |
| 11 | INVESTMENTS | | |
| 11.1 | Financial assets at FVOCI | | |
| | Equity securities designated at FVOCI | | |
| (i) | Quoted equity securities | 2,308.6 | 1,993.5 |
| | - Singapore Exchange | 463.8 | 389.5 |
| | - Hong Kong Stock Exchange | 380.9 | 322.9 |
| | - Australian Stock Exchange | 266.2 | 224.8 |
| | - Taiwan Stock Exchange | 377.2 | 297.8 |
| | - Bursa Malaysia | 249.3 | 276.6 |
| | - Others | 571.2 | 481.9 |
| (ii) | Unquoted equity securities | 26.5 | 28.8 |
| | | 2,335.1 | 2,022.3 |
| | Debt securities | | |
| (iii) | Quoted debt securities ⁽¹⁾ | 4,718.1 | 4,840.5 |
| (iv) | Unquoted debt securities | 1,597.9 | 1,710.8 |
| | | 6,316.0 | 6,551.3 |
| | Total securities measured at FVOCI | 8,651.1 | 8,573.6 |
| 11.2 | Financial assets at FVTPL | | |
| | <u>Mandatorily measured at FVTPL</u> | | |
| | Equity securities | | |
| (i) | Quoted equity securities | 13,657.0 | 13,494.8 |
| (ii) | Unquoted equity securities | 110.5 | 145.1 |
| | | 13,767.5 | 13,639.9 |
| | Debt securities | | |
| (iii) | Quoted debt securities | 4,035.4 | 3,458.8 |
| (iv) | Unquoted debt securities | 2,186.1 | 2,173.3 |
| | | 6,221.5 | 5,632.1 |
| | Other investments | | |
| (v) | Collective investment schemes ⁽²⁾ | 15,083.9 | 13,898.8 |
| | Total financial assets mandatorily measured at FVTPL | 35,072.9 | 33,170.8 |
| | <u>Designated as FVTPL</u> | | |
| | Debt securities | | |
| (i) | Quoted debt securities | 29,091.1 | 29,307.5 |
| (ii) | Unquoted debt securities | 14,656.7 | 15,182.4 |
| | Total financial assets designated at FVTPL ⁽³⁾ | 43,747.8 | 44,489.9 |
| | Total financial assets at FVTPL | 78,820.7 | 77,660.7 |

GREAT EASTERN HOLDINGS LIMITED

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For the financial period ended 30 June 2021

| in Singapore Dollars (millions) | | Group | |
|---------------------------------|--|-----------------|----------|
| | | 30 Jun | 31 Dec |
| | | 2021 | 2020 |
| 11 | INVESTMENTS (continued) | | |
| 11.3 | Financial assets at Amortised Cost | | |
| | Debt securities | | |
| | (i) Quoted debt securities | 214.7 | 172.9 |
| | Total financial assets measured at Amortised Cost ⁽⁴⁾ | 214.7 | 172.9 |
| | TOTAL INVESTMENTS | 87,686.5 | 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 | |
|---------------------------------|------------------------|---------------|--------|
| | | 30 Jun | 31 Dec |
| | | 2021 | 2020 |
| | Quoted Debt Securities | 237.5 | 202.1 |

12 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired assets amounting to \$64.6 million (30 June 2020: \$42.1 million) and disposed of assets amounting to \$0.3 million (30 June 2020: \$3.2 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 | |
|---------------------------------|---|---------------|--------|
| | | 30 Jun | 31 Dec |
| | | 2021 | 2020 |
| | Commitments for capital expenditure not provided for in the financial statements: | | |
| | - investment properties | 3.7 | 14.8 |
| | - property, plant and equipment | 86.8 | 94.2 |
| | | 90.5 | 109.0 |

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 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 period:

| in Singapore Dollars (millions) | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 |
| Fees and commission and other income received from: | | | | |
| - holding company | 4.5 | 5.4 | - | - |
| - related parties of the holding company | 14.9 | 12.3 | - | - |
| Premiums received from key management personnel | 0.3 | 0.6 | - | - |
| Fees and commission expense paid to: | | | | |
| - holding company | 121.1 | 68.3 | - | - |
| - related parties of the holding company | 30.2 | 29.3 | - | - |
| Interest income received from: | | | | |
| - holding company | 0.1 | 0.5 | - | - |
| - related parties of the holding company | 5.2 | 15.3 | - | - |
| Rental income received from: | | | | |
| - related parties of the holding company | 0.1 | 0.1 | - | - |
| Other expenses paid to: | | | | |
| - holding company | 12.0 | 3.0 | - | - |
| - related parties of the holding company | 8.4 | 6.6 | - | - |

14.2 Balance sheet balances with related parties

Balance sheet balances with related parties as at 30 June and 31 December are as follows:

| in Singapore Dollars (millions) | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 30 Jun 2021 | 31 Dec 2020 | 30 Jun 2021 | 31 Dec 2020 |
| Cash and cash equivalents held with: | | | | |
| - holding company | 1,088.1 | 633.8 | 17.5 | 19.3 |
| - related parties of the holding company | 603.6 | 302.0 | - | - |
| Cash collateral held with: | | | | |
| - holding company | 19.6 | - | - | - |
| Amount due to holding company | 2.8 | 200.4 | - | - |
| Investments in debt securities of: | | | | |
| - related parties of the holding company | 112.2 | 78.1 | - | - |
| Derivative financial assets held with: | | | | |
| - holding company | 88.4 | 315.7 | - | - |
| - related parties of the holding company | - | 2.9 | - | - |
| Derivative financial liabilities held with: | | | | |
| - holding company | 85.5 | 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).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 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 the 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 business owners through a wide range of general insurance products including but not limited to Fire, Motor, Marine and Aviation, Workmen's Compensation, Personal Accident, Health and Other Property and Casualty lines.

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 provides fund management services for absolute return/balanced mandates with different risk-return characteristics and manages a range of products, including Asia Pacific equities, Asian and global fixed income securities portfolios. Clients 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

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For the financial period ended 30 June 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 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 |
| Net premiums | - | - | 100.8 | 105.2 | 8,638.7 | 6,077.0 | (1.2) | (1.0) | 8,738.3 | 6,181.2 |
| Commissions received from reinsurers | - | - | 17.4 | 17.8 | 43.7 | 25.2 | - | - | 61.1 | 43.0 |
| Investment income, net | 63.7 | 78.1 | 5.7 | 9.4 | 1,208.6 | 1,193.9 | 38.7 | 34.7 | 1,316.7 | 1,316.1 |
| Rental income, net | - | - | - | - | 29.4 | 27.5 | (13.4) | (13.6) | 16.0 | 13.9 |
| Fees and other income | 203.4 | 47.1 | - | - | - | - | (188.3) | (34.7) | 15.1 | 12.4 |
| (Loss)/gain on sale of investments and changes in fair value | 70.2 | (30.7) | 1.2 | 2.5 | (411.8) | 33.3 | - | - | (340.4) | 5.1 |
| Change in third-party interests in consolidated investment funds | - | 6.2 | - | - | - | - | - | - | - | 6.2 |
| Loss on disposal of interest in associate | - | - | - | - | - | 1.4 | - | - | - | 1.4 |
| Gain on exchange differences | 0.2 | 10.2 | 0.3 | 0.4 | 37.2 | 99.3 | - | - | 37.7 | 109.9 |
| Total income | 337.5 | 110.9 | 125.4 | 135.3 | 9,545.8 | 7,457.6 | (164.2) | (14.6) | 9,844.5 | 7,689.2 |
| Gross claims, surrenders and annuities | - | - | 76.1 | 105.6 | 4,187.0 | 3,507.2 | - | - | 4,263.1 | 3,612.8 |
| Claims, surrenders and annuities recovered from reinsurers | - | - | (33.0) | (55.6) | (228.4) | (90.8) | - | - | (261.4) | (146.4) |
| Commissions and distribution expenses | 163.0 | 13.2 | 31.2 | 30.2 | 642.0 | 498.4 | (156.2) | (2.6) | 680.0 | 539.2 |
| Increase in provision for impairment of assets | 1.9 | 3.2 | 0.6 | 0.1 | 3.6 | 1.9 | - | - | 6.1 | 5.2 |
| Management and other expenses | 43.3 | 810.5 | 27.2 | 26.7 | 233.9 | 222.4 | (8.0) | (12.0) | 296.4 | 1,047.6 |
| Interest expense | 0.2 | 9.2 | - | - | - | - | - | - | 0.2 | 9.2 |
| Agents' retirement benefits | - | - | - | - | 14.1 | 4.2 | - | - | 14.1 | 4.2 |
| Depreciation | 2.3 | 2.3 | 1.8 | 1.5 | 33.5 | 33.4 | - | - | 37.6 | 37.2 |
| Gross change in insurance contract liabilities | - | (785.3) | 114.3 | 8.9 | 3,760.0 | 3,768.5 | - | - | 3,874.3 | 2,992.1 |
| Change in insurance contract liabilities ceded to reinsurers | - | - | (115.0) | (5.2) | (23.7) | (573.3) | - | - | (138.7) | (578.5) |
| Total expenses | 210.7 | 53.1 | 103.2 | 112.2 | 8,622.0 | 7,371.9 | (164.2) | (14.6) | 8,771.7 | 7,522.6 |
| Profit before income tax | 126.8 | 57.8 | 22.2 | 23.1 | 923.8 | 85.7 | - | - | 1,072.8 | 166.6 |
| Income tax (expense)/credit attributable to policyholders' returns | - | - | - | - | (258.8) | 254.6 | - | - | (258.8) | 254.6 |
| Profit before tax attributable to shareholders' profits | 126.8 | 57.8 | 22.2 | 23.1 | 665.0 | 340.3 | - | - | 814.0 | 421.2 |
| Income tax (expense)/credit | (20.5) | (10.9) | (5.3) | (4.8) | (364.9) | 189.0 | - | - | (390.7) | 173.3 |
| less: Income expense/(credit) attributable to policyholders' returns | - | - | - | - | 258.8 | (254.6) | - | - | 258.8 | (254.6) |
| Income tax expense attributable to shareholders' profits | (20.5) | (10.9) | (5.3) | (4.8) | (106.1) | (65.6) | - | - | (131.9) | (81.3) |
| Profit after income tax | 106.3 | 46.9 | 16.9 | 18.3 | 558.9 | 274.7 | - | - | 682.1 | 339.9 |

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

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For the financial period ended 30 June 2021

15 SEGMENTAL INFORMATION (continued)

(1) By Business Segments (continued)

| in Singapore Dollars (millions) | Group | | | | | | | | | |
|---|------------------|------------------|--------------------|------------------|------------------|------------------|------------------------------|------------------|------------------|------------------|
| | Shareholders | | Non-life Insurance | | Life Insurance | | Adjustments and Eliminations | | Consolidated | |
| | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 |
| Other material items: | | | | | | | | | | |
| Interest income | 42.4 | 58.1 | 6.1 | 9.8 | 1,014.7 | 1,059.0 | - | - | 1,063.2 | 1,126.9 |
| Staff costs and related expenses | 20.4 | 8.1 | 17.3 | 17.0 | 143.6 | 127.6 | 0.2 | 0.3 | 181.5 | 153.0 |
| Interest expense on policy benefits and lease liability | - | - | - | - | 101.5 | 103.8 | - | - | 101.5 | 103.8 |
| Non-cash items: | | | | | | | | | | |
| Changes in fair value of investments: | | | | | | | | | | |
| - through Profit and Loss Statement | 61.2 | (43.4) | (0.2) | 0.9 | (449.8) | (206.8) | - | - | (388.8) | (249.3) |
| - through equity | 11.3 | (52.2) | (8.6) | 7.4 | (42.4) | 96.6 | - | - | (39.7) | 51.8 |
| | | | | | | | | | | |
| in Singapore Dollars (millions) | Group | | | | | | | | | |
| | Shareholders | | Non-life Insurance | | Life Insurance | | Adjustments and Eliminations | | Consolidated | |
| | 30 Jun 21 | 31 Dec 20 | 30 Jun 21 | 31 Dec 20 | 30 Jun 21 | 31 Dec 20 | 30 Jun 21 | 31 Dec 20 | 30 Jun 21 | 31 Dec 20 |
| Assets and liabilities: | | | | | | | | | | |
| Segment assets | 10,259.6 | 10,279.1 | 1,027.4 | 896.9 | 103,431.3 | 99,289.4 | (3,825.8) | (3,634.6) | 110,892.5 | 106,830.8 |
| Investments in associates | 95.2 | 96.9 | - | - | - | - | - | - | 95.2 | 96.9 |
| Total assets | 10,354.8 | 10,376.0 | 1,027.4 | 896.9 | 103,431.3 | 99,289.4 | (3,825.8) | (3,634.6) | 110,987.7 | 106,927.7 |
| Segment liabilities | 110.4 | 495.2 | 1,037.5 | 903.8 | 101,924.7 | 97,978.6 | (3,825.8) | (3,634.5) | 99,246.8 | 95,743.1 |
| Income tax and deferred tax liabilities | 294.9 | 274.4 | (1.8) | (0.8) | 1,651.8 | 1,436.5 | - | - | 1,944.9 | 1,710.1 |
| Total liabilities | 405.3 | 769.6 | 1,035.7 | 903.0 | 103,576.5 | 99,415.1 | (3,825.8) | (3,634.5) | 101,191.7 | 97,453.2 |
| Other segment information: | | | | | | | | | | |
| Additions to non-current assets | | | | | | | | | | |
| - property, plant and equipment | 2.4 | 6.5 | 3.8 | 7.8 | 58.4 | 88.6 | - | - | 64.6 | 102.9 |

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15 SEGMENTAL INFORMATION (continued)
(2) By Geographical Segments

| in Singapore Dollars (millions) | Group | | | | | | | | | |
|---------------------------------------|--------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|
| | Singapore | | Malaysia | | Other Asia | | Adjustments and Eliminations | | Consolidated | |
| | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 | 6 Months 2021 | 6 Months 2020 |
| Total revenue from external customers | 8,472.6 | 5,988.8 | 1,411.4 | 1,653.6 | 122.2 | 58.5 | (161.7) | (11.7) | 9,844.5 | 7,689.2 |
| Dividend from subsidiaries | 50.3 | 60.2 | - | - | - | - | (50.3) | (60.2) | - | - |
| Total income | 8,522.9 | 6,049.0 | 1,411.4 | 1,653.6 | 122.2 | 58.5 | (212.0) | (71.9) | 9,844.5 | 7,689.2 |
| Profit/(loss) after income tax | 508.4 | 159.6 | 268.3 | 285.5 | 3.0 | 1.7 | (97.6) | (106.9) | 682.1 | 339.9 |

| in Singapore Dollars (millions) | Group | | | | | | | | | |
|---------------------------------|------------------|-----------|------------------|-----------|------------------|-----------|------------------------------|-----------|------------------|-----------|
| | Singapore | | Malaysia | | Other Asia | | Adjustments and Eliminations | | Consolidated | |
| | 30 Jun 21 | 31 Dec 20 | 30 Jun 21 | 31 Dec 20 | 30 Jun 21 | 31 Dec 20 | 30 Jun 21 | 31 Dec 20 | 30 Jun 21 | 31 Dec 20 |
| Non-current assets | 1,953.4 | 1,943.0 | 585.3 | 579.4 | 7.3 | 7.8 | - | - | 2,546.0 | 2,530.2 |

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

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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 30 June 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. There are no transfers between the fair value hierarchy levels for the financial period 30 June 2021 and financial year ended 31 December 2020.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 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 | | | |
|---|--|---|---|---------|
| | 30 June 2021 | | | |
| | 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) | Total |
| in Singapore Dollars (millions) | | | | |
| <u>As at 30 June 2021</u> | | | | |
| <u>Recurring Fair Value Measurements</u> | | | | |
| <u>FINANCIAL ASSETS</u> | | | | |
| Derivative financial assets | | | | |
| Foreign exchange | | | | |
| Forwards | - | 87.4 | - | 87.4 |
| Currency swaps | - | 48.5 | - | 48.5 |
| Options | - | 3.9 | - | 3.9 |
| Interest rates | | | | |
| Swaps | - | 62.9 | - | 62.9 |
| Exchange traded futures | 1.3 | - | - | 1.3 |
| Equity | | | | |
| Swap | - | 7.0 | - | 7.0 |
| Futures | 2.1 | - | - | 2.1 |
| Options | - | 35.8 | - | 35.8 |
| Bond | | | | |
| Forwards | - | 0.1 | - | 0.1 |
| Options | - | 0.9 | - | 0.9 |
| | 3.4 | 246.5 | - | 249.9 |
| Financial assets at FVOCI | | | | |
| Equity securities | 2,308.6 | - | 26.5 | 2,335.1 |
| Debt securities | 4,996.9 | 1,319.1 | - | 6,316.0 |
| | 7,305.5 | 1,319.1 | 26.5 | 8,651.1 |

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 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 |
|---|--|---|---|-----------------|
| | 30 June 2021 | | | |
| | 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) | | | | |
| As at 30 June 2021 | | | | |
| FINANCIAL ASSETS | | | | |
| Financial assets at FVTPL | | | | |
| Equity securities | 13,657.0 | 6.3 | 104.2 | 13,767.5 |
| Debt securities | 34,508.5 | 15,460.8 | - | 49,969.3 |
| Other investments | | | | |
| Collective investment schemes | 8,369.7 | 4,376.0 | 2,338.2 | 15,083.9 |
| | 56,535.2 | 19,843.1 | 2,442.4 | 78,820.7 |
| Financial assets as at 30 June 2021 | 63,844.1 | 21,408.7 | 2,468.9 | 87,721.7 |
| NON-FINANCIAL ASSETS | | | | |
| Investment properties | - | - | 1,760.6 | 1,760.6 |
| Non-financial assets as at 30 June 2021 | - | - | 1,760.6 | 1,760.6 |
| FINANCIAL LIABILITIES | | | | |
| Derivative financial liabilities | | | | |
| Foreign exchange | | | | |
| Forwards | - | 128.6 | - | 128.6 |
| Currency swaps | - | 94.4 | - | 94.4 |
| Options | - | 2.0 | - | 2.0 |
| Interest rates | | | | |
| Swaps | - | 6.7 | - | 6.7 |
| Exchange traded futures | 1.8 | - | - | 1.8 |
| Equity | | | | |
| Swap | - | 0.4 | - | 0.4 |
| Futures | 0.7 | - | - | 0.7 |
| Credit | | | | |
| Swaps | - | 0.8 | - | 0.8 |
| Bond | | | | |
| Forwards | - | 0.2 | - | 0.2 |
| Options | - | 0.7 | - | 0.7 |
| Financial liabilities as at 30 June 2021 | 2.5 | 233.8 | - | 236.3 |

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 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 | | | |
| | 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>As at 31 December 2020</u> | | | | |
| <u>Recurring Fair Value Measurements</u> | | | | |
| FINANCIAL ASSETS | | | | |
| 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 |

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 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 | | | |
| | 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>As at 31 December 2020</u> | | | | |
| 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 |
| | <u>49,304.6</u> | <u>26,150.1</u> | <u>2,206.0</u> | <u>77,660.7</u> |
| Financial assets as at 31 December 2020 | <u>55,561.6</u> | <u>29,202.1</u> | <u>2,234.8</u> | <u>86,998.5</u> |
| <u>NON-FINANCIAL ASSETS</u> | | | | |
| Investment properties | - | - | 1,767.2 | 1,767.2 |
| Non-financial assets as at 31 December 2020 | <u>-</u> | <u>-</u> | <u>1,767.2</u> | <u>1,767.2</u> |
| <u>FINANCIAL LIABILITIES</u> | | | | |
| 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 | <u>5.4</u> | <u>267.8</u> | <u>-</u> | <u>273.2</u> |

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 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 30 June 2021 | Valuation techniques | Unobservable inputs | Range (weighted average) |
|----------------------------------|---|-----------------------------------|---|--|
| Investment properties | 1,760.6 | 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 | 130.7 | Net asset value ⁽¹⁾ | not applicable | not applicable |
| Collective Investment Schemes | 2,338.2 | Net asset value ⁽¹⁾ | not applicable | not applicable |
| Description | Fair value as at 31 December 2020 | Valuation techniques | Unobservable inputs | Range (weighted average) |
| Investment properties | 1,767.2 | Income approach | Rental 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.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 2021

16 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

16.3 Level 3 Fair Value Measurements (continued)

(ii) Valuation process:

Valuation of financial instruments is performed by custodians and the valuation of investment properties are performed by external valuer. The valuations of investment properties are based primarily on the comparable method, the income method and the residual method. The valuation by custodians is verified and assessed for reasonableness by the Group Investment Management department against available market condition. The major inputs in relation to the valuation of investment properties are verified against independent valuation reports and assessed for reasonableness against property values of other comparable properties. Our property department also held discussions with external valuer on any fluctuations in the values noted.

(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) | | | |
| | 30 June 2021 | | | |
| | Investments | | | |
| | Unquoted equities | Collective Investment Schemes | Investment Properties | Total |
| in Singapore Dollars (millions) | | | | |
| Opening balance | 169.7 | 2,065.1 | 1,767.2 | 4,002.0 |
| Total gain/(loss) for the period: | | | | |
| Included in Profit or Loss Statement | | | | |
| - (Loss)/gain on sale of investments and changes in fair value | (35.6) | 173.4 | - | 137.8 |
| Included in other comprehensive loss | | | | |
| - Changes in fair value | (2.2) | - | - | (2.2) |
| Purchases and sales for the year: | | | | |
| Purchases | - | 193.9 | - | 193.9 |
| Sales | (1.2) | (94.2) | - | (95.4) |
| Currency translation reserve adjustment | - | - | (6.6) | (6.6) |
| Closing balance | 130.7 | 2,338.2 | 1,760.6 | 4,229.5 |

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 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 | | | |
| | 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 |

16.4 Fair Value of Financial Instruments by Classes That Are Not Carried at Fair Value and Whose Carrying Amounts Are Not Reasonable Approximation of Fair Value

The carrying amounts of the Group's financial assets and liabilities approximate their fair value, either due to their short-term nature or because they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date, except as disclosed below:

| in Singapore Dollars (millions) | Group | | | |
|---------------------------------|------------------------|------------|----------------------------|------------|
| | 30 Jun 30 June 2021 | | 31 Dec 31 December 2020 | |
| | Carrying amount | Fair Value | Carrying amount | Fair Value |
| Financial liabilities | | | | |
| Debt issued | - | - | 400.0 | 400.5 |

Fair value of debt issued is determined directly by reference to the published market bid price at the end of the reporting period.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the financial period ended 30 June 2021

17 DIVIDENDS

| | Group and Company | |
|---|--------------------------|---------------|
| in Singapore Dollars (millions) | 30 Jun | 30 Jun |
| | 2021 | 2020 |
| Final one-tier tax exempt dividend for the previous year of 50 cents per ordinary share (2020: 50 cents per ordinary share) | 236.7 | 236.7 |
| | 236.7 | 236.7 |

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.